

THE CORPORATION OF THE
CITY OF WHITE ROCK
CORPORATE REPORT



DATE: July 29, 2024

TO: Mayor and Council

FROM: Anne Berry, Director, Planning and Development Services

SUBJECT: Consideration of First Three Readings of “White Rock Housing Agreement (1441 Vidal Street) Bylaw, 2024, No. 2509”

RECOMMENDATIONS

THAT Council:

1. Receive for information the corporate report dated July 29, 2024, from the Director of Planning and Development Services, titled "Consideration of First Three Readings of “White Rock Housing Agreement (1441 Vidal Street) Bylaw, 2024, No. 2509;” and
 2. Give the first three readings to White Rock Housing Agreement (1441 Vidal Street) Bylaw, 2024, No. 2509 and that final adoption of the Bylaw be given at the next regular meeting of Council.
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EXECUTIVE SUMMARY

This corporate report presents the White Rock Housing Agreement (14937 Thrift Avenue and 1441, 1443-45, 1465 Vidal Street) Bylaw, 2024, No. 2509, and requests Council consider first, second and third readings.

The Housing Agreement and Section 219 Covenant are the legal instruments which secure the proposed 139 residential units as market rental units for the life of the building, which includes 14 “rent-controlled units” which will add further housing affordability to the 1441 Vidal Street project at Vidal Street and Thrift Avenue.

The Housing Agreement Bylaw introduced in this report has been reviewed by Staff, the City’s external legal counsel, and the Applicant’s solicitor, and is considered a strong mechanism for the implementation of the City’s affordable housing OCP policies.

A copy of Draft Housing Amendment Bylaw No. 2509 is attached as Appendix A, which includes the combined Housing Agreement and section 219 Covenant. Location and ortho maps of the property are included in Appendix B.

PREVIOUS COUNCIL DIRECTION

The following table summarizes Council’s decision-making as it relates to the zoning bylaw amendment and major development permit applications tied to the proposal.

INTRODUCTION/BACKGROUND

Motion # & Meeting Date	Motion Details
2023-278 June 26, 2023	<p>THAT Council give 2nd reading as amended to "White Rock Zoning Bylaw, 2012, No. 2000, Amendment (CD-68 - 14937 Thrift Avenue and 1441, 1443-45, 1465 Vidal Street) Bylaw, 2022, No. 2439" as amended to include the following changes:</p> <ul style="list-style-type: none"> • The housing agreement would be amended from 12 years to 15 years; and • The Applicant would go further down for underground parking resulting in the 11 stalls now being provided. <p style="text-align: right;">CARRIED</p>
2023-279 June 26, 2023	<p>THAT Council direct staff to schedule a public hearing for "White Rock Zoning Bylaw, 2012, No. 2000, Amendment (CD-68 - 14937 Thrift Avenue and 1441, 1443-45, 1465 Vidal Street) Bylaw, 2022, No. 2439."</p> <p style="text-align: right;">CARRIED</p>
2023-280 June 26, 2023	<p>THAT Council direct staff to resolve the following issues before bringing "White Rock Zoning Bylaw, 2012, No. 2000, Amendment (CD-68 - 14937 Thrift Avenue and 1441, 1443-45, 1465 Vidal Street) Bylaw, 2022, No. 2439" back for consideration of final adoption:</p> <ol style="list-style-type: none"> Submit an updated Landscape plans reflecting the parkade intake and exhaust shafts for the new P4 level located at the southwest corner and the northeast corner of the parkade; Ensure that all engineering requirements and issues, including road dedication and the execution of a Works and Servicing Agreement, are addressed to the satisfaction of the Director of Engineering and Municipal Operations; Ensure that all matters about tree protection and retention are addressed to the satisfaction of the Director of Planning and Development Services; Confirm that a tree protection covenant, if and as required, is registered on title to ensure the recommendations of the final Arborist Report, approved by the Director of Planning and Development Services and, more specifically, the City's Arboricultural Technician, are implemented and maintained through future demolition and construction activities; Complete the demolition of the existing buildings to the satisfaction of the Director of Planning and Development Services; Enter into a housing agreement with the City that secures the secure market rental and that 10% of the housing provided will be affordable housing; A statutory-right-of-way be registered on title regarding the community urban park space and; Enter into an agreement with the City that secures the additional parking measures recommended in F. Binnie & Associates Ltd. report (dated June 2nd, 2023) in Appendix C; Develop a Construction Management Plan for staff approval; Develop a Comprehensive Addressing Plan for staff approval. <p style="text-align: right;">CARRIED</p>
2023-323 July 12, 2023	<p>THAT Council give third reading to "White Rock Zoning Bylaw, 2012, No. 2000, Amendment (CD-68 - 14937 Thrift Avenue and 1441, 1443-45, 1465 Vidal Street) Bylaw, 2022, No. 2439".</p> <p style="text-align: right;">CARRIED</p>
2023-324 July 12, 2023	<p>THAT Council direct staff to resolve the following issues before bringing "White Rock Zoning Bylaw, 2012, No. 2000, Amendment (CD-68 - 14937 Thrift Avenue</p>

