

DATE OF MEETING June 27, 2022

AUTHORED BY CHRISTY WOOD, SOCIAL PLANNER

**SUBJECT AFFORDABLE HOUSING STRATEGY – ANNUAL IMPLEMENTATION UPDATE**

## **OVERVIEW**

### **Purpose of Report:**

To provide the Governance and Priorities Committee with the third annual update on the implementation of the Nanaimo Affordable Housing Strategy.

## **INTRODUCTION**

This report provides the progress towards implementing Nanaimo’s 2018 Affordable Housing Strategy. (See Attachment A – for a link to the Affordable Housing Strategy).

## **BACKGROUND**

On 2018-SEP-17, Council approved the Nanaimo Affordable Housing Strategy (the “Strategy”), the City of Nanaimo’s first comprehensive study of affordability across the housing continuum, which includes social, non-market, and market housing. The Strategy establishes the City’s role and priorities with regard to promoting affordable, appropriate, and accessible housing in Nanaimo for the 2018-2028 period.

The five objectives outlined in the Strategy include:

1. Increase the supply of rental housing;
2. Support infill and intensification in existing neighbourhoods;
3. Diversify housing forms in all neighbourhoods;
4. Continue to support low-income and special needs housing; and,
5. Strengthen partnerships and connection.

The Canadian Mortgage and Housing Corporation (CMHC) and BC Housing define affordable housing as housing that costs less than 30% of a household’s before-tax income. Affordable Housing is a broad term that can include housing provided by the private, public, and non-profit sectors. It also includes all forms of housing tenure including rental, various forms of ownership, and can include permanent or temporary housing. The Strategy recognizes that the definition provided by CMHC and BC Housing does not capture the range of complexity in Nanaimo’s experiences with housing. The Strategy defines affordable housing as:

*“Housing that includes a variety of housing types, sizes, tenures, and prices and housing that supports a mix of incomes, ages and abilities. It includes housing across the entire housing continuum from temporary shelter to social or supportive housing, market rental, and homeownership.”*

Through the ReImagine Nanaimo process, the objectives of the Strategy are supported with strong policies in the proposed City Plan. The Community Wellbeing and Livability section of City Plan contains policies to ensure that the values and objectives of the Affordable Housing Strategy are brought forward and strengthened.

## **DISCUSSION**

### **2021 Progress Measures Summary**

The Strategy identifies objectives, targets, and measures to determine implementation progress. Below is a list of the objectives, with progress towards the targets measured using key performance indicators sourced from 2021 Canadian Mortgage and Housing Corporation (CMHC) data, 2021 Census Data, and City of Nanaimo data.

#### *Objective 1: Increase the supply of rental housing*

- The Strategy identifies a target of more than 50% of new residential building permits/housing starts be intended for rental use annually. The City is **on track** to meeting this target in 2021 with 48% of new housing starts as purpose built-rental. This is an increase of 13% from the prior year. There has been a steady increase in purpose built-rental each year since 2018.

#### *Objective 2: Support infill and intensification in existing neighbourhoods*

- The Strategy identifies a housing supply mix that aims to have more than 70% of new residential building permits/housing starts be in multi-unit dwellings. The City **exceeded** this target in 2021 with 76% of starts in multi-unit dwellings. This is an increase of 14% since 2018.
- The Strategy identifies 20% of new starts to be ground-orientated units such as duplexes, triplexes, fourplexes, and townhouses. The City did **not meet** this target in 2021 with 5% of new starts as ground-orientated units. This number has shown fluctuating trends, increasing and decreasing each year since the inception of the Strategy. For example, in 2018, 10% were ground orientated housing starts, in 2019 there was 4%, and in 2020 11%.
- The Strategy identifies 50% of new starts to be intended as apartments. The City **exceeded** this target in 2021 with 71% of all starts as apartments. This is an increase of 19% from 2018.

#### *Objective 3: Diversify housing form in all neighbourhoods*

- The Strategy identifies a target of 20% of apartments to be in two and three bedroom units to support diversification. The City **exceeded** this target in 2021 with 44% of all rentals units containing two or three bedroom units. This percentage of two and three bedroom units has stayed consistent since 2018. It is important to note, that two bedrooms make up the majority of these units in 2021, only 4% of these units contained three or more bedrooms.

*Objective 4: Continue to support low income and special needs housing*

- The Strategy identifies the need to build over a three to five year period, 200-240 supportive housing units, 100-120 rent supplements to facilitate access to independent living through private markets, and 400-600 below market rental units for low to moderate-income ranges. The City is **on track** to meet the supportive and below-market rental targets in 2021. Since 2018, 250 supportive units (of which 164 are temporary and 86 permanent) have been opened. 351 below market rental units were created. In addition, 59 housing first rent supplements and 56 rent bank loans, provided by City funding, were distributed in 2021 for Nanaimo residents in need. In 2021, BC Housing also provided 113 Homeless Rent Supplements and 1,197 private market rent supplements for Nanaimo residents.

*Objective 5: Strengthen partnerships and connections*

- The Strategy identifies the importance of developing partnerships with senior levels of government, non-profit organizations, and community agencies to respond to housing issues. The progress of these new partnerships, initiatives, and programs are outlined below and include a MOU with BC Housing; the Te'tuxwtun project with Snuneymuxw First Nation, School District 68, and BC Housing; and the Nanaimo Rent Bank.

**2021 - 2022 Project Implementation Progress**

Over the past year, progress has been made on several actions, falling under all five objectives identified in the Strategy, that address housing affordability and accessibility, including: Short-Term Rental Regulations, supporting infill and intensification in neighbourhoods, Community Amenity Contribution Policy update, Density Bonus Policy Review, and establishing the Nanaimo Rent Bank. Other related initiatives include the Systems Planning Organization, BC Housing MOU, and a Housing Needs Assessment. An overview of completed and ongoing implementation actions for 2021-2022 is provided in Attachment B - Affordable Housing Strategy Implementation Table.

