

POLICY NAME:	<b>Perpetually Affordable Housing (PAH)</b>		
APPROVING AUTHORITY:	<input checked="" type="checkbox"/> Legislative (Council approved)	<input type="checkbox"/> Administrative (CAO approved)	
ISSUED BY:	General Manager of Community Planning & Infrastructure:	DATE APPROVED:	18-02-2020
		NEXT REVIEW DATE:	18-02-2021
		DATE LAST AMENDED:	DD-MMM-YYYY

## PURPOSE

The Perpetually Affordable Housing (PAH) Policy is intended to administer rental rate and price restricted affordable housing in the District which will remain affordable in perpetuity. PAH homes are intended to meet the housing needs of low-to-moderate income individuals in the community. Occupant eligibility requirements will exist for these units.

PAH homes are intended to meet the needs of the community by providing a diversity of house types which follow provincially established design guidelines and National Occupancy Standards (NOS).

The intent is that PAH homes should be occupied by a demographic cross section of the population that reflects areas of need in the community, include where necessary any social or program supports provided by partners, and address issues of structural inequity in terms of access and affordability of market housing.

Guiding Principles of the PAH Policy include ensuring that:

- Homes are affordable for residents of the District
- Rental rates or prices and home sizes are restricted
- A consistent and centralized intake system for applicants is maintained
- Operations are managed by a qualified provider and governed by an Operating Agreement.

## DEFINITIONS

**Affordable Housing** means housing where 30% or less of a household's before-tax income is spent on housing costs, as defined by the Canada Mortgage and Housing Corporation (CMHC) (See Attachment 1).

**District** means the District of Squamish.

**Emergency housing** means Immediate, short-stay housing for people who are homeless or at risk of becoming homeless.

**Head Lease** means the original lease between a tenant and the owner or landlord, where the overall contractual responsibility is given to one identifiable tenant called the head lessee. It is a primary lease under which subleases can be granted.

**Home Size** means the gross floor area of a home.

**Home Type** means the form and number of bedrooms in a home (e.g. one-bedroom apartment or two-bedroom townhouse, etc.).

**Housing Agreement** means an agreement regarding the provision of affordable housing under Part 14, Division 5 of the Local Government Act (RSBC 2015, Chapter 1).

**Low-to-Moderate Income Households** means a household whose income does not exceed the median income for families without children in Squamish, as determined by Canada Mortgage and Housing Corporation (CMHC) and updated from time to time based on data provided by Statistics Canada.

**National Occupancy Standard (NOS)** means the standard, developed by Canada Mortgage and Housing Corporation (CMHC), which assesses the bedroom requirements of a household based on predefined criteria (see Attachment 3).

**Operating Agreement** means a legal document containing the terms which govern both parties (the District and the Provider) in the operation of PAH homes.

**Perpetually Affordable Housing (PAH)** means a range of affordable housing types that shall be made available to eligible persons at below market purchase prices and rental rates and be maintained as the occupants' primary residence. PAH occupancy shall be restricted by asset limitations, location and length of employment, residency, income limitation and resale/rental price criteria. PAH homes are subject to documentation stating that the units are and will remain PAH homes.

**Primary Residence** means the residence that the applicant would ordinarily and continually occupy as a residence on a full-time basis, as determined by the District or the Provider.

**Provider** means the operator of a PAH home on behalf of the District as determined by or through an Operating Agreement, or the operator of a PAH home on behalf of a land owner as determined by or through a Housing Agreement.

**Qualified Tenant** means an individual who applies to live in a PAH home and meets the PAH eligibility criteria based on, but not limited to, employment, residency, income and assets.

**Residency** means the location in which a household lives and maintains occupancy, as proven through government or other documentation.

**Retiree** means an individual who has ceased active employment but who would have met the eligibility criteria in this Policy for five of the six years prior to ceasing employment.

**Social housing:** A housing development that the government or a non-profit housing partner owns and operates.

**Subsidized housing:** A type of housing for which the provincial government provides financial support or rent assistance.

**Supportive housing:** A type of housing that provides on-site supports and services to residents who cannot live independently.

