

The Corporation of the Village of Cumberland  
Regular Council Meeting Addendum Agenda

Monday, June 27, 2022, 5:30 p.m.  
Council Chamber, 2675 Dunsmuir Avenue



We are honoured to gather on the unceded traditional territory of the K'ómoks First Nation.  
The public may view the meeting live on the [Village of Cumberland YouTube channel](#)

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Pages

6. Reports

- \*6.4. Rezoning Application of Lot A Ulverston Avenue for Referral  
Prepared by Karin Albert, Senior Planner

2

**Recommendation:**

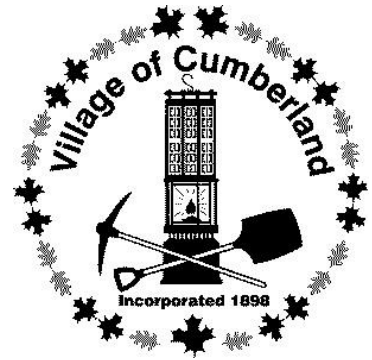
THAT Council receive the Rezoning Application of Lot A, Ulverston Avenue for Referral report.

**Recommendation:**

THAT Council refer the rezoning application of Lot A, Ulverston Avenue to the Advisory Planning Commission and the Homelessness and Affordable Housing Committee for comment, and;

THAT Council direct staff to review the draft Master Partnering Memorandum of Understanding with BC Housing and present a final agreement for consideration at an upcoming meeting.

# COUNCIL REPORT



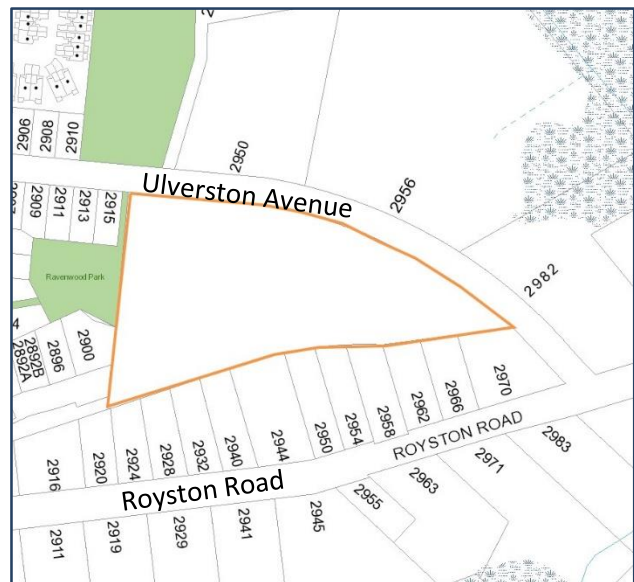
REPORT DATE: 6/17/2022  
MEETING DATE: 6/27/2022

File No. 2021-03-RZ

TO: Mayor and Councillors  
FROM: Karin Albert, Senior Planner  
SUBJECT: Rezoning Application of Lot A Ulverston Avenue for Referral

## RECOMMENDATION

- i. THAT Council receive the Rezoning Application of Lot A, Ulverston Avenue for Referral report.
- ii. THAT Council refer the rezoning application of Lot A, Ulverston Avenue to the Advisory Planning Commission and the Homelessness and Affordable Housing Committee for comment.
- iii. THAT Council direct staff to review the draft Master Partnering Memorandum of Understanding with BC Housing and present a final agreement for consideration at an upcoming meeting.



**Subject Property**

## PURPOSE

The purpose of this report is to:

- Present a concept plan for rezoning of Lot A on Ulverston Avenue.
- Provide information on BC Housing's Affordable Home Ownership Program (AHOP) and a draft Master Partnering Memorandum of Understanding.

The rezoning application is to enable the creation of 22 small single family lots which will be under BC Housing's Affordable Home Ownership Program (AHOP), an area for mixed use live-work lots, and an area for multi-family market rental and strata-titled apartments (Attachment 1 – Concept Plan).

## PREVIOUS COUNCIL DIRECTION

None.

## **BACKGROUND**

### ***Proposed Development***

The proposed development is for a vacant 2.67 ha property fronting Ulverston Avenue. The property is partially treed with a few mature Douglas-fir and western redcedar trees on the southern half. A small seasonal watercourse runs along the southern boundary of the property, crosses onto the backyards of two lots fronting Royston Road before it joins the ditch along Ulverston Avenue and drains into Maple Creek.

The Village has a right-of-way for its sewer main which runs at an angle across the western edge of the property. As part of the rezoning application, the applicant is completing environmental and hydrological studies of the property. They are also providing an engineering feasibility study to relocate the Village's sewer main to align below the road serving the proposed small lot single family area (Attachment 1 – Concept Plan).

