



EXPLANATORY MEMO

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

***This memo was initially presented at the March 23, 2026 Committee of the Whole (COW) meeting, for Council review and feedback. The content of this memo still applies to the proposed Bylaw and Policy, and based on feedback received, these updates have been made to the proposed Bylaw No. 3320 and Council Policy CO-89 and are reflected in the below memo:

1. The review period for cash-in-lieu rates in Section 3 of Bylaw 3320 has been updated to 'on an annual basis' (instead of 'at least once every two years');
2. The wording of section 4 in Bylaw 3320 has been updated to closely align with the Sections 482.3 (8) and 482.91 (6) in the Local Government Act , which describe how reserve funds are to be spent. Sections 4(a) and 4(b) of Bylaw 3320 enable the potential use of AHRF funds to purchase/provide land and/or floorspace for affordable housing units, fund the fees, charges and contributions that apply to affordable housing applications, and provide pre-development funding for affordable housing applications, as noted at the March 23, 2026 COW meeting.
3. Section 2 in Council Policy CO-89 has been updated to align with the updated Section 4 in Bylaw 3320, in manner that flows from more general to specific AHRF funding eligibility requirements for affordable housing units;
4. Section 2 in Council Policy CO-89 has also been updated to include a list of affordable housing options that AHRF funds should be prioritized for, based on the OCP and Housing Needs Report. This prioritization does not eliminate other affordable housing options from Council's consideration (nor is the list presented in order of priority);
5. Adding a new Section 4 in Council Policy CO-89 that notes that an annual report is required to be presented to Council that includes details on AHRF fund balance, and the amount of new inclusionary and density bonusing units or cash-in-lieu that has been created or contributed to the AHRF, and how the AHRF has been used in the preceding year.

Bylaw 3320 is being presented for three readings at the April 13 Regular Council meeting, and Council Policy CO-89 is accompanying Bylaw 3320 in draft form; should Bylaw 3320 receive 3 readings and then be adopted by Council, Council Policy CO-89 may be considered for approval by Council at that time.

Explanatory Memo

This memo provides an overview of the proposed 1). 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 Bylaw and draft 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 costs of providing, constructing, altering, or expanding affordable housing units and the principal and interest costs associated with debt incurred by the City for such costs; and also contribute funding to a non-profit society, non-profit entity, public authority, senior government agency, or another body within the prescribed class of bodies, for the purpose of providing, constructing, altering, or expanding affordable housing units.

LGA Sections 482.3 and 482.91 define capital costs as including planning, engineering, legal costs, and interest costs that are directly related to providing, constructing, altering or expanding 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 on an annual basis, 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, how to potentially prioritize AHRF allocations amongst multiple applications and a list of affordable housing priorities (based on the City's OCP and Housing Needs Report).

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, funding 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.

Section 4 of the Policy highlights that according to LGA Sections 482.6 and 482.94, the City is required to create an annual report that details the number of affordable housing units (with issued building permits) that have been created through inclusionary zoning or density bonusing requirements, how much cash-in-lieu funding has been placed into the AHRF, and how AHRF funds have been used over the course of a calendar year.