	<p>and 1441, 1443-45, 1465 Vidal Street) Bylaw, 2022, No. 2439" back for consideration of final adoption:</p> <p>a. Registration of a Section 219 covenant on title to the property that secures 25 parking stalls to be equipped with Electric Vehicle Supply Equipment/ EV Charging Stations.</p> <p style="text-align: right;">CARRIED</p>
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In 2019, the City received concurrent applications for zoning bylaw amendment and a major development permit (Form & Character DPA and Environmental DPA - Ravine and Significant Trees) which, if approved, will allow for the construction of a six-storey, 139-unit rental apartment building at 14937 Thrift Avenue and 1441, 1443-45, 1465 Vidal Street.

Bylaw No. 2439 (Appendix C), being a Bylaw to amend the City’s Zoning Bylaw to a Comprehensive Development (CD) Zone to enable the redevelopment, received third reading on July 12, 2023. In preparing the Bylaw for Council’s consideration, the following pre-adoption requirements were noted within the June 26, 2023 staff report:

- a) Submit an updated Landscape Plan reflecting the parkade intake and exhaust shafts for the new P4 level located at the southwest corner and the northeast corner of the parkade;
- b) Ensure that all engineering requirements and issues, including road dedication and the execution of a Works and Servicing Agreement, are addressed to the satisfaction of the Director of Engineering and Municipal Operations;
- c) Ensure that all matters about tree protection and retention are addressed to the satisfaction of the Director of Planning and Development Services;
- d) Confirm that a tree protection covenant, if and as required, is registered on title to ensure the recommendations of the final Arborist Report, approved by the Director of Planning and Development Services and, more specifically, the City’s Arboricultural Technician, are implemented and maintained through future demolition and construction activities;
- e) Complete the demolition of the existing buildings to the satisfaction of the Director of Planning and Development Services;
- f) Enter into a housing agreement with the City that secures the secure market rental and that 10% of the housing provided will be affordable housing;
- g) A statutory-right-of-way be registered on title regarding the community urban park space;
- h) Enter into an agreement with the City that secures the additional parking measures recommended in F. Binnie & Associates Ltd. Report (dated June 2nd, 2023);
- i) Develop a Construction Management Plan for staff approval; and
- j) Develop a Comprehensive Addressing Plan for staff approval.

As noted under item “(f)” above, a Housing Agreement must be finalized prior to the approval of the zoning amendment bylaw. If the Housing Agreement Bylaw (Bylaw 2509) is approved, it means that only **one** of eleven third-reading conditions for the rezoning application has been met by the Applicant. This decision does not signify that the overall rezoning application for the proposed development has been approved.