*Short-Term Rental Regulations (STR)*

The City completed a Zoning and Business Licence regulation update on 2022-FEB-07 related to short-term rentals and bed and breakfast accommodations. The new regulations that came into effect 2022-APR-01 allowed the City to regulate short-term accommodations and protect the rental market by only allowing property owners to rent out a portion or all of their primary residence on a short-term basis (and not allowing short-term rentals of any additional residences). In addition to these regulations, a STR Operator's Guide was created to support and educate operators by outlining short-term rental requirements. The City began accepting STR business licence applications on 2022-APR-01. As of 2022-JUN-13, 80 applications for STR business licences have been approved and the majority of these STR's are in one- and two- bedroom secondary suites.

### *Support Infill and Intensification*

To support infill and intensification the proposed City Plan proposes two levels of 'neighbourhood' designation (Neighbourhood and Suburban Neighbourhood) to encourage more strategic residential infill in neighbourhoods. Also, a new exemption proposed in Development Permit Area 8 (DPA8) Form and Character guidelines (Zoning Bylaw Amendment Bylaw No. 4500.199) is to not require a development permit for "Construction that is limited to no more than a total of four dwelling units on one lot" (except in the Old City area). The purpose of this exemption is encourage infill in residential areas by allowing a 2-4 unit development to proceed directly to the building permit stage. The objective is to increase the number of ground-oriented duplexes, triplexes, and fourplexes in the city as identified in the Strategy. A public hearing regarding the proposed City Plan and Bylaw No. 4500.199 was held on 2022-JUN-22. It is also worth noting, that property frontage improvements are not required for multi-family developments with 4 or less units, to provide further incentive for infill.

Other ways that the Zoning Bylaw supports infill in residential areas is by allowing a secondary suite as an accessory use to single-family dwellings or in an accessory building (coach house). In 2021, 64% of new single-family dwellings were built with a secondary suite, adding 141 secondary suites in the city. This is an increase from 2020 where 59% of new single-family dwellings were built with suites, adding 128 secondary suites. Since the adoption of secondary suite zoning in 2005, 3,661 secondary suites building permits have been issued by the City. Secondary suites fill a key gap in Nanaimo's rental housing market which is not calculated in CMHC's vacancy rental rate. CMHC reported 4,530 rental units in 2021, which means the number of rental units in the primary rental market may be closer to 8,000 units, illustrating the importance that secondary suites have on the primary rental market.

In 2021, 76% of new starts were in multi-unit dwellings, of which many received multi-family development permits on land pre-zoned to permit multi-family use. A few examples of multi-family development permits issued in 2021 on pre-zoned land include: 197 units at 400 Fitzwilliam Street, 15 townhouse units at 5768 Linley Valley Drive, 163 rental units at 340 Campbell Street, 23 rental units at 361 Albert Street, and 97 units at 4851 Cedar Ridge Place.

In 2012, the British Columbia *Land Title Act* was amended to allow the registration of a party wall agreement on the title of adjoining properties allowing for fee simple row housing, and the City responded by creating the Row House Residential Zone (R7). Since 2012 there have been 6 fee simple row house developments approved in Nanaimo, creating a new form of home ownership. Row house developments on Norwell Drive, Northfield Road, Ocean View Terrace and Stirling Avenue are completed; and two row house developments are expected to be constructed in 2022.

In addition, the "Development Cost Charge Bylaw 2017 No. 7252" contains a provision allowing for a 50% reduction of development cost charge (DCC) fees for not-for-profit rental housing when at least 30% of the units are secured with a housing agreement such that rent does not exceed 30% of before tax income. Since 2018, a DCC reduction has been approved for at least 7 affordable housing developments in accordance with the DCC Bylaw reduction provisions for a total of 287 units.

Also, the City's "Revitalization Tax Exemption Bylaw 2018 No. 7261" encourages multi-family units in the downtown area by offering a tax exemption, on the municipal portion for a 10-year term, for new multi-family units. Two developments approved in the downtown that are

expected to use this incentive in 2022 are: 1) 197 rental units at 400 Fitzwilliam Street (DP1214); and 2) 163 rental units at 340 Campbell Street (DP1223).

#### *Community Amenity Contribution (CAC) Policy Update*

On 2021-NOV-15, Council endorsed a new CAC Policy, which states that for rezoning applications received after 2022-JAN-01 the monetary amenity contribution rate is increased. The CAC Policy also stipulates a monetary amenity contribution rate increase in January 2023, 2024, and 2025, and states that 40% of all monetary contributions be directed to the Housing Legacy Reserve Fund. The increased contributions to the Housing Legacy Reserve Fund will allow the City to support more affordable housing initiatives in the future. In addition, the CAC Policy states that the CAC rate is reduced by 50% for secured market rental dwelling units, and the CAC rate is waived 100% for secured non-market rental dwelling units to incentivize the development of these types of units in the city.

#### *Density Bonus Policy Update*

Schedule D of the Zoning Bylaw contains a list of amenities that a developer can provide in order to achieve more residential units or density within a development than the base zoning designation allows (without requiring a rezoning process). Points are awarded for various amenities in Schedule D, and the developer must achieve a certain total of points to be able to gain additional density. On 2021-JUN-21, an amendment to Schedule D was approved which awards points when purpose built rental units are secured, and awards points for secured affordable ownership units, affordable rental units, and non-market housing units. The objective is to incentivize and increase the supply of both rental units and non-market units in the city.

#### *Nanaimo Rent Bank*

On 2021-JAN-18, Nanaimo's first rent bank was launched. Council allocated \$90,603 from Housing Legacy Reserve Fund to the John Howard Society to operate a rent bank. A rent bank is a short term or temporary homelessness prevention tool that helps to provide housing stability for low to moderate income renters who are unable to pay their rent or utilities due to life circumstances. In 2021, the Nanaimo rent bank allocated 56 forgivable rent bank loans for Nanaimo residents.

#### *Ongoing Projects*

Ongoing projects initiated in 2021 include market studies on both family friendly housing and adaptable and accessible housing with the objective of finding ways the City can increase the supply of three+ bedroom and adaptable/accessible units in Nanaimo. See also Attachment C: 'Nanaimo Affordable Housing Initiatives', which highlights ways the City supports affordable housing.