### ***Affordable Home Ownership Single Family Units***

The proposed development would provide 22 small single family lots under BC Housing's AHOP. AHOP provides an interest-free, payment-free second mortgage to eligible home buyers toward the purchase of a home. The program provides interim construction financing to the developer at reduced rates while the Village contributes higher density through the rezoning process to allow the developer to make units available at 5-20 percent below market value. The units are targeted at medium income home buyers who could otherwise not afford a home. (Attachment 2 – AHOP Fact Sheet).

Proceeds from the repayment of AHOP mortgages are reinvested in affordable housing within the same community, ensuring the contributions to the project continue to be applied to affordable housing. Where an AHOP mortgage is paid out upon resale, the purchaser (if eligible) may apply to BC Housing for an AHOP mortgage equal to the repayment amount.

As part of the process to implement AHOP, for this or a future project, BC Housing requests that the benefitting municipality enter into a Memorandum of Understanding (MOU) with BC Housing. The MOU outlines the components of the program and how the two parties will work together (Attachment 3 – Master Partnering Memorandum of Understanding). The MOU does not in any way oblige Village Council to grant a rezoning. Upon direction of Council, staff will review the attached draft agreement with BC Housing and present a final draft to Council at an upcoming meeting for consideration.

### ***Mixed Use Live-Work Lots***

The proposed development also includes an area for mixed use live-work lots (Attachment 1-Concept Plan). Permitted uses proposed for that area are:

- Industrial, minor - manufacturing, predominantly from finished products or parts, including processing, fabrication, assembly, packaging, incidental storage, sales and distribution of products, incl food processing (e.g. bakery), excluding industrial processing.
- Fitness studio
- Artist studio
- Micro brewery/winery/distillery
- Personal service
- Retail-Convenience

- Snack bar/coffee shop
- Childcare
- Accessory residential use

### *Multi-family Residential Lots*

A further area proposed within the development would be set aside for multi-family residential use, including apartments and townhouses. Staff will be working with the developer to determine how much of the multi-family area may be reserved for rental tenure.

The developer wishes to receive feedback on the concept from Council, the APC and HAH Committee prior to introduction of the required zoning amendment bylaw.

### **Regional Growth Strategy**

The proposed rezoning is supported by the following Regional Growth Strategy objectives and policies:

- Objective 1-A: Locate Housing Close to Existing Services and supporting policies 1A-1 and 1A-2 state that housing should be located close to existing services with 90 percent of new residential development directed to *Core Settlement Areas* and that the focus of higher density developments shall be within existing *Municipal Areas*.
- Objective 1-B: Increase Affordable Housing Options and supporting policy 1B-2 seek to encourage residential multi-unit or multi-lot developments to contribute to affordable housing options.
- Objective 2-D: Ensure Access to Parks, Recreation Areas and supporting policy 2D-1 state to require new developments to link to, improve or expand the existing greenway network.

### **Official Community Plan**

The future land use designation in Official Community Plan Bylaw No. 990, 2014 for the property is Mixed Use. Mixed use combines commercial and residential development, including live/work, live above, as well as free-standing residential units. The proposed development is supported by the following OCP policies.

General Land Use Policies 5.1.5 (1) envisions that the majority of new development will be located in close proximity to or within the Village Centre.

General Land Use Policy 5.1.5 (6) asks that zoning and OCP amendments demonstrate how they will benefit the community. The proposed development provides the following community benefits identified under that policy: a use that is responding to community need; affordable housing with a signed housing agreement with the Village; and park dedication in addition to the minimum required five percent requirement at subdivision.

Housing Policies 5.2.3 (1), (4) and (9) seek to give priority to development proposals for small and compact forms of housing such as small-lot single detached homes, town homes, coach houses, and apartments; to support the creation of new, and the retention of existing, rental housing and provide opportunities for attainable housing through new multi-family units.

Growth Management Policy 5.3.6 (12) foresees that the majority of new growth, particularly higher density residential uses, will be located in close proximity to the Historic Village Commercial Core (HVCC) to promote walkable, pedestrian friendly neighbourhoods. The proposed

development is 900 m from the downtown core via Carlisle Lane. This represents, a 10 to 15 minute walk.

The OCP includes a number of policies that speak to encouraging active transportation. General Transportation Policies 5.6.2 (4) and (5) state that transportation and land uses be integrated with alternative development road standards, bicycle lanes, pedestrian movement and mixed use, so residents can live, work, and shop close to home and that emphasis be placed on alternative modes of transportation (walking, cycling, transit). Further, 5.6.4 Pedestrian and bicycle-Oriented Policies 5.6.4 (1), (2) and (5) seek to promote Cumberland as a pedestrian and bicycle friendly community and ensure that new residential developments and subdivisions have active transportation links to the nearest arterial or major collector roads at developer cost.

Finally, Economic Development Policy 6.1.3 (8) encourages industrial activities that are non-polluting that support the local economy and provide local employment. The proposed uses within the development include minor industrial uses including small scale processing and fabricating.

The proposed development is located within Development Permit Area (DPA) 8 – Mixed Land Use. The goal of DPA 8 is to promote a high standard of design in commercial mixed use projects and to guide the integration of new commercial mixed use into the areas for which they are proposed.