ANALYSIS

Local Government Act Sections 482 & 483

Section 482 of the *Local Government Act* (LGA) provides that a zoning bylaw may establish different density rules for a zone, one generally applicable for the zone and other density if applicable conditions are met, including the condition that the owner enter into a housing agreement under Section 483.

Section 483 of the LGA provides that a municipality may, by bylaw, enter into a housing agreement which may include terms and conditions agreed to by the local government and the owner regarding the occupancy of the housing units identified in the agreement, including the form and tenure of the housing, the availability of housing to classes of persons, the administration and management of the housing units, and the rents or sale prices that may be charged. Once notice of the housing agreement is filed in the Land Title Office, the agreement is binding on all persons who acquire an interest in the land affected by the agreement.

White Rock Zoning Bylaw (Zoning Bylaw)

The proposed CD-68 Zone for the subject property includes a base density of 70 residential units and a gross floor area of 5,813.1 square metres (i.e. 1.5 times the lot area). An additional (bonus) density of up to 139 residential units and a gross floor area of 9,477.5 m² is available if the property owner provides a \$604,715.45 contribution to the Community Amenity Reserve Fund and a housing agreement has been entered into and filed with the Land Title Office to secure all 139 residential units as rental tenure for the life of the building with fourteen (14) of these dwelling units being secured for a period of 15 years as having maximum rents set at the average rent for a private apartment in White Rock as indicated by the most current rental market report from Canada Mortgage and Housing Corporation.

Principles for the Housing Agreement

The following principles for the housing agreement were developed as the framework for the Housing Agreement:

1. The owner(s) will operate the dwelling units as market rental and rent-controlled rental units. The Housing Agreement sets maximum permitted rents based on unit type as outlined in Schedule B in the agreement. The rental housing will be subject to the *Residential Tenancy Act*.
2. The owner(s) do not intend to sell or transfer the secured rental units, except in fee simple title to all the secured rental units.
3. The rental tenure will be guaranteed for the life of the building and based on the dwelling unit occupied.
4. The owner(s) will ensure a copy of the Housing Agreement is attached to any Tenancy Agreement for the secured rental units.
5. The owner agrees that no Secured Rental Unit may be rented to any person for a term of less than one (1) year.

A draft version of the housing agreement is included in this report as Appendix A. The housing agreement will be registered on title in the form of a notice of housing agreement, as well as a Section 219 covenant.

Rent-Controlled Rental Units (RCR units)

Of the 139 market rental units, the provision of the fourteen (14) “Rent Controlled Rental Units” is secured by Sections 2.2 and 3.5 of the Housing Agreement Bylaw and the “Permitted Rents”, as outlined in Schedule B (see Appendix A). The information provides further clarification regarding RCR units within the agreement:

- **Rent Controlled Rental Units** are those rented to “Income Tested Tenants”¹ and tied to the average rent for the unit type in White Rock as determined by CMHC’s most recent Rental Market Survey. The minimum tenure for RCR units (Section 3.5) and rates are secured for a minimum period of 15 years following occupancy of the building.
- After 15 years there is no maximum rent limit tied to these units. However, per Section 3.6 in the Agreement, a **Priority Tenant** occupying a Rent Controlled Rental Unit at the end of the period shall be entitled to continue occupying a **Rent Controlled Rental Unit** at no more than the **Permitted Rent** for the life of the Building.
- A **Priority Tenant** is defined as an “**Income Tested Tenant**” of a **Rent Controlled Rental Unit** who is or whose Household is comprised exclusively of persons who are 65 years or older or at risk of housing insecurity.
- **Permitted Rents**, as defined in the Bylaw, can be increased annually “in accordance with any maximum positive change authorized under the *Residential Tenancy Act* (British Columbia) between January 1, 2024, and the month in which the rent is being increased, and may be further increased with the prior written consent of the City to cover unexpected increases in operating, maintenance and servicing costs.”