#### *Health and Housing Action Plan (HHAP)*

One of the key recommendations from the 2021-FEB-22 HHAP was to support the incubation of a Health and Housing Systems Planning Organization (SPO) to implement the HHAP by coordinating funding and partner activities. Council established a Transition Team to develop the governance model for the SPO. Council endorsed the recommendations of the group on

2022-MAY-02. The SPO will provide collective homelessness prevention and response priorities, to enable coordinated action and advocacy by Nanaimo's non-profit organizations, Snuneymuxw First Nation and other levels of government, the business sector, and the broader community to address an end to homelessness in Nanaimo. The nine-member board includes representation from the City, Snuneymuxw First Nation, the Nanaimo Prosperity Corporation, the health/housing/shelter sector, and members at large. The goal is to host an inaugural board meeting in the summer of 2022 and have an Executive Director in place by the fall.

#### *BC Housing Memorandum of Understanding (MOU)*

The 2020 MOU agreement between BC Housing and the City of Nanaimo includes developments for seven housing projects on six sites around the city. Three affordable rental housing developments with approximately 120 homes for people with low to moderate incomes are in various stages of planning and development. There are four supportive housing developments with approximately 190 homes for people experiencing or at risk of homelessness being planned for the community. 51 supportive units opened in spring 2022 at 702 Nicol Street and an additional 51 units are scheduled to be completed in 2022 at 285 Prideaux Street. Additionally, the City is exploring a second MOU agreement with BC Housing to provide more sites for affordable housing developments.

#### *Housing Needs Assessment (HNA)*

A Housing Needs Assessment (HNA) is underway to gather housing data from all levels of government, through consultation with the community, and using the new 2021 Census Data. The HNA is anticipated to be completed by 31-DEC-2022 and will provide an updated snapshot on the state of housing in Nanaimo including the implications of COVID. The preliminary housing indicators data highlights that in 2021, just over half of the housing units in Nanaimo were single detached houses (51%), and apartments with fewer than 5 storeys followed as the most common housing type (19%). Single family housing sale prices in Nanaimo have increased to an average of \$761,737 in 2021 to \$933,954 in 2022 highlighting a 22.6% increase in price within one year.

Other preliminary findings of the HNA found that in 2021 there were 4,530 units in the primary rental market (privately initiated structures for rental purposes), an increase from 4,316 in 2020. The assessment also illustrates that the rental vacancy rate in 2021 increased to 1.8% from 1% in 2020. This vacancy rate, however, remains persistently below the 3% threshold commonly believed to indicate a balanced rental market.

## **CONCLUSION**

The City is working on several concurrent projects to implement additional actions to meet the objectives outlined in the Strategy. Overall, the City is meeting almost all of the targets and measures outlined in the Strategy and is working positively towards the vision of the Strategy that "Nanaimo residents have access to a diversity of housing options that meet their needs for safe, stable, appropriate, and affordable within the context of a healthy built environment."

## **SUMMARY POINTS**

- The City is on track to meet several key targets established in the Affordable Housing Strategy:
  - **On track** to meet target of 50% of new housing as purpose built rental with 48% of new housing starts as purpose built rentals in 2021.
  - **Exceeding** target of 70% of new residential housing starts in multi-unit dwellings with 76% of starts in multi-unit dwellings in 2021.
  - **Exceeding** target of 50% of new starts in apartments with 71% of new starts as apartments in 2021.
  - **Not Meeting** target of 20% of new starts as ground-orientated units with 5% of new starts as ground-orientated in 2021.
  - **Exceeding** target of 20% of rental as two to three bedroom units with 44% of all rental units containing two or three bedroom units in 2021. However only 4% are three+ bedrooms.
  - **On track** to meet the target for supportive and below-market rentals within a three to five year time frame of 200-240 supportive housing units, 400-600 below market rental units and, 100-120 rent supplements. Since 2018, 250 supportive units and 351 below market rental units were created. In 2021, the City provided funding that supported 59 housing first rent supplements and 56 rent bank loans, and BC Housing provided 113 Homeless Rent Supplements and 1,197 private market rent supplements for Nanaimo residents.
- The City has undertaken a number of Strategy implementation initiatives over the past year including: Short-Term Rental Regulations, Infill and intensification in existing neighbourhoods, Community Amenity Contribution Policy, Density bonusing, Nanaimo’s Rent Bank, BC Housing MOUs, a housing needs assessment, and ongoing partnerships to coordinate and support for the provision of more affordable housing.

## **ATTACHMENTS**

ATTACHMENT A: Link to the “Affordable Housing Strategy”  
 ATTACHMENT B: Affordable Housing Strategy Implementation Table  
 ATTACHMENT C: Nanaimo Affordable Housing Initiatives

### **Submitted by:**

Lisa Brinkman  
 Manager, Community Planning

### **Concurrence by:**

Lisa Bhopalsingh  
 Director, Community Development

Jeremy Holm  
 Acting General Manager, Development  
 Services

## ATTACHMENT A

Link to “Affordable Housing Strategy”:

<https://www.nanaimo.ca/docs/default-document-library/nanaimoaffordablehousingstrategyfinal.pdf>





## Affordable Housing Strategy Implementation Table

	AHS Objective	AHS Policy Direction	Project	Status
A.	<b>Increase the supply of rental housing</b>	Restrict Short-Term Rentals	Short-Term Rental Regulations & Short-Term Rental Operator's Guide	<div data-bbox="1045 375 1247 428" style="background-color: #76b82a; color: white; padding: 2px; display: inline-block;"><b>Complete</b></div> <p>The City completed a Zoning and Business Licence regulation update on 2022-FEB-07 related to short-term rentals. The new regulations that came into effect 2022-APR-01 allow the City to regulate short-term accommodations and protect the rental market by only allowing property owners to rent out a portion or all of their primary residence on a short-term basis. As of 2022-Jun-13, 80 applications for STR business licenses have been approved, and the majority of these STR's are in one- and two-bedroom secondary suites.</p>
B.	<b>Support infill and intensification in existing neighbourhoods</b>	Support infill and intensification in single-detached neighbourhoods	Zoning Bylaw Amendment Bylaw No.4500.199	<div data-bbox="1037 808 1236 862" style="background-color: #0072bc; color: white; padding: 2px; display: inline-block;"><b>Ongoing</b></div> <p>To support infill and intensification in Neighbourhoods, a new exemption proposed in Development Permit Area 8 (DPA8) Form and Character guidelines (Zoning Bylaw Amendment Bylaw No. 4500.199) is not to require a development permit for "Construction that is limited to no more than a total of four dwelling units on one lot" (except in the Old City area). The purpose of this exemption is encourage infill in residential areas by allowing a 2-4 unit development to proceed directly to the building permit stage. It is also worth noting that property frontage improvements are not required for multi-family developments with 4 or less units, to provide further incentive for gentle infill.</p>