### ***Zoning Bylaw***

The property is currently zoned RU-1 Rural Zone. That zone permits garden nursery retail and one single family dwelling. Permitted accessory uses are secondary suite, home occupation, market garden, urban agriculture and accessory buildings and structures. The minimum lot size is 2.0 ha.

Zoning Bylaw No. 1027, 2016 does not have a zone that fits the proposed types of uses. A new zone will need to be created to include the proposed small lot single family use, commercial/minor industrial with live-work, and townhouses and apartments with a rental housing component and density bonus.

## **ANALYSIS**

### ***OCP Policies***

The proposed development satisfies key OCP policies. It adds housing within walking distance to the Village core, provides affordable home ownership and rental housing, has the potential to deliver affordable housing through a density bonus, supports active transportation through a greenway connection, and provides new economic opportunities.

### ***Park Dedication and Buffering to Adjacent Land Uses***

While the proposed linear park does not follow the historic railway grade, it provides pedestrian connections. It is accessible from the proposed development and connects Ravenwood Park, the end of Carlisle Lane and Ulverston Avenue. It also protects a watercourse and provides a green buffer between the multi-family area and the existing single family properties along Royston Road.

The multi-family area is buffered to the industrial uses on the other side of Ulverston Avenue by the live-work mixed use area.

### ***Housing Diversity***

The proposed development provides a variety of housing types and levels of affordability, from affordable homeownership to market rental apartments and strata-titled condominiums. It also provides opportunities for live-work within the commercial area by allowing for residential units

above the commercial spaces (See attachment 1 – Concept Plan and Attachment 2 – Affordable Home Ownership Factsheet).

### ***Proposed Commercial Uses***

The proposed zone supports several commercial uses needed in the Village. It adds commercial fitness studio which was identified in 2020 as a use that is not currently permitted anywhere in the Village. Further, the mixed use live-work area would allow for small scale manufacturing from finished products or parts, fabrication, assembly, packaging, distribution and sales of products produced on-site.

Industrial processing would not be permitted. Other proposed uses for the zone are artist studio, micro brewery, personal service, retail-convenience, snack bar/coffee shop.

### **PUBLIC NOTIFICATION AND CONSULTATION**

As part of the rezoning process, the applicant will be required to advertise and host a public information meeting, and the Village will mail a notification of the meeting to neighbours within a 75 metre radius of the property. A public hearing is not required for the Zoning Amendment Bylaw since the proposal is consistent with the OCP land use designation and policies for the property.

### **ALTERNATIVES**

1. THAT Council request that staff draft and introduce a Zoning Amendment Bylaw to create a new zone for the development for first, second and third reading at an upcoming Council meeting.

*If Council wishes to advance the application quickly, it can direct staff to present Zoning Amendment Bylaws without prior referral to the Advisory Planning Commission and Homelessness and Affordable Housing Committee.*

2. THAT Council request additional information on the rezoning proposal prior to referral.  
*Asking for additional information at this stage may delay the approval process.*
3. THAT Council deny the rezoning application.

### **STRATEGIC OBJECTIVE**

- Healthy Community
- Quality Infrastructure Planning and Development
- Comprehensive Community Planning
- Economic Development

### **FINANCIAL IMPLICATIONS**

As per the MoU, the Village would benefit from the AHOP program since AHOP mortgage proceeds would be transferred to the Village to be placed in a reserve fund designated for affordable housing (Attachment 3). BC Housing would collect the AHOP Mortgage proceeds when due and hold them in trust for the Village. Once each year, BC Housing would transfer AHOP Mortgage proceeds received from eligible purchasers, less 2% for administration costs, to the fund. The fund would be managed by the Village. Fund objectives and permitted uses would be jointly developed by the Village and BC Housing.

In addition, upon sale of an AHOP supported home, the purchaser is required to pay BC Housing back the 10 percent equity that BC Housing provides at the time of the initial purchase. For example, if after two years of homeownership, a purchaser sells a home originally purchased for \$350,000 for an increased value of \$385,000, the repayment to BC Housing would be 10 percent of the current value, or \$38,500. That amount may be applied to a new AHOP mortgage to a subsequent eligible purchaser, thereby extending affordable home ownership.

### **OPERATIONAL IMPLICATIONS**

Entering into an MOU with BC Housing and subsequently setting up a reserve fund for affordable housing with annual contributions from AHOP mortgage proceeds will require administrative time by Development Services and Financial Services staff.

Processing rezoning applications and subsequent subdivision applications are part of the regular services provided by the Development Services department.

Adding streets and sidewalks to the Village transportation system adds road maintenance and clearing needs and, in the long term, requirements for repairs and replacement.

The proposed greenspace and trail will require maintenance by Parks and Recreation Department staff. Development of the park may be phased in over time. Related costs will be presented to Council as part of the Financial Plan.

