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STAFF REPORT TO COUNCIL

PRESENTED: January 23, 2024 REPORT: 24-009

FROM: Planning - Development FILE: 3900-20-2422

SUBJECT: HOUSING AGREEMENT BYLAW (1475 MOUNT FEE ROAD) NO. 2422, 2024

RECOMMENDATION FROM THE CHIEF ADMINISTRATIVE OFFICER

That the recommendation of the General Manager of Climate Action, Planning and Development Services be endorsed.

RECOMMENDATION(S)

That Council consider giving first, second and third readings to "Housing Agreement Bylaw (1475 Mount Fee Road) No. 2422, 2024".

PURPOSE OF REPORT

This report requests Council's consideration of first, second, and third readings for "Housing Agreement Bylaw (1475 Mount Fee Road) No. 2422, 2024" (Housing Agreement Bylaw) associated with two new employee-restricted rental apartment buildings containing 104 dwelling units, located at 1475 Mount Fee Road. These units are currently intended to be completed for the Whistler Housing Authority Ltd. (WHA), subject to WHA board approval.

The Housing Agreement Bylaw will authorize the Resort Municipality of Whistler (RMOW) to enter into a housing agreement to establish occupancy and eligibility restrictions, initial maximum rental rates, sale price and sale restrictions, and administration and management restrictions of the dwelling units that reflect current municipal employee housing standards for WHA rental properties consistent with Council Policy K-01: Employee Rental Housing Policy (Council Policy K-01).

☐ Information Report	
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DISCUSSION

Background

The property at 1475 Mount Fee Road is the next development parcel in the Cheakamus Crossing Phase 2 lands. Planning and design for the Phase 2 lands started in late 2018, and the Residential Multiple – Comprehensive Development Two (RM-CD2) zoning was adopted in the spring of 2021. Since then, two four-storey employee housing apartment buildings at 1340 and 1360 Mount Fee Road have been built and occupied. Two more employee-restricted rental apartment buildings are currently under construction at 1400 and 1450 Mount Fee Road.

This Housing Agreement Bylaw pertains to a proposal for two new 4-storey employee-restricted rental apartment buildings containing a total of 104 dwelling unit proposed on Lot 5 – 1475 Mount Fee Road. "Zoning Amendment Bylaw (Cheakamus Crossing Phase 2) No. 2419, 2023" (Zoning Amendment Bylaw) received first three readings by Council on <u>January 9, 2024</u>, amends the RM-CD2 zoning by increasing the Gross Floor Area and Floor Space Ratio and updating the parking requirements to accommodate the proposal. This zoning amendment accommodates a larger employee housing apartment building, optimizing the development potential of the parcel, and delivers 13 additional units. Registration of a housing agreement is a condition of adoption of the Zoning Amendment Bylaw.

The property is being developed by Whistler 2020 Development Corp (WDC), and the building is intended to be owned and operated by the WHA as part of their employee-restricted rental inventory and managed consistent with Council Policy K-01. The proposed Housing Agreement establishes the terms of occupancy for 1475 Mount Fee Road. As the property is owned by WDC, the Housing Agreement is written between WDC and the RMOW. It will "run with" the property, transferring to any future property owners upon sale.

Housing Agreements in Cheakamus Crossing Phase 2

Housing agreements must be adopted by bylaw approved by Council. The proposed Lot 5 Housing Agreement (Housing Agreement) is attached to the Housing Agreement Bylaw, so it is clear what terms and conditions are being authorized. Once the Housing Agreement Bylaw is adopted, a notice is placed on the title of the property requiring the owner and any subsequent owners to be bound by the terms of the Housing Agreement. The Housing Agreement will also be registered as a Section 219 covenant – a type of covenant that may be registered in favour of the local government and runs with the land. Whistler's employee housing agreements and covenants are drafted to be effective in perpetuity.