Orange – In Progress

Blue – Ongoing

Green - Complete

	AHS Objective	AHS Policy Direction	Project	Status
C.	<b>Support infill and intensification in existing neighbourhoods</b>	Support infill and intensification in single detached neighbourhoods	Secondary Suites	<p><b>Ongoing</b></p> <p>The Zoning Bylaw contains provisions for allowing a secondary suite within a single family dwelling or in an accessory building. In 2021, 64% of new single-family dwellings were built with a secondary suite, adding 141 secondary suites in the city. This is an increase from 2020 where 59% of new single-family dwellings were built with suites, adding 128 secondary suites. Since 2005, 3661 building permits have been issued for secondary suites.</p>
D.	<b>Support infill and intensification in existing neighbourhoods</b>	Support infill and intensification in single detached neighbourhoods	Development Cost Charge Reductions	<p><b>Ongoing</b></p> <p>The “Development Cost Charge Bylaw 2017 No. 7252” contains a provision allowing for a 50% reduction of development cost charge (DCC) fees for not-for-profit rental housing when 30% of the units are secured with a housing agreement such that rent does not exceed 30% of before tax income. Since 2018, a DCC reduction has been approved for at least 7 affordable housing developments in accordance with the DCC Bylaw reduction provisions for a total of 287 units.</p>
E.	<b>Support infill and intensification in existing neighbourhoods</b>	Support infill and intensification in single detached neighbourhoods	Revitalization Tax Exemption Bylaw 2018 No. 7261	<p><b>Ongoing</b></p> <p>The City’s “Revitalization Tax Exemption Bylaw 2018 No. 7261” encourages residential units in the downtown area by offering a tax exemption for new multi-family units. The program offers a 100% exemption for the municipal property tax portion for a 10 year term. Two developments approved in the downtown that will use this incentive in 2022 are: 1) 197 rental units at 400 Fitzwilliam Street (DP1214); and 2) 163 rental units at 340 Campbell Street (DP1223).</p>

Orange – In Progress

Blue – Ongoing

Green - Complete

	AHS Objective	AHS Policy Direction	Project	Status
F.	<b>Continue to support low income &amp; special needs housing</b>	Update the community amenity contribution policy	Community Amenity Contribution Policy	<p><b>Complete</b></p> <p>On 2021-NOV-15, Council endorsed a new CAC Policy which states that for rezoning applications received after 2022-JAN-01 the monetary amenity contribution rate is increased. The CAC Policy also stipulates a monetary amenity contribution rate increase in January 2023, 2024, and 2025, and states that 40% of all monetary contributions be directed to the Housing Legacy Reserve Fund. In addition, the CAC Policy states that the CAC rate is reduced by 50% for secured market rental dwelling units, and the CAC rate is waived 100% for secured non-market rental dwelling units to incentivize the development of these types of units in the city.</p>
G.	<b>Increase the supply of rental housing &amp; Continue to support low income &amp; special needs housing</b>	Update approach to density bonusing	Density Bonus Policy review (Schedule D)	<p><b>Complete</b></p> <p>On 2021-JUN-21, an amendment to Schedule D was approved which awards extra density when purpose built rental units are secured, and awards extra density when secured affordable ownership units, affordable rental units, and non-market housing units are constructed. The objective is to incentivize and increase the supply of both rental units and non-market units in the City.</p>
H.	<b>Strengthen partnerships &amp; connections</b>	Support the development of a local rent bank program	Nanaimo Rent Bank	<p><b>Complete</b></p> <p>On 2021-JAN-18, Nanaimo's first rent bank was launched. Council allocated \$90,603 from Housing Legacy Reserve Fund to the John Howard Society to operate a rent bank. A rent bank is a short-term or temporary homelessness prevention tool that helps to provide housing stability for low to moderate-income renters who are unable to pay their rent or utilities due to life circumstances. In 2021, the Nanaimo rent bank allocated 56 of these forgivable rent bank loans for Nanaimo residents.</p>

Orange – In Progress

Blue – Ongoing

Green - Complete

	AHS Objective	AHS Policy Direction	Project	Status
I.	<b>Diversify housing form in all neighbourhoods</b>	Develop a policy on family friendly housing	Family Friendly Housing Market Study	<p><b>In Progress</b></p> <p>Data from this study is anticipated to be completed in 2022 and will be used to inform the development of a Family-Friendly Housing Policy in 2023.</p>
J.	<b>Continue to support low income &amp; special needs housing</b>	Develop an adaptable housing policy	Adaptable and Accessible Housing Market Study	<p><b>In Progress</b></p> <p>Data from this study is anticipated to be completed in 2022 and will be used to inform the development of an Adaptable and Accessible Housing Policy in 2023.</p>
K.	<b>Strengthen partnerships &amp; connections</b>	N/A	Health and Housing Task Force & Action Plan (HHAP)	<p><b>In Progress</b></p> <p>One of the key recommendations from the 2022-DEC-02 HHAP was to support the incubation of a Health and Housing Systems Planning Organization (SPO) to implement the HHAP by coordinating funding and partner activities. Council endorsed the HHAP (Action Plan) in 2021, and then in May a Charter to establish the SPO was endorsed. The SPO will provide collective prevention and response priorities, to enable coordinated action and advocacy by Nanaimo's non-profit organizations, Snuneymuxw First Nation and other levels of government, the business sector, and the broader community to address an end to homelessness in Nanaimo.</p>