### **CLIMATE CHANGE IMPLICATIONS**

The proposed medium density housing forms on the site have a lower unit per hectare development impact than single family properties. In addition, the proximity to services and entertainment within the Village core encourages walking and bicycling, reducing the use of personal vehicles and associated greenhouse gas emissions.

### **ATTACHMENTS**

1. Concept Plan
2. Affordable Homeownership Program Factsheet
3. Master Partnering Memorandum of Understanding

### **CONCURRENCE**

Courtney Simpson, Manager of Development Services **CS**

Respectfully submitted,

K. Albert

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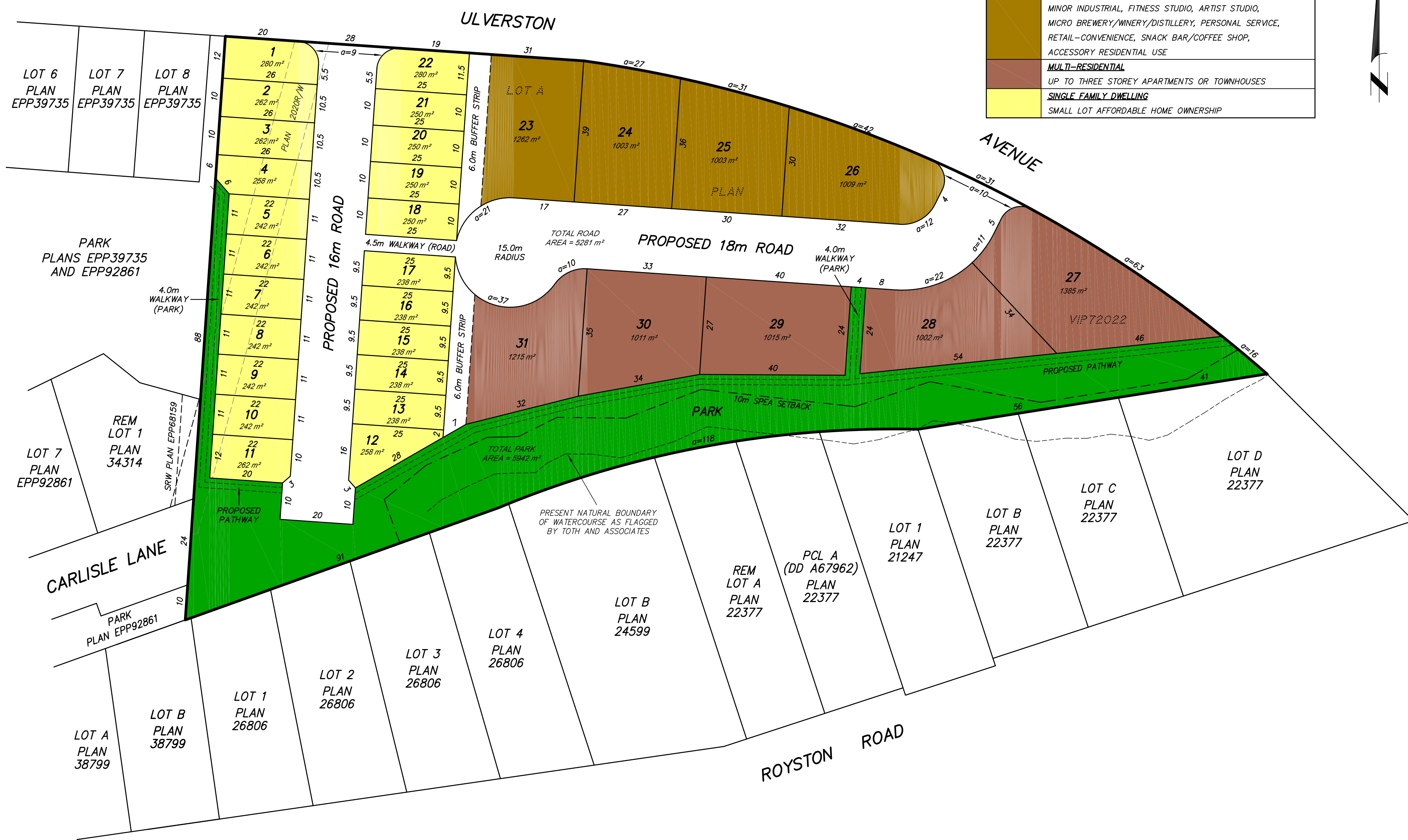
Karin Albert  
Senior Planner

M. Mason

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Michelle Mason  
Interim Chief Administrative Officer

PROPOSED DEVELOPMENT USAGE TABLE	
COLOUR	USAGE
	<b>LIVE/WORK MIXED USE</b> MINOR INDUSTRIAL, FITNESS STUDIO, ARTIST STUDIO, MICRO BREWERY/WINERY/DISTILLERY, PERSONAL SERVICE, RETAIL-CONVENIENCE, SNACK BAR/COFFEE SHOP, ACCESSORY RESIDENTIAL USE
	<b>MULTI-RESIDENTIAL</b> UP TO THREE STOREY APARTMENTS OR TOWNHOUSES
	<b>SINGLE FAMILY DWELLING</b> SMALL LOT AFFORDABLE HOME OWNERSHIP



**PROPOSED SUBDIVISION PLAN  
OF LOT A, DISTRICT LOT 24,  
NELSON DISTRICT, PLAN VIP72022.**

SCALE 1: 750



**LEGEND**

ALL DISTANCES ARE IN METRES AND DECIMALS THEREOF.  
ALL DISTANCES ALONG CURVES ARE ARC DISTANCES.  
ALL DIMENSIONS AND AREA ARE SUBJECT TO FINAL SURVEY.