For the Cheakamus Crossing neighborhood, standard charge terms for required housing agreements were established within the Community Land Bank Agreement (CLBA) with the Province. For the Phase 2 neighborhood expansion, the Province agreed to a modification of the restrictive covenant that applied to the lands and required agreements to be those specified in the CLBA. This modification, approved by Council on September 21, 2021 (see references below) enables the RMOW to register updated Housing Agreements for new developments with terms differing from those established in the CLBA, provided that the eligibility requirements are consistent with updated definitions for employees and retirees as reflected in Council Policy K-01. The proposed Housing Agreement for 1475 Mount Fee Road is consistent with the RMOW's standard charge terms and introduces project-specific terms. As part of the proposed Housing Agreement Bylaw, the existing Housing Agreement will be cancelled concurrently with execution and registration of the new agreement.

Whistler Housing Authority

The two apartment buildings on Lot 5 will be constructed by WDC and are intended to be purchased and managed by the WHA as affordable, employee-restricted rental housing. This will add 104 long-term rental units for qualified Whistler employees to the WHA rental inventory.

Analysis

The primary objective of development in Cheakamus Crossing Phase 2 is to support the current and future housing needs of the community by providing affordable employee housing. The RMOW's housing needs assessment identified the greatest need is for affordable housing. The Housing Agreement will assist the RMOW with achieving this objective by establishing:

Occupancy eligibility restrictions;

- Initial rent and subsequent rent restrictions;
- Initial sale price and subsequent sale price restrictions in the unlikely event unit sales are necessary or desired; and,
- Administration and management of the housing units that reflect current municipal employee housing policy and site-specific terms for all the 104 dwelling units.

The Housing Agreement proposed for registration at 1475 Mount Fee Road is based on the RMOW's standard housing agreement template and reflects Council Policy K-01. As required in terms of the CLBA, tenants of the building must be employees, per the standard definition in the Housing Agreement. The RMOW is authorized to require the building owner to deliver evidence that units are occupied in compliance with the terms of the Housing Agreement.

Project specific terms of the proposed Housing Agreement include:

Use of the Land

The Housing Agreement establishes that the land must be developed in accordance with the approved development plans which are consistent with the approved development permit. All 104 dwelling units may only be used for affordable employee housing and are to be rental tenure.

Eligibility

The Housing Agreement establishes definitions of Employee, Retiree and Whistler Qualified Business that are consistent with Council Policy K-01 as the baseline eligibility requirement. Tenants must be a Citizen or Permanent Resident of Canada. This is to ensure access to housing for the Whistler workforce, and to support a stable resident workforce.

Rental Rates and Restrictions

The Housing Agreement establishes a maximum rent for each unit, which is required by Provincial covenant, and maximum rent escalation is limited to the amount set annually by the Residential Tenancy Branch.

Maximum Original Rents are \$2,009.09 per month for each of the 24 studio units, \$2,437.24 for each of the 40 one-bedroom units, \$3,400.00 for each of the 32 two-bedroom units, and \$4,093.00 for each of the 8 three-bedroom units. The studio units include 12 units that will be designed and built to the Canada Mortgage and Housing Corporation's universal design standard for accessibility. The maximum rents represent a 3.5 per cent increase above the maximum original rents established by the housing agreement registered against 1450 Mount Fee Road for studio, one- and two-bedroom units (see Administrative Report 23-081), which is equal to the allowable increase set by the *Residential Tenancy Act* for 2024. The maximum rent for the three-bedroom units is five per higher cent (the maximum allowable inflation under the *Residential Tenancy Act*) than the Original Maximum Rent for three-bedroom units at 1330 Cloudburst Drive as described in Table 1 of Council Policy K-01. 1450 Mount Fee Road could not be used as a comparison because the building does not contain any three-bedroom units.

In operation, the units will be rented in accordance with Council Policy K-01, meaning that actual rents will be set at 30 per cent of tenant's gross income. This will be administered by the WHA.

The Housing Agreement also permits tenants to rent the second or third room of a two-bedroom or three-bedroom unit to an eligible Employee and establishes a maximum room rental rate of half of the maximum unit rent. The maximum rent and maximum room rental rate may be increased as dictated by

residential tenancy laws and the BC Rental Tenancy office. The maximum original rent for each unit is specified in Schedule B to the Housing Agreement.

