



**Council Member Motion**  
**For the Committee of the Whole Meeting of November 22, 2018**

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**Date:** November 19, 2018

**From:** Councillor Collins, Councillor Potts, Councillor Dubow

**Subject:** Adopt and Consistently Apply the CMHC's Definition of Affordable Housing

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**Background**

The City of Victoria uses the Canada Mortgage and Housing Corporation (CMHC) definition of affordable housing in the Victoria Housing Strategy:

The Canadian Mortgage and Housing Corporation (CMHC) defines affordable housing relative to income, as housing that costs less than 30% of before-tax household income. For renters, shelter costs include rent and any payments for electricity, fuel, water and other municipal services. For owners, shelter costs include mortgage payments, property taxes and any condominium fees along with payments for electricity, fuel, water and other municipal services. Affordable housing is a relative term and can also be defined relative to market prices. The City of Victoria defines affordable housing as costing no more than 30% of gross household income. This Strategy uses this definition to define the limits of affordability, based on a range of incomes to determine the number and types of units required by 2026 based on average rental prices coupled with population growth projections. These figures were used to ascertain high level targets for market and affordable (subsidized) rental for individuals and for families.

More recently, in July 26, 2018, Council adopted Bylaw 18-017, amending the Zoning Regulation Bylaw to include the following definition:

“Affordable” means housing that falls within the financial means of a household in either market or non-market dwellings. Total costs for rent or mortgage plus taxes (including a 10% down payment), insurance and utilities must equal 30% or less of a household’s annual income.

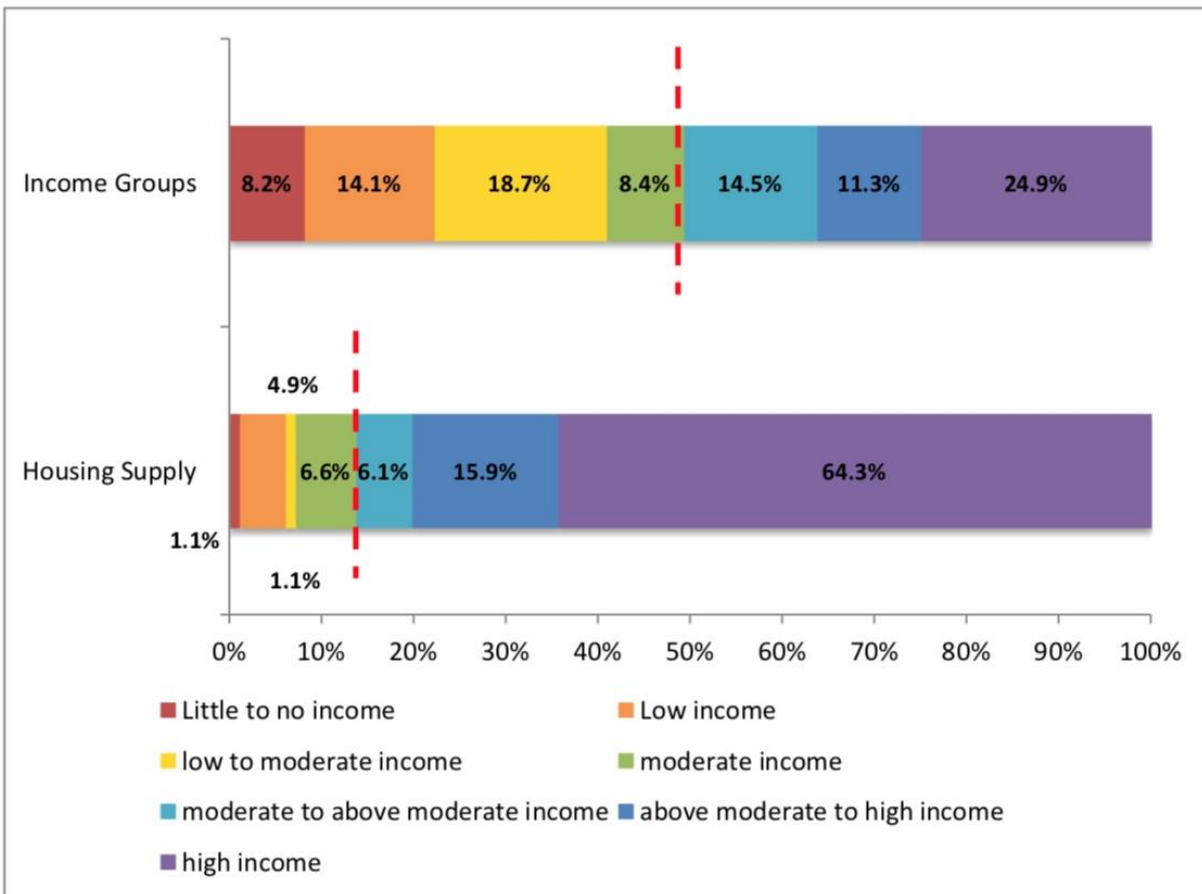
BC Housing provides the following definition:

Affordable (housing): Housing is considered affordable when 30 per cent or less of your household's gross income goes towards paying for your housing costs.

Despite the use of the CMHC’s definition in Victoria Housing Strategy and in the Zoning Regulation Bylaw, the definition is not being consistently applied in the development and rezoning processes. Without a consistent definition of affordable housing, tracking how many “affordable housing” units are created or in development is difficult.

It is particularly important to be tracking how much affordable housing is being built in our region, since according to the CRD Community Social Planning Council's 2015 Housing Gap

Analysis there is an over-supply of high income, market ownership housing, and an insufficient supply of low-income to moderate income housing options.



Sources: 2014 Facility Count (GVCEH), BC Housing (2015), Canada Mortgage and Housing Corporation (2014), and 2011 National Household Survey, Statistics Canada

While the CRD Community Social Planning Council's 2015 Housing Gap Analysis uses seven income brackets, the City of Victoria has been using quintiles. These five income brackets could be adjusted over time, but currently are: very low income (less than \$20,000 per year), low income (\$20,000-\$35,000 per year), low-to-moderate income (\$35,000-\$55,000 per year), moderate income (\$55,000-\$85,000 per year), and above moderate income (over \$85,000).

**Recommendations:**

That Council:

1. Adopt and consistently apply the definition of affordable housing, as housing where the price does not exceed 30% of the gross annual household income for very-low, low, low-to-moderate, and moderate income households. Ensure in rezoning processes where applicants claim to have affordable housing as part of their proposals that this definition is used for the affordable portion of the units and distinguished from housing units that are simply below-market.
2. Direct staff to report on a quarterly basis on:
  - a) the number of non-profit affordable rental housing units created or under construction (distinguishing the number of below market rental housing units, the number of rent geared to income units using BC Housing housing income limits,

and number of deep subsidy rental housing units), as well as the number of non-profit affordable home ownership units created or under construction.

- b) the number of for-profit affordable housing rental units and the number of for-profit affordable home ownership units created or under construction.
  - c) the combined number of affordable housing units created or under construction, as well as for which incomes brackets the affordable units are targeted.
3. Direct staff to notify council about the number of affordable units in each rezoning proposal, as well as for which incomes brackets the affordable units are targeted
  4. Direct staff to report back with recommendations on other improvements to processes for data gathering and reporting on affordable housing.



Laurel Collins



Sarah Potts



Sharmarke Dubow