DL DENOTES DISTRICT LOT  
REM DENOTES REMAINDER  
ha DENOTES HECTARES

No.	DATE	REVISION
1	2021/11/02	INITIAL PROPOSAL
2	2021/11/25	MODIFIED PROPOSAL, NARROWED ROADS TO 14 METRES
3	2022/06/02	MODIFIED PROPOSAL #3

**PRISM**  
LAND SURVEYING LTD.  
223 FERN ROAD W.  
QUALICUM BEACH, B.C. V9K 1S4  
PHONE: 250-752-9121  
FAX: 250-752-9241  
FILE NUMBER: 21-248-S  
DRAWING NUMBER: 21-248 P3.DWG  
DATE: 2022/06/02





## Affordable Home Ownership Program

Put less down. Pay less monthly. Access homeownership.

**AHOP** is an innovative program from BC Housing. AHOP helps put homeownership in reach for middle-income British Columbians. Through the AHOP program, BC Housing takes out a second mortgage which is assigned to the buyer, called the AHOP Mortgage, of 10% or more of the purchase price. It is interest and payment-free for up to 25 years.

For the buyer, this means:

- ▼ total first mortgage is less
- ▼ monthly mortgage payments are lower
- ▼ lower income requirement for stress test and qualifications for the first mortgage

### How does it work?

The program provides buyers an interest-free, payment-free second mortgage – known as an AHOP Mortgage – toward the purchase of their home. As an interest-free mortgage, this essentially credits buyers with a percentage of their home's value. A minimum target percentage is 10%. However, depending on the project, this percentage could be significantly higher.

### How much of a down payment do buyers need to have?

Eligible homeowners only need a 5% down payment on the first \$500,000 (10% down is required on the remaining value of the purchase over \$500,000). That 5% deposit equates to a minimum total 15% down payment when combined with a 10% AHOP Mortgage. Buyers can also choose to put greater than 5% down.

## Do buyers need to pay CMHC insurance premiums?

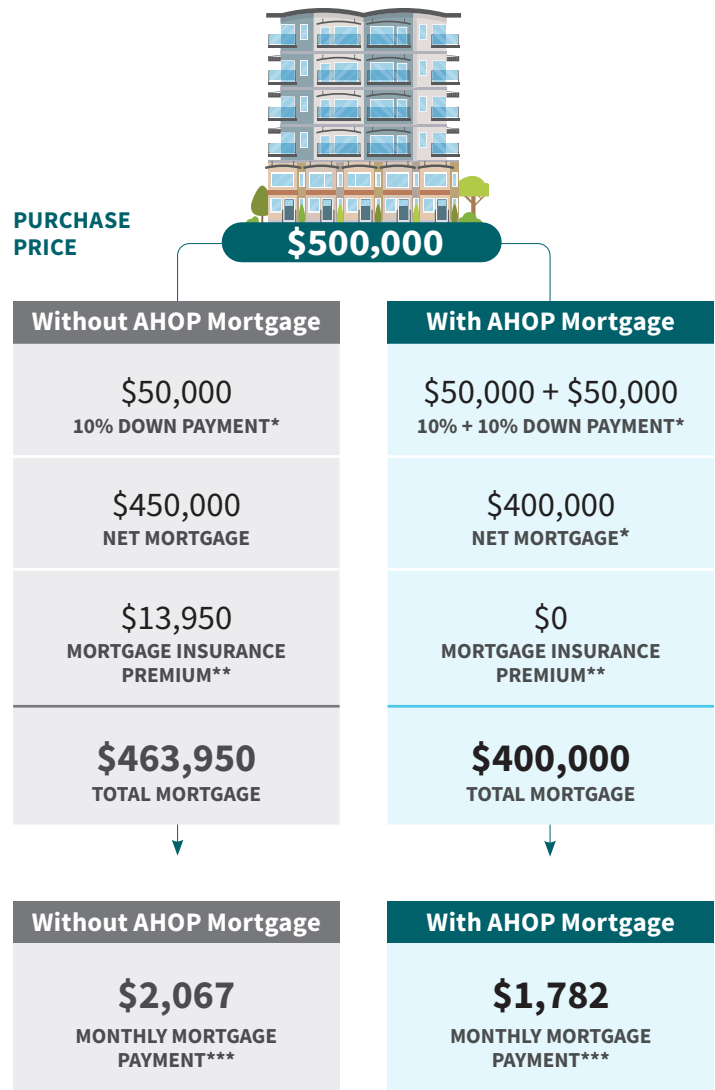
The AHOP program allows for lower or no insurance premium (if the total combined down payment is equal or greater than 20%). In the case of the AHOP 10% scenario and a minimum 5% down payment by the Buyer, the total down payment is now 15% due to the AHOP Mortgage. This would result in a reduced CMHC insurance premium compared to without the AHOP Mortgage. If the buyer increases their deposit from 5% to 10% there is no CMHC insurance premium. In the case of a \$500,000 home, no insurance premium means savings of about \$15,000 over the life of the mortgage.