Orange – In Progress

Blue – Ongoing

Green - Complete

	AHS Objective	AHS Policy Direction	Project	Status
L.	<b>Continue to support low income &amp; special needs housing</b>	Continue to support non-market housing development	MOU with BC Housing	<p><b>In Progress</b></p> <p>The 2020 MOU agreement between BC Housing and the City of Nanaimo includes developments for seven housing projects on six sites around the city. Three affordable rental housing developments with approximately 120 homes for people with low to moderate incomes are in various stages of planning and development. There are four supportive housing developments with approximately 190 homes for people experiencing or at risk of homelessness being planned for the community. 51 supportive units opened in spring 2022 at 702 Nicol Street and an additional 51 units are scheduled to be completed in 2022 at 285 Prideaux Street.</p>
M.	<b>Strengthen partnerships &amp; connections</b>	Increase community engagement & education	Housing Needs Assessment	<p><b>In Progress</b></p> <p>A Housing Needs Assessment (HNA) is underway to gather housing data from all levels of government, through consultation with the community, and using the new 2021 Census Data. The HNA is anticipated to be completed by 2022-DEC-31 and will provide an updated snapshot on the state of housing in Nanaimo including the implications of COVID</p>

Orange – In Progress

Blue – Ongoing

Green - Complete

# NANAIMO AFFORDABLE HOUSING INITIATIVES



The following information is a summary of recent initiatives in the City of Nanaimo to support affordable housing.

# 115

rent supplements (56) and rent bank loans (59) were distributed in the Nanaimo Region in 2021.

Source: John Howard Society and BC Rent Bank

# >2400



## Multi-Unit Dwellings Constructed Since 2018

Source: CMHC

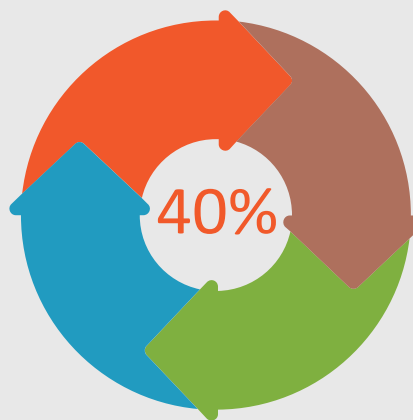


### AFFORDABLE HOUSING DEVELOPMENTS

Development Cost Charges (DCC) reductions applied to 287 units.

The Development Cost Charge Bylaw contains a provision allowing a reduction in DCC fees for non-market rental housing when not for profit rental units are secured.

### HOUSING LEGACY RESERVE FUND



In 2021, Council endorsed the Community Amenity Contribution Policy; 40% of all monetary contributions will be directed to the Housing Legacy Reserve Fund. The increased contributions will allow the City to support more affordable housing initiatives in the future.

### SHORT TERM RENTALS



On April 1st, 2022, the City began regulating short term accommodations protecting the rental market by only allowing property owners to rent out a portion or all of their primary residence on a short term basis. As of June 13, 2022, 80 applications have been approved by the City.

# +300 UNITS



coming as a result of the 2020 Memorandum of Understanding (MOU) between BC Housing and the City of Nanaimo. This includes seven housing projects on six sites around the city.

# NANAIMO AFFORDABLE HOUSING INITIATIVES



The City's Zoning Bylaw supports affordable housing by supporting infill and intensification in existing neighbourhoods in the following ways:

## RANGE OF MULTI-UNIT HOUSING

In 2021, 76% of new starts were in multi-unit dwellings.

Low Density (R6)

Medium Density (R8)

Higher Density (R9)

Source: CMHC

## DENSITY BONUSING

In 2021, Schedule D of the Zoning Bylaw was revised to provide incentives for purpose-built affordable housing and rental developments. Schedule D has allowed for density bonusing since 2011.

## SECONDARY SUITES

3,661 building permits for Secondary Suites have been issued since 2005.

## COACH HOUSING

Allowing coach housing (accessory dwelling unit) since 2008

## R5 RESIDENTIAL INFILL

Three and Four Unit residential zoning (R5) allows for gentle infill on lots that are 800m<sup>2</sup> or 700m<sup>2</sup> when the lot is on a lane.

## R7 ROW HOUSE RESIDENTIAL ZONE

Row House Residential zoning (R7) allows for fee simple row housing (i.e. 3598 Norwell Drive).

# AFFORDABLE HOUSING STRATEGY

## 2021 ANNUAL UPDATE



Governance and Priorities Committee  
2022-JUN-27

1



## Policy Objectives

1. Increase the supply of rental housing.
2. Support infill and intensification in existing neighbourhoods.
3. Diversify housing form in all neighbourhoods.
4. Continue to support low-income and special needs housing.
5. Strengthen partnerships and connections.

2





## What is affordable housing?



### As Defined in the Affordable Housing Strategy

*Housing that includes a variety of housing types, sizes, tenures, and prices and housing that supports a mix of incomes, ages and abilities. It includes housing across the entire housing continuum from temporary shelter to social or supportive housing, market rental and homeownership.*



### As Defined by Canada Mortgage and Housing Corporation

*Housing that costs less than 30 per cent of a household's before-tax income, where housing costs include the rent or mortgage, utilities, maintenance fees, property taxes, and insurance.*

3



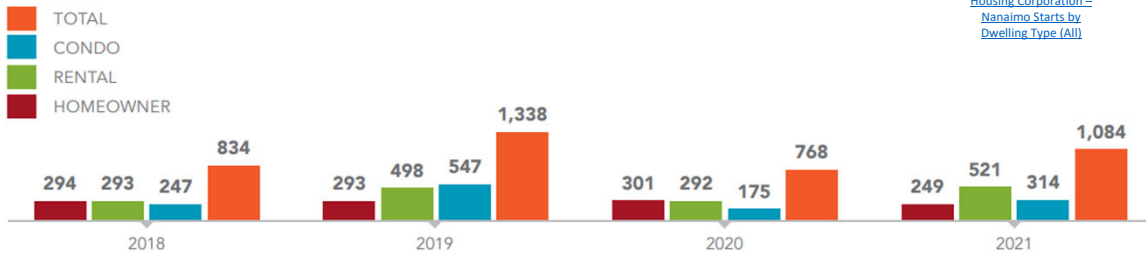
## 2021 Progress Measures Summary

4



# Objective #1 - Increase Supply of Rental Housing

## Housing Starts by Ownership Type (2018 – 2021)



**On Track to Meeting AHS Target**

Target of 50% of Housing Starts as Rental

**48%**

2021 Housing Starts as Rentals



## Project Spotlight *560 Third Street*

- 180 market rental homes
- Mix of micro and studio units, one to two bedroom suites, and lofts
- Two, four storey buildings with commercial units
- Middle income households



Artist rendering courtesy of Wensley Architecture.