**POLICY**

1. Affordability for Residents of the District
  - 1.1 PAH homes are intended for households with a range between 80% and 120% of median total income for households as defined in Attachment 1.
  - 1.2 In circumstances where utility costs are clearly known, then these costs shall form part of the determination of affordability.
  - 1.3 The District may, through a Housing Agreement or partnering agreement with a non-profit housing society or organization, specify lower affordability criteria than specified in this Policy (in conjunction with any required income or support programs), and that any PAH homes may be restricted to a specific target market or group of persons, including those transitioning from other forms of social, subsidized, supportive or emergency housing.
2. Rental Rates or Prices and Home Sizes are Restricted
  - 2.1 The maximum rental rate for District owned PAH homes will be no more than 90% of median market rent, as defined by the Canada

Mortgage and Housing Corporation (CMHC) Annual Rental Market Survey for Squamish.

- 2.2 The maximum rental rate for privately owned PAH homes will be no more than 80% of median market rents, as defined by the Canada Mortgage and Housing Corporation (CMHC) Annual Rental Market Survey for Squamish.
  - 2.3 Rental rates must be the lesser amount when using either the median income based guidelines outlined in Attachment 1, or the percentage of median market rent.
  - 2.4 Council, at its discretion, may, through a Housing Agreement negotiated with a developer or builder, use another metric of assessing local rental rates other than the Canada Mortgage and Housing Corporation (CMHC) Annual Rental Market Survey for Squamish.
  - 2.5 Eligible households will be provided PAH homes based on household size requirements defined by the National Occupancy Standard, as updated from time to time (see Attachment 3).
  - 2.6 PAH home floor areas shall conform to the sizes identified in provincially established design guidelines, such as the BC Housing Design Guidelines and Construction Standards, as updated from time to time (see Attachment 2). Floor areas shall be determined using the definition of Floor Area contained in the District’s Zoning Bylaw, as amended from time to time.
3. Tenant / Buyer Eligibility
- 3.1 Qualified tenants or buyers shall meet the tenant eligibility criteria described in 3.4 for all PAH homes.
  - 3.2 Qualified tenants or buyers must be of legal age, and be Canadian citizens or have permanent resident (as defined by the Federal government) status.
  - 3.3 Qualified tenants or buyers shall be required to disclose all members of their household including any common law or spousal relationship.
  - 3.4 Tenant or buyer eligibility will be based on four criteria:

Category	Criteria	Threshold
Asset Limitation	An applicant and spouse will be subject to an asset limitation based on owning existing real estate assets in the District or elsewhere beyond an established threshold.	No real estate assets are held individually or jointly by the applicant or spouse in District or elsewhere, currently or in the previous 5 years. The applicant and spouse will not have other combined

		financial assets in excess of \$225,000.
Employment	<p>An applicant must be employed or self-employed working in the District on a continuous basis for a minimum number of hours per week</p> <p><b>OR</b></p> <p>Operates a business in the District and where their presence at the place of business is necessary for the day-to-day operation of the business</p> <p><b>OR</b></p> <p>An applicant must be a retiree from work or be unable to work due to disability and lived or worked in the District previously.</p>	Works a minimum of 20 hours per week on average annually.
Residency	An applicant must be able to prove residency in the District for a pre-determined period of time immediately prior to application.	Have lived in the District for 1 year immediately prior to tenancy or ownership.
Income (Rental PAH)	An applicant must demonstrate a household income which meets and/or does not exceed a pre-determined threshold.	<p>See Attachment 1: Annual before-tax income is:</p> <p>Maximum income requirement for two or more person household - \$71, 210</p> <p>Maximum income requirement for one person household - \$34,253</p> <p>Minimum income requirement for PAH</p>

		homes for any household - \$21,408
Income (For Sale PAH)	An applicant must demonstrate a household income which meets and/or does not exceed a pre-determined threshold.	To be determined based on median incomes at the time of mortgage approval based on Section 1.2.