With the exception of the 14 Rent Controlled Rental Units, all remaining 125 units are considered “Secured Rental Units” for which there is no maximum rent set in the Bylaw.

FINANCIAL IMPLICATIONS

None with respect to the Housing Agreement Bylaw No. 2509.

LEGAL IMPLICATIONS

The authority to enter into a Housing Agreement is established by Section 483 of the *Local Government Act*. The adoption of an implementing housing agreement bylaw will help to ensure that the allocation of affordable housing units, and the associated maximums on rental rates, are secured with the advancement of the development in accordance with the objectives of the City’s Tenant Relocation Policy. The housing agreement bylaw referred to in this report has been reviewed by the City’s external legal counsel as well as the Applicant’s counsel; it is understood that the Applicant agrees with the terms of the Bylaw.

COMMUNICATION AND COMMUNITY ENGAGEMENT IMPLICATIONS

The zoning bylaw amendment application and the major development permit application have been subject to a Public Information Meeting and a Public Hearing.

The Housing Agreement Bylaw requires that the Owner provide proof back to the City of the final rent roll, prior to the receipt of an occupancy permit tied to the new residential development. This rent roll will identify the rental rates charged to the first occupants of “rent-controlled rental units” and “secured rental units.”

ALIGNMENT WITH STRATEGIC PRIORITIES

¹ Income Test Tenant for a Rent Controlled Units means a Tenant whose income does not exceed the Income Threshold. Income Threshold means a gross income of 80 percent of the median household income in the City of White Rock Income as defined by and based on data published in the most recent Census of Canada, or if such data is not currently published, by the Province of BC, or if such data is not currently published by the Province of BC, or if such data is not currently published, by the CMHC, from time to time.

This housing agreement will uphold Council’s interest in supporting affordable housing options in White Rock and will help achieve Council’s priority to increase at and below market rental housing inventory.

OPTIONS / RISKS / ALTERNATIVES

The following alternative options are offered for Council’s consideration:

1. Council could direct staff to make changes to the “White Rock Housing Agreement (14937 Thrift Avenue and 1441, 1443-45, 1465 Vidal Street) Bylaw, 2022, No. 2509,” provided the changes are within the parameters of the Third Reading conditions for this development; or
2. Other.

CONCLUSION

This report presents Council with Housing Agreement (14937 Thrift Avenue and 1441, 1443-45, 1465 Vidal Street) Bylaw, 2024, No. 2509. A third reading condition tied to Bylaw 2439 to rezone 14937 Thrift Avenue and 1441, 1443-45, and 1465 Vidal Street to enable a multi-family residential development requires that the property owner enters into a Housing Agreement with the City to secure all 139 residential units as rental tenure for the life of the building, which includes 14 ‘rent-controlled units’ in order to access bonus density within the CD-68 zone, if approved.

Section 483 of the *Local Government Act* enables local governments to enter into housing agreements by bylaw, and the required housing agreement, once approved by Council will be registered on the property’s title as both a notice and a section 219 covenant. Staff have reviewed the Housing Agreement Bylaw, alongside the City’s external legal counsel, and believe it to be acceptable.

Respectfully submitted,

Reviewed and Approved by,

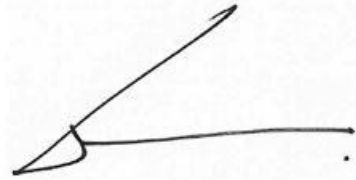


Neethu Syam
Planning Division Lead

Anne Berry, MCIP, RPP
Director, Planning and Development Services

Comments from the Chief Administrative Officer

I concur with the recommendations of this corporate report.

A handwritten signature in black ink, consisting of a stylized 'G' followed by a horizontal line and a small dot at the end.

Guillermo Ferrero
Chief Administrative Officer

Appendix A: Draft Housing Agreement Bylaw No. 2509

Appendix B: Location and Ortho Maps

Appendix C: Draft CD-68 Zone (Bylaw 2439)