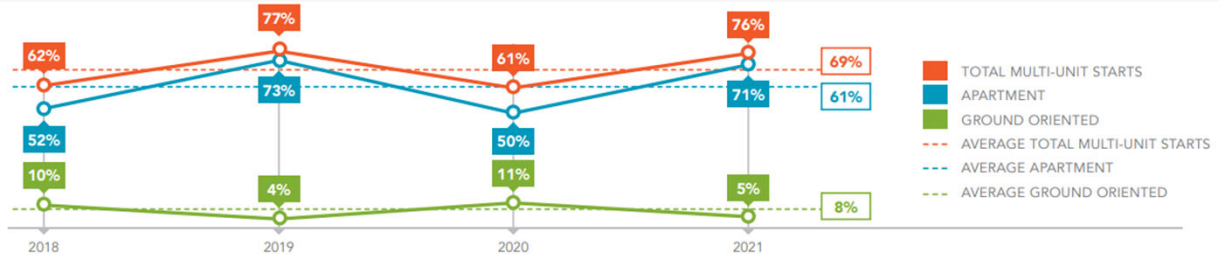
# Objective #2 - Support Infill & Intensification

## Multi-Family Dwelling Units Created

**Exceeding AHS Target**  
Target of 70% of Multi-Unit Starts  
**76%**  
Of Housing starts were Multi-Family in 2021

**Exceeding AHS Target**  
Target of 50% of starts as apartments  
**71%**  
Of Housing starts were apartments in 2021

**Not Meeting AHS Target**  
Target of 20% of starts as ground-oriented units  
**5%**  
Of Housing starts were ground-oriented in 2021



Canadian Mortgage and Housing Corporation – Nanaimo Starts by Dwelling Type (All)



## Project Spotlight *North Grove*

- 146 rental apartments in 3 buildings
- Located next to shopping, public transit and the Parkway Trail



Photo courtesy of District Group.



## Project Spotlight

### The Met

- 2 Buildings
- 98 multi family units for purchase
- Located next to shopping, public transit, and the Parkway Trail



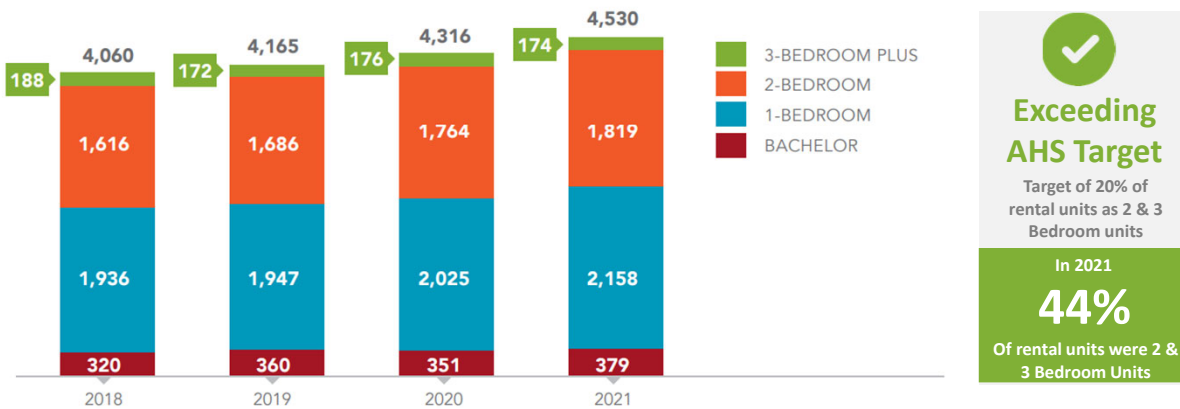
Photo courtesy of Re/Max of Nanaimo.

9



## Objective #3 – Diversify Housing

Rentals By Bedroom Type



[Canadian Mortgage and Housing Corporation – Nanaimo Starts by Dwelling Type \(All\)](#)

10



## Project Spotlight

### **858 Georgia Avenue**

- 27 units
- Mix of one and two bedroom units
- Walking distance to schools, parks, shopping, daycare, and VIU.



*Photo courtesy of Nanaimo Affordable Housing Society.*

11



## Objective #4 - Support Low Income and Special Needs Housing



Additions to Non-Market Housing Continuum

12



## Objective #4 -Supportive Housing



Supportive Housing in Nanaimo

Photo courtesy of M'akola Housing.

### OPEN

- 285 Rosehill Street: 23 Units
- 3425 Uplands Drive: 12 units
- 702 Nicol Street: 51 Units
- 250 Terminal Ave: 78 units (Temporary)
- 2060 Labieux Road: 86 units (Temporary)

### FUTURE PROJECTS

- 285 Prideaux Street: 51 Units
- 355 Nicol Street: 35 Units
- 250 Terminal Ave



## On Track to Meeting AHS Target

Non-market housing targets: 200-240 supportive housing units

# 250

Total Supportive Housing Units Opened (includes 164 temporary) (since 2018)



## Project Spotlight *702 Nicol Street*

- 51 supportive units
- 14 bridge to housing beds for women
- Community amenity space
- 24/7 staff supports



Photo courtesy of BC Housing.