- 3.5 Eligibility criteria will not supersede or contradict those included in this Policy unless authorized by Council through a operating agreement.
- 3.6 If any applicant under this Policy misrepresents or fails to provide complete disclosure of relevant requested information, then this may result in an applicant being removed from any waitlist or prevented from purchasing a PAH home.
- 3.7 All qualified applicants will be required to sign a Statutory Declaration confirming the accuracy of their application, and to submit suitable documentation substantiating the required information, as required by the District or a Provider.
- 3.8 Qualified applicants may be required to pay a one time PAH registration fee, in an amount required by the by the District or a Provider.
- 3.9 Under extraordinary or exceptional circumstances, the District or an Operator may vary these eligibility criteria outlined in Section 3.4, in order to accommodate the circumstances of a particular individual or household, or to address known societal structural inequities related to eligibility criteria. Detailed reasons for the variance shall be documented by the Operator varying the criteria, and an annual report shall be provided to the District by an Operator, stating the number of incidents in which the criteria were varied. The District may request that the Operator provide details of any or all variances allowed by an Operator, subject to applicant confidentiality being strictly protected at all times.
- 3.10 Should any applicant or qualified tenant already resident in a PAH rental home become non-compliant with any of the eligibility requirements, then the District or an Operator may terminate the tenancy of that person, but shall do so with no less than two (2) and no more than six (6) months notice to the affected individual.

**4. Unit Types and Mixes**

- 4.1 PAH homes shall be provided in a variety of housing form options (e.g. detached homes, (stacked) townhouses, apartments), size and the numbers of bedrooms whenever possible, addressing the needs of varying household sizes.

4.2 The provision of PAH home types in particular buildings or projects shall consider the detailed needs identified in any District housing needs assessment document.

5. Leases

5.1 Housing Agreements between the District and the owner of PAH homes shall specify a single Head Lease between the District and the owner, or a single management agency, for all PAH homes contained within a building or project.

5.2 A Provider shall enter into sub leases for PAH homes, in accordance with the provisions of this Policy, with all eligible tenants.

6. Waitlist Management

6.1 The Provider will maintain a waitlist of Qualified Tenants if no PAH homes are readily available which meet the needs of the applicant or household.

6.2 The Provider may use the BC Housing Registry for PAH homes.

6.3 The eligibility criteria as stated in this Policy must continue to be met throughout the entire duration that an applicant is on any waitlist. If an applicant is unable to successfully continue to meet the eligibility requirements, then the applicant will be removed from any waitlist.

6.4 The District or an Operator will have the right to reconfirm an applicant's eligibility criteria at anytime an applicant is positioned on any waitlist.

6.5 All applicants wishing to remain on any waitlist will be required to complete an annual confirmation acknowledging their continued eligibility to remain on any waitlist. This process may include payment of an annual waitlist renewal fee in an amount required by the District or a Provider.

7. Operating Agreements

7.1 A Provider of PAH housing will be required to enter into an operating agreement with the District for operation of PAH home which will govern the terms of operations and tenancies.

7.2 Terms of the PAH operating agreement will be contained within a specific agreement developed at the time the Provider of PAH homes is selected. Terms of the agreement will include, but not be limited to; rent or resale conditions, lease terms, fees, restrictions of buying and selling, and occupancy limits.

7.3 A Provider will be required to report to the District on PAH operations annually or at the request of the District.

7.4 A Provider will ensure that homes are sustainably managed in accordance with the partnering agreement to ensure affordability in perpetuity.

7.5 A Provider will provide an annual report to the District outlining the tenant demographic profile and composition so that the District may assess if this Policy is appropriately meeting its' intent.

**8. Monitoring**

8.1 The District will no less than every two (2) years, review the demographic profile of all PAH home residents to evaluate the effectiveness of the Policy in meeting its' intent.

**RESPONSIBILITY** General Manager of Community Planning & Infrastructure  
Community Planning Department

**PROCEDURES**

1. Staff shall annually update Attachment 1 through a review of relevant data issued by Statistics Canada, or other relevant housing agencies including BC Housing, the B.C. Non-Profit Housing Association or the Canada Mortgage and Housing Corporation.
2. Staff shall annually update Attachment 2 through a review of the required data from BC Housing as the BC Housing Design Guidelines and Construction Standards are updated.
3. Staff shall annually update Attachment 3 through a review of the required information from the Canada Mortgage and Housing Corporation when the Canadian National Occupancy Standards are updated.
4. When determining the rents for PAH homes using the median income based guidelines outlined in Attachment 1, rents for PAH homes with less than two (2) bedrooms determinations should consider the median income restrictions for one or two person households.
5. When determining the rents for PAH homes using the median income based guidelines outlined in Attachment 1, rents for for PAH homes with two (2) or more bedrooms, determinations should consider the median income restrictions for two or more person households.
6. Staff shall consult with local non-profit housing societies and organizations, to determine their respective interest in obtaining access to, and the operation of any PAH Unit.
7. Staff or an Operator may confirm employment criterion eligibility by requesting letters of employment or employment contracts and three (3) recent pay slips.