Tenant Selection

All 104 units will be available through the WHA Rental Waitlist. All applicants to this program must be qualified full-time Whistler employees (i.e., employed or self-employed with a qualified Whistler business for a minimum average of at least 30 hours per week on an annualized basis) or qualified retirees. The waitlist reflects the most current definitions for eligibility based on adopted policy.

Sales Price and Purchase Restrictions

All units are intended to be rental tenure only. In the event of financial hardship, and with the prior written approval of the RMOW, the Housing Agreement establishes parameters and price under which the building owner may sell the buildings or individual units. The RMOW maintains right of first refusal to purchase.

The maximum initial sales price is established at \$642.98 per square foot and can increase with the change in the Consumer Price Index since the date of registration of the Housing Agreement. The maximum original sale price for each unit is specified in Schedule B of the Housing Agreement. This price represents the building cost allocated to each unit, based on the size of the unit.

Extra Charges

Monthly rent is inclusive of utilities, apart from electricity. The Housing Agreement sets a maximum rate of \$100.00 per month to rent a parking stall.

Other terms of the Housing Agreement are in accordance with the standard housing agreement as presented to Council on November 2, 2021 (see Information Report No. 21-122).

POLICY CONSIDERATIONS

Relevant Council Authority/Previous Decisions

Section 483 of the *Local Government Act* provides the authority for local governments to enter into agreements for affordable housing that restrict the occupants and address matters including the form of tenure, rents and leases, sale prices, and administration and management of the housing units.

Previous relevant Council decisions related to 1475 Mount Fee Road are listed below:

<u>January 9, 2024: Administrative Report No. 24-003 – Zoning Amendment Bylaw (Cheakamus Crossing Phase 2 RM-CD2 Zone) No. 2419, 2023</u>

This report presented "Zoning Amendment Bylaw No. 2419, 2023" for consideration for first, second, and third readings, along with conditions to be addressed prior to any Council consideration of adoption of the Proposed Bylaw. The proposed amendments are to increase the allowable density on Lot 5 in Cheakamus Crossing Phase 2, providing for development of additional employee housing units on this lot, and to adjust the minimum parking requirement.

<u>December 19, 2023: Administrative Report No. 23-129 – Whistler 2020 Development Corp Cheakamus</u> Crossing Lot 5 Project Plan

This report sought Council's endorsement of WDC's Lot 5 Project Plan, and to develop a shared understanding of the funding sources for this project. This report also sought Council's direction on items related to the rental framework, housing agreement, and recommended approach to financing the project, with the goal of ensuring that affordable employee housing outcomes are optimized and that the process for financing is understood and reported in a manner that is consistent with *Community Charter* requirements.

November 2, 2021: Information Report No. 21-122 – RMOW Standard Housing Agreements for Affordable Employee Housing Developments Report No. 21-122

This report provided background information and an analysis of housing agreement key terms for Council understanding and discussion in advance of receiving proposed housing agreements for consideration relative to active private and public affordable employee housing development proposals.

<u>September 21, 2021: Administrative Report No. 21-109 – Covenant Modification (Cheakamus Crossing Phase 2) – Employee-Restricted Housing Report</u>

This covenant modification addressed existing restrictions on future employee housing developments in Cheakamus Crossing imposed by the CLBA providing the municipality with flexibility and efficiency in preparing updated housing agreements for these future projects.

April 6, 2021: Administrative Report No. 21-037 – Housing Agreement Bylaw (Cheakamus Crossing Phase 2) No. 2312, 2021 – Housing Agreement

A housing agreement was registered on the lands by bylaw approved by Council in April 2021. This satisfied a condition of adoption of RZ001165 and met the requirements of a no-build covenant to allow the RMOW to authorize construction in the new Cheakamus Crossing Phase 2 neighborhood.

2023-2026 Strategic Plan

The 2023-2026 Strategic Plan outlines the high-level direction of the RMOW to help shape community progress during this term of Council. The Strategic Plan contains four priority areas with various associated initiatives that support them. This section identifies how this report links to the Strategic Plan.

