



EXPLANATORY MEMO

AFFORDABLE HOUSING RESERVE FUND BYLAW, 2026, No. 3320 AFFORDABLE HOUSING RESERVE FUND POLICY CO-89

This memo provides an overview of the proposed 1). draft Affordable Housing Reserve Fund (AHRF) Bylaw No. 3320 and 2). draft Affordable Housing Reserve Fund (Deposits and Use of Funds) Council Policy CO-89.

This draft Bylaw and Policy are being brought forward to meet *Local Government Act* (LGA) requirements and provide Council with a reserve fund that can be used to help fund the creation of new affordable housing units in the community, in partnership with non-profit housing societies and senior governments.

The AHRF Bylaw and Policy are also considered to be ‘initial steps’, which are intended to be reviewed and updated by Council from time-to-time, to meet the City’s evolving affordable housing needs and local development and market conditions.

1. Affordable Housing Reserve Fund (AHRF) Bylaw No. 3320

Based on Section 188 of the *Community Charter* and Section 482.3 and Section 482.91 of the LGA, the establishment of the AHRF is necessary for the City to receive cash-in-lieu funds from development applications that are required to provide these funds through the density bonusing and inclusionary housing requirements in the Zoning Bylaw (Section 2.6). The AHRF will also enable Council to direct other funds to the AHRF, which combined with the cash-in-lieu funds noted above can be used by Council to help create new affordable housing units in the City.

The AHRF Bylaw defines affordable housing units and how AHRF funds could be used to contribute towards the capital cost of creating these new units, including:

- allocating AHRF funds in proportion to the number of affordable housing units in a development application and their target income levels;
- providing or purchasing land and/or floorspace for affordable housing units;
- reimbursing waived City fees and charges; and
- providing funding for the pre-development costs of development applications with affordable housing units.

This Bylaw also identifies the cash-in-lieu rates, that reflect the current estimated capital costs for constructing wood-frame and non-combustible construction in the City, as required by the LGA. The Bylaw also includes a clause noting that the City will review

and if necessary amend these cash-in-lieu rates, at least once every two years, so these rates best reflect local development and market conditions.

2. Affordable Housing Reserve Fund (Deposits and Use of Funds) Council Policy CO-89

This proposed Council Policy is intended to further identify how the Affordable Housing Reserve Fund (AHRF) may be used by Council to create new affordable housing units, what housing units are eligible, and the process by which an applicant can request the use of AHRF funds.

The Council Policy implementation section includes specific details about what qualifies as an affordable housing unit (page 2 of the Policy), including type, tenure and target affordability levels, and that these units are to be delivered in a partnership model by way of the units being managed, controlled and/or owned by a non-profit housing society, public authority or senior government agency (regional, Provincial, Federal) in order to qualify for AHRF funds.

The Policy also expands on the AHRF Bylaw by providing additional guidelines that Council may consider when using the AHRF, including how AHRF funds could be allocated to one or more qualifying development applications, how much of the AHRF could be used for a specific application, and how to potentially prioritize AHRF allocations amongst multiple applications.

Section 3 of the Policy includes parameters on how an applicant can request the use of AHRF funds, along with an outline of typical AHRF application processes. Applicants will be required to identify specific capital cost-related items for AHRF assistance (i.e.. land/equity, waiving fees/charges etc.) and support this request with an accompanying financial analysis, for review by staff and then consideration by Council as a part of a rezoning and/or Development Permit application.