## Objective #4 - Affordable Housing



Affordable Seniors Housing in Nanaimo

### OPEN – Seniors Units

- 10 Buttertubs Dr: 159 Units
- 77 Mill Street: 57 Units
- 20 Prideaux Street: 57 Units
- 1125 Seafield Cr: 62 Units

### OPEN – General

- 3245 Uplands Dr: 16 Units

### FUTURE PROJECTS

- 1425 Cranberry Ave: 26 Units
- 6010 Hammond Bay Rd: 53 Units
- 564 5th St (Te'tuxwtun): 40 Units
- 2020 Estevan Road: 74 Units
- 4745 Ledgerwood Rd: 120 Units



### On Track to Meeting AHS Target

400-600 additional below market rental units for low to moderate income households

# 351

Total Affordable Housing Units Opened (since 2018)



## Objective #4 - Rent Supplements



Apartment Building in Nanaimo

### TOTAL RENT SUPPLEMENTS (2021) - 115

*(for residents with Nanaimo addresses)*

- 59: Rent Supplements
- 56: Rent Bank Forgivable Loans

*BC Housing also provides supplements for Nanaimo residents. In 2021, BC Housing provided 113 Homeless Rent Supplements and 1,197 private market rent supplements.*



### On Track to Meeting AHS Target

100-120 rent supplements to facilitate access to independent living through private market

# 115

Total Rent Supplements (2021)

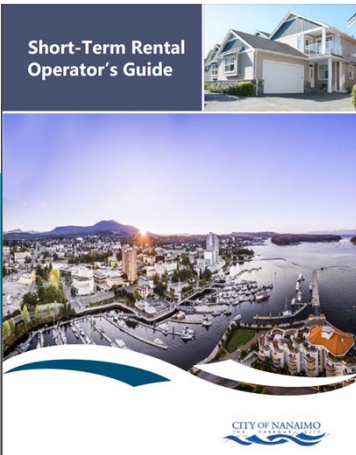


## 2021 Project Implementation Progress

17



## Short-Term Rental Regulations & Operator's Guide



*Short-Term Rental means the temporary rental (less than 30 days) of a portion of, or the entire dwelling unit, secondary suite, or room located on a property that is zoned to permit residential use.*

### Objective

Regulate short-term accommodations by only allowing property owners to rent out a portion or all of their primary residence on a short-term basis.

### Progress

- 80 applications approved since the City began accepting application on 2022-APR-01.

18





## Support Infill & Intensification

### Objective

Encourage and support increased housing supply in existing neighbourhoods through smaller houses and a higher number of dwellings on each lot.

### Implementation

- Density bonus for affordable housing & amenities (Schedule D)
- New exemptions for development permits for up to four dwelling units (Bylaw 4500.199)
- Reducing development cost charges for not-for-profit housing
- Municipal tax exemptions for multi-family units in the downtown
- City Plan proposes two levels of neighbourhood designation for strategic residential infill



## Support Infill & Intensification



Row House Residential zoning (R7) allows for fee simple row housing (i.e. 3598 Norwell Drive). (2012)

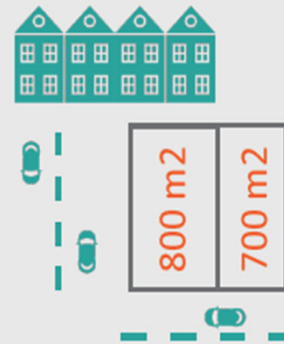


Fee Simple Row Houses in Nanaimo - 3598 Norwell Drive



### R5 RESIDENTIAL INFILL

Three and Four Unit residential zoning (R5) allows for gentle infill on lots that are 800m<sup>2</sup> or 700m<sup>2</sup> when the lot is on a lane.



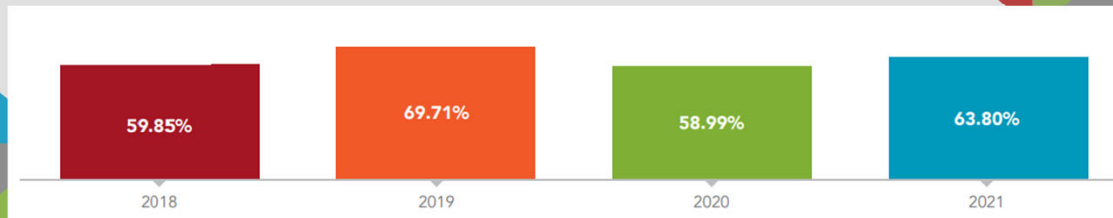


# Support Infill & Intensification

## Implementation

- Allowing secondary suites as an accessory use

### Percent of New Homes with Secondary Suites



[City of Nanaimo Building Permit Stats](#)

21



# Support Infill & Intensification



Secondary Suites have been added to principal dwelling units since 2005

[City of Nanaimo Building Permit Stats](#)



22



## Support Infill & Intensification



### Affordable Housing Developments

Have been approved where the Development Cost Charges (DCC) Bylaw reduction provisions were applied totaling 287 units (since 2018).

The Development Cost Charge Bylaw 2017 No. 7252 contains a provision allowing reduction in DCC fees for non-market rental housing when a certain % of rental units are secured.



## Support Infill & Intensification



Encourages residential units in the downtown area by offering a tax exemption for new multi-family units.

### In 2022...

- 400 Fitzwilliam Street
  - 197 Rental Units
- 340 Campbell Street
  - 163 Rental Units



## Community Amenity Contribution (CAC) Policy



### Objective

Increase contributions to the Housing Legacy Reserve Fund and incentivize the development of non-market rental dwelling units.

### CAC Policy

- Minimum of 40% of monetary CACs will be directed to City's Housing Legacy Reserve Fund
- 50% CAC reduction for market dwelling units
- CAC waived by 100% for non-market rental dwellings

25



## Density Bonus Policy Update

### Objective

To incentivize and increase the supply of both rental units and non-market units in the city.

### 2021 policy awards more density when...

- Purpose built rental units are secured
- Affordable ownership units are secured
- Affordable rental units are secured
- Non-market housing units are secured

26



## Nanaimo Rent Bank

### Objective

Provide housing stability for low- to moderate-income renters who are unable to pay rent or utilities due to episodes or emergencies that compromise their ability to pay.

### Progress

- Launched January 2021
- \$90,603 was allocated by Council
- 56 forgivable rent bank loans given to Nanaimo residents



27



## Ongoing Projects

28



## Family Friendly Housing



*Refers to housing that meets the needs of families including units with enough bedrooms to accommodate all members of a family household. This includes multi-unit development projects with a greater mix of two and three bedroom units.*

### Objective

**Encourage the construction of larger two and three bedroom units appropriate for larger and/or extended families within new multi-unit residential developments.**

- A market study is underway to support this objective.

29



## Adaptable & Accessible Housing

*Refers to dwelling units that include features, amenities, or products to better meet the needs of people with disabilities and homes can be modified at minimal cost to meet occupants' changing needs over time.*

### Objective

**Increase the amount of adaptable and accessible multiple family units developed in the City of Nanaimo.**

- A market study is underway to support this objective.