8. Staff or an Operator may confirm income criterion eligibility for employed individuals through a review of the individuals' most recent T1 General Income Tax and Benefit Return.
9. Staff or an Operator may confirm income criterion eligibility for self employed individuals through a review of the individuals T1 General Income Tax and Benefit Return and the Statement of Business or Professional Activities. An average income will be determined through a review of the individual's last three (3) returns.
10. Staff or Provider may confirm employment criterion eligibility for self employed individuals through a review of the individuals work contracts to determine that extensive travel outside of the community is not required.
11. The following exemptions from personal or household income apply:
  12. Federal Child Tax Benefit payments;
  13. One year capital gains, such as insurance settlements, inheritances or disability awards;
  14. The earnings of a person aged 18 and under;
  15. Student loans, student loan equalization payments, and student grants;
  16. Income of full-time students aged 19 or over from temporary jobs between school years or semesters to a maximum of 4 months per calendar year;
  17. Any Federal or Provincial rental assistance program payments received prior to an application ;
  18. Goods and Services Tax (GST) rebates and Harmonized Sales Tax (HST) rebates;
  19. Any government provided daycare allowance paid directly to the individual; and
  20. Payments for foster children, or Child in Home of Relative (CIHR) income under the Employment and Assistance Act.
21. The following exemptions from any asset calculations shall apply:
  22. Registered Retirement Savings Plans;
  23. Registered Education Savings Plans; and
  24. Registered Disability Savings Plans.
25. Applicants will be placed on any waitlist on a first- come-first-served basis. Waitlist position and PAH home allocation shall not be assignable by an applicant.
26. The Provider may assign a PAH home to an applicant from the waitlist in a priority manner that it deems appropriate in the circumstances.

- REFERENCES**
1. District of Squamish Affordable Housing Program Report
  2. District of Squamish 2018 Housing Needs Assessment
  3. District of Squamish Affordable Housing Strategy and Action Plan

- ATTACHMENTS**
1. Income & Rent Restrictions and CMHC Affordability Criteria
  2. BC Housing Design Guidelines and Construction Standards
  3. CMHC Canadian National Occupancy Standards (CNOS)

**DISTRIBUTION**    Online Policy Library

RECORD OF AMENDMENTS	DATE AMENDED	SUMMARY OF AMENDMENT(S)

**Attachment 1 Income & Rent Restrictions and CMHC Affordability Criteria**

	<b>Requirement</b>		
<b>Maximum income requirement for two or more person households</b>	\$71,210		
	<b>Rationale</b>	<b>Source</b>	<b>Updating the requirement</b>
	Represents 80% of the median total income in 2015. This was selected because it represents the high end of low-to-moderate income in the District, with the understanding that those earning more than this face lesser challenges to housing in the rental/ownership market.	Median total income of households in 2015 per Census 2016 for Squamish DM.	Updated from time to time based on Census updates. Depending on economic conditions in the District, inflation may be added to / subtracted from this requirement.
	<b>Requirement</b>		
<b>Maximum rental limit for two or more person households</b>	\$1,780.00		
	<b>Rationale</b>		
	The maximum rent for this type of home is determined by taking 30% of monthly income: (\$71,210 / 12 months) * 30% = \$1,780 per month.		

	<b>Requirement</b>		
<b>Maximum income requirement for one person households</b>	\$34,253		
	<b>Rationale</b>	<b>Source</b>	<b>Updating the requirement</b>
	Represents 80% of the median total income of one-person households in 2015. This was selected because it represents the high end of low-to-moderate income for single income households in the District, with the understanding that those earning more than this face lesser challenges to housing in the rental/ownership market.	Median total income of one-person households in 2015 per Census 2016 for Squamish DM.	Updated from time to time based on Census updates. Depending on economic conditions in the District, inflation may be added to / subtracted from this requirement.
	<b>Requirement</b>		
<b>Maximum rental limit for one person household</b>	\$856		
	<b>Rationale</b>		
	The maximum rent for this type of home is determined by taking 30% of monthly income: (\$34,253 / 12 months) * 30% = \$856 per month.		

