

# Request for Decision



**To:** Peter de Verteuil, CAO **File No:**  
**Meeting Date:** September 5, 2017 Committee of the Whole Meeting  
**From:** Michelle Geneau, Manager of Planning  
**Re:** **Zoning Bylaw No. 3166, 2017 – Affordable Housing Definitions**

**RECOMMENDATION:**

**That the Committee of the Whole direct staff to revise the affordable housing definitions in Zoning Bylaw No. 3166, 2017, prior to the September 18, 2017 public hearing, as described in the September 5, 2017 report of the Manager of Planning.**

**BACKGROUND:**

Zoning Bylaw No. 3166, 2017 received first and second readings at the August 21, 2017 Council Meeting. The bylaw will be forwarded to a Public Hearing on September 18, 2017. At the Council Meeting, Councillor Jackson requested further information on the basis for the definition for “affordable housing” in the bylaw.

The draft bylaw included the following definition:

**Affordable Housing** means housing which, under the terms of a *Housing Agreement* with the City, is priced such that the occupant household’s annual housing costs, in the case of ownership housing including property taxes and assuming a down payment of 10% and a 25-year mortgage amortization period, is not more than 18% of the median gross annual household income in the City of Duncan as most recently reported by Statistics Canada as of the date of the *Housing Agreement*.

The above language was based on feedback from the lawyer who provided a legal review of the proposed density bonusing policies in the bylaw.

The bylaw initially had the following definitions, which were combined by the lawyer in the above definition:

**Affordable Housing** means housing which, under the terms of a *Housing Agreement* with the City, has a market or rental price that is *affordable* or is for households that have a gross income that is 60% or less than the median gross household income in the City of Duncan as reported by Statistics Canada only.

**Affordable** means annual housing costs (rent or mortgage and taxes) do not exceed 30% of a household's gross annual income (assuming home ownership costs include a down payment of 10%, mortgage principal and interest amortized over 25 years and taxes).

A housing agreement is a legal agreement permitted under the *Local Government Act* that a developer enters into with the City.

Staff have determined that the wording in the version presented to Council at the August 21<sup>st</sup> meeting does not meet the intent of the definitions originally developed for legal review. As the lawyer did not note issue with the wording, but attempted to combine them for brevity, the bylaw will be revised prior to third reading.

Once reverted to the original language, the density bonusing essentially works as follows:

A development will get a density bonus if they enter into a housing agreement with the City that covenants:

- a) The building is low income:  
Median 2+ Family income (2011 Census) – \$50,821  
60% – \$30,493  
All residents of each unit in the building would have to make less than a total of \$30,493.

OR

- b) The building is rent based on individual incomes:  
Actual family income of \$35,000  
30%                    \$10,500  
This particular household would pay no more than \$10,500 annually

**ATTACHMENTS:**

None

Respectfully submitted,



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Michelle Geneau, Manager of Planning



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Reviewed by Director of Public Works  
& Development Services



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Reviewed by CAO