## How does the AHOP second mortgage impact the primary mortgage?

The AHOP Mortgage results in a lower primary mortgage amount. For example, without an AHOP Mortgage, on a \$500,000 purchase with a 5% (\$25,000) down payment and approximately \$19,000 in CMHC insurance premiums, the primary mortgage amount is roughly \$494,000. However, the AHOP second mortgage at 10% of the price (\$50,000) would lower the primary mortgage amount to about \$436,900. If the buyer chooses to put a 10% (\$50,000) down payment, in addition to a 10% AHOP second mortgage, the buyer does not have to pay the CMHC insurance premium and the mortgage would be reduced to \$400,000.

## How does this program impact monthly mortgage payments?

In cases where the buyer puts down 10%, the total combined down payment amount (from buyer and AHOP) is greater than 20%. This means that the primary mortgage can be extended from 25 to 30 years. With a lower primary mortgage amount, no CMHC insurance premium, and by extending the amortization, monthly mortgage amounts are much lower. For a \$500,000 home purchase with 10% down, based on a 2.90% interest rate, monthly mortgage payments are about



\* Based on a 10% deposit without an AHOP Mortgage, and a 10% deposit + 10% secondary mortgage with an AHOP Mortgage.

\*\* Based on 3.10% CMHC Mortgage Insurance Premium for mortgages with 10% down.

\*\*\* Based on standard 5-year market financing at 2.45%. 25-year amortization period applied to high ratio mortgages with 10% down. 30-year amortization period applied to conventional mortgages with 10% down and 10% AHOP Mortgage.

\$511 less for an AHOP unit. This lowers the cost of homeownership by \$6,128 per year. That is \$30,641 less over the 5-year mortgage term.

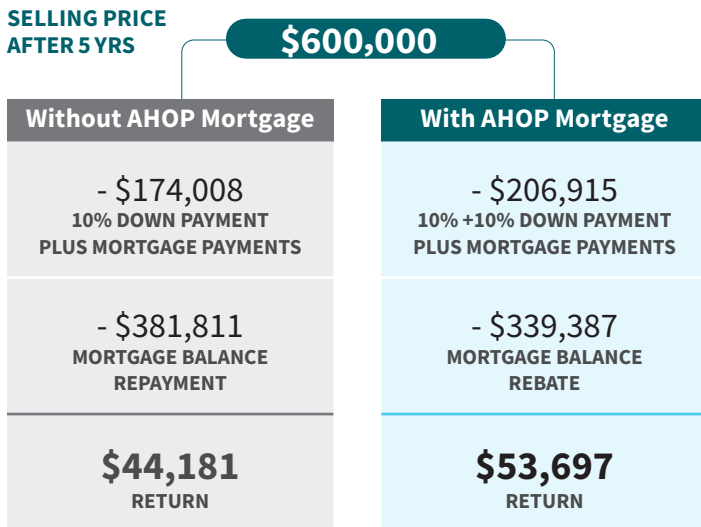
## Do buyers need to pay the AHOP Mortgage back?

Yes. When a buyer sells their home in the future, they need to repay the percentage loan value at that time. In the typical 10% AHOP scenario, the AHOP Mortgage is repaid at 10% of the then current market value.

The AHOP Mortgage also needs to be repaid if the buyer defaults on their first mortgage, rents their home during the first five years of ownership, otherwise defaults on the AHOP program, or when the 25-year AHOP Mortgage term ends. Buyers may also choose to repay the loan at any time.

## If a buyer sells, will they walk away with the same return as they would not under the AHOP program?

An AHOP purchaser who buys a \$500,000 home with a 10% down payment and then sells that home five years later for \$600,000, pays a lot less over the life of the mortgage. Yes, they can potentially walk away with about the same return or more return.



## Where does my repaid AHOP Mortgage money go?

The money that homeowners repay in association with the AHOP Mortgage will be contributed to the municipality where there is an agreement in place to help support more affordable homes within that municipality. In the event that there is no agreement in place between BC Housing and the municipality, BC Housing will use the proceeds to help support more affordable homes in British Columbia.