30



# Health & Housing Action Plan



- Systems Planning Organization
- Provide research, data, analysis, education, and information
- Coordinated action and advocacy
- Inaugural board meeting in the summer of 2022

31

## BC Housing Memorandum of Understanding

The 2020 MOU agreement between BC Housing and the City of Nanaimo includes seven developments on six sites around the city.



**Affordable rental housing developments**



**Supportive housing developments**



Map courtesy of BC Housing.

32



## Housing Needs Assessment

- Anticipated to be completed by December 2022
- Updated snapshot on the state of housing in Nanaimo including the implications of COVID

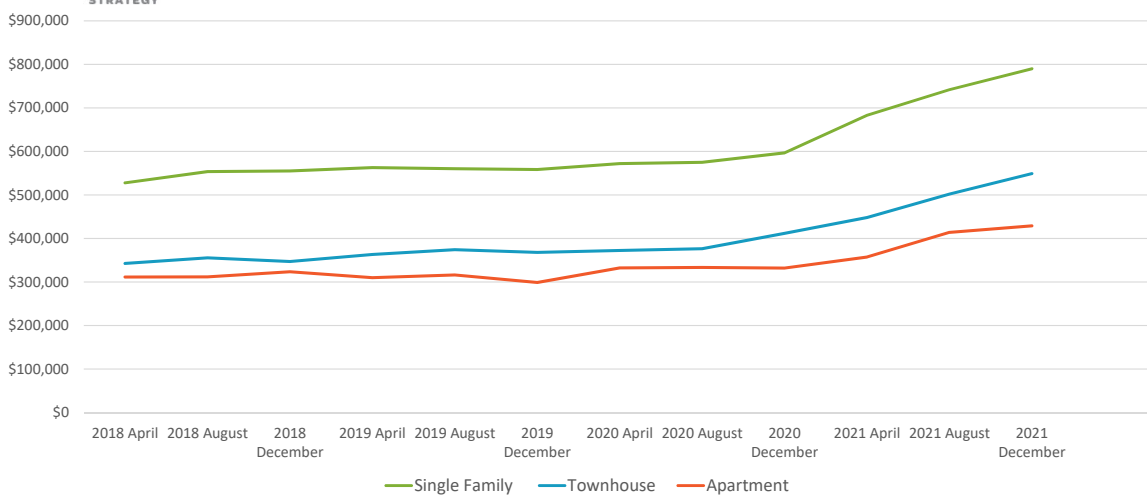
Preliminary Findings



33



## Increase in House Prices



[Vancouver Island Real Estate Board Market Statistics - Nanaimo \(vireb.com\)](https://www.vireb.com)

34





## Nanaimo Vacancy Rates

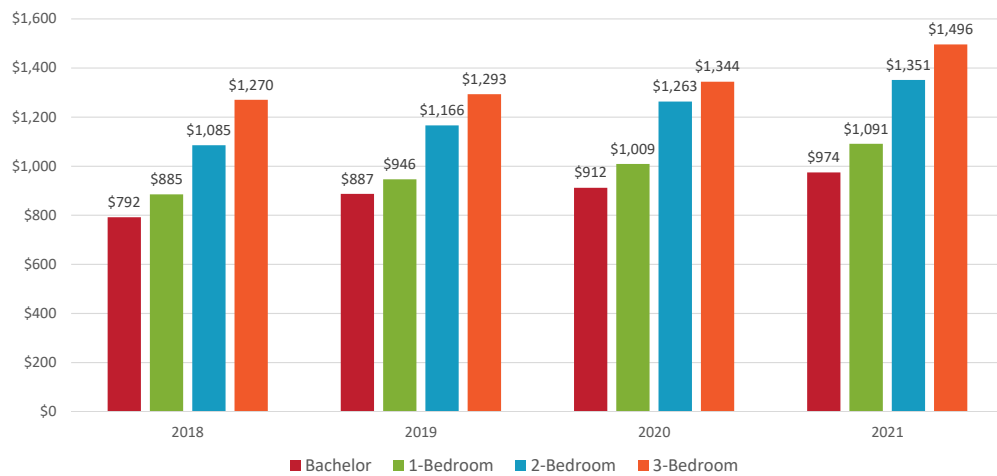
Private Apartment Vacancy Rate	October 2018	October 2019	October 2020	October 2021
Bachelor	5.0	0.7	0.0	1.3
1 Bedroom	2.3	1.6	1.4	1.3
2 Bedroom	2.0	2.2	0.8	2.3
3 Bedroom	2.6	5.8	0.0	3.5
<b>Total Vacancy Rate</b>	<b>2.4</b>	<b>1.9</b>	<b>1.0</b>	<b>1.8</b>

[Canadian Mortgage & Housing Corporation – Nanaimo Historical Vacancy Rates by Bedroom Type](#)

35



## Increase in Nanaimo Rental Pricing



[Canadian Mortgage and Housing Corporation – Historical Average Rents by Bedroom Type](#)

36



**Nanaimo Affordable Housing Society –  
Andrea Blakeman**

**BC Housing – John McEown**

37



**Affordable Housing Ideas from  
Other Municipalities**

38



## Affordable Housing Ideas from Other Municipalities

- a) Inclusionary zoning
- b) Attainable homeownership
- c) Property tax exemptions
- d) Rental only zoning
- e) Removal of exclusionary zoning
- f) Preferential/Expedited processing
- g) Land and financing through funds and corporations
- h) Prezoning land

39



## Proposed Projects for 2023

40



## Proposed Projects for 2023



- a) Explore further opportunities for infill in existing neighbourhoods
- b) Provide education to housing providers on the ways the City supports affordable housing
- c) Consider pre-zoning land for affordable housing to align with City Plan densities
- d) Review the Delegation Bylaw in relation to the DP approval process
- e) Tenant Relocation Policy
- f) Family Friendly Housing Policy
- g) Adaptable and Accessible Housing Policy
- h) Explore more options to amend Schedule D to incentivize affordable housing
- i) Evaluate a recent update to the LGA in relation to public hearings

41



# Thank You



42