	<b>Requirement</b>		
<b>Minimum income requirement for PAH units for any household</b>	\$21,408		
	<b>Rationale</b>	<b>Source</b>	<b>Updating the requirement</b>
	Represents 50% of the median total income of one-person households in 2015. This was selected because it represents the low end of low-to-moderate income in the District and it aligns with the income assistance rate table for the Province of BC. This is based on the understanding that PAH homes are intended to serve those with low-to-moderate income as those earning less than the lower limit are better served by other housing and service providers in the District.	Median total income of one-person households in 2015 per Census 2016 for Squamish DM.	Updated from time to time based on Census updates. Depending on economic conditions and other housing services provided in the District, inflation may be added to / subtracted from this requirement.
	<b>Requirement</b>		
<b>Minimum rental limit for PAH homes for any household</b>	\$535		
	<b>Rationale</b>		
	The minimum rent for this type of home is determined by taking 30% of monthly income: (\$21,408 / 12 months) * 30% = \$535 per month.		

Data available on income levels from Statistics Canada Census Profile:

<https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/index.cfm?Lang=E>

Example of calculation methodology from Census Canada data.

Income of Squamsh DM households in 2015						
Total - Income statistics in 2015 for private households by household size - 100% data	Census data footnote 34	7,260	N/A	N/A		
<b>Median total income of households in 2015 (\$)</b>		\$ 89,012	N/A	N/A	0.8	\$ 71,210
Median after-tax income of households in 2015 (\$)		\$ 76,259	N/A	N/A		
Total - Income statistics in 2015 for one-person private households - 100% data		1,595	N/A	N/A		
<b>Median total income of one-person households in 2015 (\$)</b>		\$ 42,816	N/A	N/A	0.8	\$ 34,253
					0.5	\$ 21,408
Median after-tax income of one-person households in 2015 (\$)		\$ 36,992	N/A	N/A		
Total - Income statistics in 2015 for two-or-more-person private households - 100% data		5,665	N/A	N/A		
Median total income of two-or-more-person households in 2015 (\$)		\$ 103,261	N/A	N/A		
Median after-tax income of two-or-more-person households in 2015 (\$)		\$ 87,909	N/A	N/A		

### CMHC Affordability Criteria

Affordable housing costs 30% or less of before-tax household income. Shelter costs include the following:

- **For renters:** rent including (estimated) payments of utilities such as electricity, fuel, water and other municipal services ;
- **For owners:** mortgage payments (principle and interest), including strata fees and (estimated) utilities, before any property taxes.

**Note:**

Management of PAH homes where tenants pay their own utilities is simpler, and allows for tenants to pay for their own utility usage, and thereby manage consumption. If utilities are not metered for the PAH home, then these costs should be included in the rent. If utilities are metered, then both rent and utilities should be included in the affordability assessment.

Attachment 2 BC Housing Design Guidelines and Construction Standards – 2019

**5.2 DWELLING UNIT FLOOR AREAS**

		NET UNIT AREA	
Unit Type	Bedroom	Sq. Metres	Sq. Feet
Townhouse	1	56 m <sup>2</sup>	600 ft <sup>2</sup>
	2	90 m <sup>2</sup>	969 ft <sup>2</sup>
	3	111 m <sup>2</sup>	1195 ft <sup>2</sup>
	4	125 m <sup>2</sup>	1345 ft <sup>2</sup>
Apartment/Single Storey Apartment (Motel Type)	Studio	33 m <sup>2</sup>	350 ft <sup>2</sup>
	1	49 m <sup>2</sup>	525 ft <sup>2</sup>
	2	67 m <sup>2</sup>	725 ft <sup>2</sup>
	3	86 m <sup>2</sup>	925 ft <sup>2</sup>
	4	112 m <sup>2</sup>	1200 ft <sup>2</sup>

- .1 Net Unit Areas may be increased by up to 12% to achieve wheelchair accessibility and by up to 5% for adaptable units.

**Attachment 3 Canadian National Occupancy Standard (CNOS)**

As issued by the Canada Mortgage and Housing Corporation (CMHC)).

Suitable housing has enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard (NOS) requirements. Enough bedrooms based on NOS requirements means one bedroom for:

- each cohabiting adult couple;
- unattached household member 18 years of age and over;
- same-sex pair of children under age 18;
- and additional boy or girl in the family, unless there are two opposite sex children under 5 years of age, in which case they are expected to share a bedroom.

A household of one individual can occupy a bachelor unit (i.e. a unit with no bedroom).