## Who is eligible for AHOP?

To qualify for an AHOP Mortgage, the following is required of the buyer(s):

- ✓ Canadian citizen or permanent resident;
- ✓ Lived in British Columbia for the past 12 months;
- ✓ Not own other property anywhere in the world;
- ✓ Currently live in rental housing or other non-ownership housing (e.g., living with family);
- ✓ Combined gross household income of those on title must not exceed the Middle Income Limit defined as:

**Units with two or more bedrooms:** Middle-income households are those whose gross household income does not exceed the 75th income percentile for families with children, as determined by BC Housing.

**Units with less than two bedrooms:** Middle-income households are those whose gross household income does not exceed the 75th income percentile for families without children, as determined by BC Housing.

## Can AHOP homeowners rent out their places?

Rentals are not permitted during the first five years of ownership. Once the AHOP Mortgage is repaid, the homeowner is free and clear to rent out their home if rentals are allowed by the Strata.

## Can I qualify for AHOP if I already own a home?

No. In order to qualify for AHOP, buyers cannot own property anywhere else in the world.

## Can I buy another home while also owning a home with an AHOP Mortgage?

Buyers cannot own property anywhere else in the world at the time of application and must maintain the AHOP home as their principal residence for the first 5 years.

## Can buyers sell their current homes and purchase a home with AHOP?

No, unless they have sold their home more than 12 months prior to the purchase of a home with AHOP. While buyers may have owned homes in the past, they cannot be current homeowners to qualify for an AHOP Mortgage.

## What happens if an AHOP homeowner's income increases above the income limits?

Eligibility, including income, is approved by BC Housing at the time of application. Eligibility is not impacted if income increases after this, however, if there are any changes to who's on title/living in the unit, eligibility for the entire household will have to be re-approved by BC Housing based on the latest information.

## What happens if a buyer cannot repay the AHOP Mortgage when it is due?

In the event that a buyer is unable to repay the AHOP Mortgage when due, BC Housing may take various steps and measures to ensure that the AHOP is repaid including potential foreclosure proceedings as necessary.

For more information about BC Housing's Affordable Homeownership Program, visit: [bchousing.org/housinghub](https://bchousing.org/housinghub), call 604-439-4757 or email: [housinghub@bchousing.org](mailto:housinghub@bchousing.org)



**AFFORDABLE HOME OWNERSHIP PROGRAM  
MASTER PARTNERING MEMORANDUM OF UNDERSTANDING**

THIS MEMORANDUM OF UNDERSTANDING is dated for reference: September 1, 2021

BETWEEN

**VILLAGE OF CUMBERLAND**

2673 Dunsmuir Avenue, Cumberland, British Columbia V0R 1S0

(the "Village")

AND

**BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION**

Suite #1701 - 4555 Kingsway, Burnaby, British Columbia V5H 4V8

("BC Housing")

Regarding the development of Affordable Home Ownership Program Units in the Village of Cumberland

## PART 1 – INTRODUCTION

This Memorandum of Understanding (“**MOU**”) sets out the intent of the proposed partnership between BC Housing and the Village for the development of new affordable home ownership projects within the Village. The MOU applies only to projects (“**Developments**”) that are approved for the Affordable Home Ownership Program (the “**Program**”) by the Village and BC Housing and for which they enter into a Project Partnering Agreement with the owner of that Development.

The purpose of this MOU is to set out the desired basic business terms and conditions upon which BC Housing and the Village intend to proceed with discussions and negotiations for the approval and construction of the Developments.

This MOU is a non-binding statement of the parties’ mutual understanding of the collaboration framework. No legally enforceable rights or obligations will be created by or arise from this MOU in respect of either party.

The Village acknowledges that any other agreements arising from, or contemplated under this MOU and all rights and obligations of BC Housing will be subject to approvals by BC Housing’s Executive Committee and Board of Commissioners as required

BC Housing acknowledges that any other agreements arising from, or contemplated under this MOU and all rights and obligations of the Village will be subject to approvals by the Village’s authorities having jurisdiction or Village Council as required.

Both Parties acknowledge that any other MOUs or Agreements arising from or contemplated under this MOU remain subject to BC Housing and Village Council approval and such approval remains at the discretion of each Party.

## PART 2 – GOALS

This MOU recognizes the parties’ shared goal of developing new affordable housing for sale to middle income households as a partnership between BC Housing, private sector developers<sup>1</sup> and the Village. Affordability will be achieved through contributions from developers, the Village and BC Housing, which contributions will be secured over the long-term, as described below.

The specific goals intended to be met through this arrangement are:

- The creation of new home ownership homes (“**AHOP Homes**”) within the Village that are affordable for middle income households<sup>2</sup> in the Village. AHOP Homes may exist in Developments where only a portion of the units are allocated under the Program and the remaining units are not subject to the Program terms.
- Affordability will be achieved through partnerships with developers who will benefit from low-cost interim construction financing from BC Housing and increased density or other considerations and/or contributions from the Village.
- In addition to the creation of AHOP Homes, the Village will benefit through BC Housing’s repayment of the Village’s contributions for use for future affordable housing purposes.