Strategic Priorities

⊠ Hoı	using
	Expedite the delivery of and longer-term planning for employee housing
□ Clin	nate Action
	Mobilize municipal resources toward the implementation of the Big Moves Climate Action Plan
□ Coı	mmunity Engagement
	Strive to connect locals to each other and to the RMOW
□ Sm	nart Tourism
	Preserve and protect Whistler's unique culture, natural assets and infrastructure
□ Not	t Applicable
	Aligns with core municipal work that falls outside the strategic priorities but improves, maintains, updates and/or protects existing and essential community infrastructure or programs

Community Vision and Official Community Plan

The Official Community Plan (OCP) is the RMOW's most important guiding document that sets the community vision and long-term community direction. This section identifies how this report applies to the OCP.

Key relevant policies from the OCP are contained in the Residential Accommodation section of Chapter 5: Land Use and Development. Under Our Shared Future heading for Residential Accommodation, the OCP describes the desired future where "Whistler's employees enjoy a secure supply of affordable and livable employee housing that includes a range of housing types, prices and tenures".

The OCP recognized a critical need for additional employee housing, supporting development of the Residential Reserve Lands in Cheakamus Crossing. The OCP specified a target to strive for the addition of 1,000 new employee beds by 2023 (Objective 5.1.2). The development of employee housing at 1475 Mount Fee Road addresses this target.

5.1.3.1 Policy: calls for the RMOW to "Maintain an inventory of employee housing in perpetuity, for rental and ownership tenures, to be available for employees".

The use of housing agreements is an essential tool in achieving the RMOW's OCP goals and objectives related to securing and maintaining affordable employee housing for the Whistler resort community. The following OCP policies also provides guidance for the development of these agreements:

- 5.1.3.2 Policy: Use housing agreements, covenants, and bylaws to ensure housing is occupied as intended for employee housing; and
- 5.1.2.8 Policy: Ensure employee housing is occupied consistent with restrictions related to price, use, resale, eligibility, and other conditions.

The Housing Agreement Bylaw will ensure that the development at 1475 Mount Fee Road facilitates the creation of employee housing in perpetuity aligned with current municipal policies and goals for affordable employee housing.

BUDGET CONSIDERATIONS

Costs associated with development of project specific housing agreements for proposed developments, are recovered through rezoning and development applications fees.

Costs associated with administering housing agreements are provided for through RMOW operation budgets.

LÍLWAT NATION & SQUAMISH NATION CONSIDERATIONS

The RMOW is committed to working with the Lílwat People, known in their language as *L'il'wat7úl* and the Squamish People, known in their language as the *Skwxwú7mesh Úxwumixw* to: create an enduring

relationship; establish collaborative processes for Crown land planning; achieve mutual objectives; and enable participation in Whistler's resort economy.

There are no specific considerations to include in this report.

COMMUNITY ENGAGEMENT						
Level of community engagement commitment for this project:						
	☐ Consult	☐ Involve	□ Collaborate	☐ Empower		
Comment(s):						
Under the Local Government Act, a housing agreement bylaw does not require a Public Hearing or public notification.						
REFERENCE	ES .					
"Housing Agr	eement Bylaw	(1475 Mount I	- Fee Road) No. 2422,	, 2024" (included in Council Packag	e)	

SUMMARY

This report requests consideration of first, second and third readings for the Housing Agreement Bylaw to authorize registration of a housing agreement over 1475 Mount Fee Road in the Cheakamus Crossing Phase 2 neighborhood. The Housing Agreement establishes occupancy and eligibility restriction, initial maximum rental rates, sale price and sale restrictions, and administration and management restrictions that reflect current municipal employee housing standards and are applicable to all 104 dwelling units within the development.

The proposed Housing Agreement is consistent with the RMOW's affordable employee housing policies and standard terms, and with the requirements of the CLBA.

SIGN-OFFS

Written by:	Reviewed by:		
Louis-Felix T. Renaud, Planner	John Chapman, Manager of Planning		
	Mike Kirkegaard, Director of Planning		
	Dale Mikkelsen, General Manager of Climate Action, Planning and Development Services		
	Virginia Cullen, Chief Administrative Officer		