## PART 3 – OUTLINE OF THE AFFORDABLE HOME OWNERSHIP PROGRAM

The Developments will be constructed by developers and the approved number of AHOP Homes will be made available for sale to middle income households who meet Program eligibility

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<sup>1</sup> Developers may be for-profit or non-profit entities.

<sup>2</sup> As defined in the Affordable Home Ownership Program Framework.

## BC Housing AHOP Master Partnering MOU

requirements, as described in the Program framework (“**Eligible Purchasers**”). Initial sale of all AHOP Homes in the Developments will be limited to Eligible Purchasers.

The intent of the Program is that AHOP Homes will be sold to Eligible Purchasers at fair market value, with a pre-determined portion of the purchase price secured by a registered mortgage facilitated by BC Housing (the “**AHOP Mortgage**”).

AHOP Mortgages will be interest and payment free for up to 25 years, effectively increasing the affordability for purchasers while securing the contributions made by the Village and BC Housing in affordable housing for the long-term. AHOP Mortgages are due and payable upon the earlier occurrence of the date the AHOP Home is sold, the maturity of the 25-year mortgage amortization period or any breach of the AHOP Mortgage terms, including failure to maintain the AHOP Home as the primary residence for the first five years.

Owners of an AHOP Home with an AHOP Mortgage will be required to repay the principal amount of the AHOP Mortgage plus (or minus) the agreed upon proportionate share of any increase (or decrease) in the value of the AHOP Home.

## PART 4 – ROLES AND RESPONSIBILITIES

**Subject to final agreement and approvals, the Village desires to further the objectives of the Program by:**

- Contributing to the affordability of each Development through the provision of favourable zoning, bonus density, parking and/or other incentives or relaxations, and/or expedited approvals.
- It is the Village’s sole discretion to approve all, some or none of above noted considerations, or to reject a Development.
- Creating a separate reserve fund for the deposit and expenditure of AHOP mortgage proceeds transferred to the Village, as applicable.

**Subject to final agreement and approvals, BC Housing desires to further the objectives of the Program by:**

- Negotiating terms of a Project Partnering Agreement with the Developer for each Development and securing the affordability of AHOP Homes and their availability to Eligible Purchasers through s.219 Covenants and other security documents as may be required;
- Providing interim construction financing at favourable rates for up to 100% of the capital cost of the Development;
- Reviewing and approving all AHOP Home sales to ensure AHOP Homes are sold to Eligible Purchasers and subject to the restrictions confirmed in the AHOP Mortgage or s. 219 Covenants;
- Granting AHOP Mortgages on the completion of the purchase of an AHOP Home, and managing all aspects of the AHOP Mortgage throughout the AHOP Mortgage term, including monitoring, enforcement and collection of the amounts secured by the AHOP Mortgage when they come due; and
- Release of AHOP Mortgage proceeds to the Village for investment in the mutually agreed fund, designated for affordable housing.

## PART 5 – INVESTMENT OF AHOP MORTGAGE PROCEEDS

BC Housing will collect the AHOP Mortgage proceeds when due<sup>3</sup> and hold them in trust for the Village. Once each year, BC Housing will transfer AHOP Mortgage proceeds received from Eligible Purchasers, less 2% for administration costs, to a fund managed by the Village. BC Housing and the Village shall mutually agree in advance regarding the fund designated for the

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<sup>3</sup> Upon sale, proceeds may be applied to an AHOP Mortgage for a subsequent eligible purchaser of the same unit, in order to extend affordability.

## **BC Housing AHOP Master Partnering MOU**

investment of AHOP Mortgage proceeds and the permitted use and objectives associated with the designated fund.

The Village will use all AHOP Mortgage proceeds received from BC Housing for affordable housing projects within the Village in accordance with the provision of affordable housing and the mutually agreed objectives of the designated fund.

BC Housing and the Village agree to work together in supporting the development of new affordable housing projects which receive funding from the designated fund. The Village and BC Housing will jointly approve any new projects receiving this funding which approval may require the additional approval of Cumberland Village Council and BC Housing's Executive Committee.

### **PART 6 – MUNICIPAL APPROVALS**

All municipal approvals for Developments are subject to Village approval and the provision of such approval is at the absolute discretion of the Village.

### **PART 7 – PUBLIC CONSULTATION**

Public consultation will occur for the Developments consistent with the Village's established policies and practices and statutory obligations in relation to applications for rezoning and development approval. All parties recognize that good communication, prompt responses, and complete documentation will be essential to achieve the cost savings anticipated by the Program. BC Housing will participate in the public consultation as it pertains to explaining the AHOP Program Framework and project partner agreements for each Development.

### **PART 8 – COMMUNICATION**

BC Housing and the Village will jointly agree on all major communications activities and materials relating to the subject matter of this MOU and any Developments resulting from it.



**BC Housing AHOP Master Partnering MOU**

**VILLAGE OF CUMBERLAND**

Per its authorized signatories

**BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION**

Per its authorized signatories

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