# Inclusionary Housing Policy

**Planning and Development Department**

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| **Policy Title:** | INCLUSIONARY HOUSING POLICY |
| **Issue Date:** | September 8, 2025 |
| **Effective Date** | Upon Adoption of Development Cost Charges Bylaw No. 8327, 2022, Amendment Bylaw No. 8539, 2025 or December 1, 2025, whichever is first. |
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| **Prepared by:** | Planning and Development |
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## 1. POLICY STATEMENT AND PURPOSE

1.1 New Westminster, like other Metro Vancouver municipalities, is experiencing a housing crisis. This includes a depressed supply of below market rental housing units. *Inclusionary housing units* delivered by private development through this policy can contribute, alongside other housing initiatives, partnerships and senior government funding, towards identified needs for non-market rental housing units in New Westminster.

1.2 This Policy sets expectations for applicable multiple unit residential or mixed-use *development application*s seeking increases in development entitlements to make a contribution towards below market housing units in New Westminster. It provides transparency and consistency regarding City expectations for the provision of Inclusionary Housing for the community, property owners, developers, and partnering not-for-profit housing operators.

1.3 *Development applications* are required to sell a portion of residential units within a development to a qualified not-for-profit housing operator. Sale prices are subsidized so as to be financially viable for not-for-profit operators and determined as outlined in this Policy. Subsidized sale prices are below cost of construction of units and represent a financial contribution towards affordable housing in the city by the *applicant*. The intent of this policy is to have units built and constructed as part of *development applications*, however, in limited circumstances cash-in-lieu of units may be accepted by the City where it results in optimal housing outcomes.

1.4 *Inclusionary housing unit* requirements, as prescribed by this policy, would contribute towards below market housing needs in New Westminster by either setting aside a portion of residential units to be owned and operated by qualified not-for-profit housing operators, or financial contributions to the City's Affordable Housing Reserve Fund.

1.5 Key terms and requirements would be secured by housing agreements, covenants, zoning and/or other legal tools.

## 2. DEFINITIONS

2.1 The following terms are defined for use throughout the policy:

*Applicant* means a person or entity making a *development application* to the City of New Westminster.

*Below market sale price* means the price at which an *applicant* is required to sell *inclusionary housing units* to a *not-for-profit housing provider*.

*Development application* means any planning application made to the City of New Westminster which would increase the permissible residential floor area on the subject site. This could include rezoning, development variance permits or Heritage Revitalization Agreements.

*Inclusionary housing units* means rental residential units secured at rents below market rates, owned by a *not-for-profit housing operator* and set aside as a requirement of this policy.

*Gross Floor Area* means the gross floor area of a building as determined by the City of New Westminster Zoning Bylaw, excluding any below grade areas used for parking, loading and storage.

*Not-for-profit housing operator* means a public agency, charitable society pursuant to the *Societies Act,* or an incorporated not-for-profit organization, with a mission to provide affordable housing, as approved by the City.

*Queensborough* means the portion of New Westminster located on Lulu Island and being comprised of District Lots 757 and 758, Group One, New Westminster District.

*Secured Market Rental Housing* means a residential unit which is secured for rental tenure through a Housing Agreement and/or Residential Rental Tenue Zoning.

*Townhouse* means a form of attached housing where individual units share common walls and may be arranged side-by-side (traditional townhouses) or both side-by-side and vertically (stacked townhouses), with each unit having direct ground level access, or indirect ground level access by way of a staircase shared by not more than two dwelling units on the same storey.

*Storey* means the portion of a building included between the surface of any floor and the surface of the floor next above it, or if there is no floor above it, then the space between such floor and the ceiling above it. Portions of the building in which the ceiling of a floor is below grade or less than 1 metre above grade are excluded.

## 3. POLICY APPLICATION AND SCOPE

3.1 This policy applies city-wide to *development applications* that are compliant with the Official Community Plan (OCP) and which propose to exceed residential development entitlements (e.g. density) of the subject property.

3.2 The following are exempt from the policy:

a) *development application*s which do not include any residential units;
b) *development application*s which include 10 or fewer units;
c) *development application*s in *Queensborough*;
d) *development application*s in which 100% of the residential units are *townhouses*;
e) *development applications* in which 100% of the residential units within a building(s) are *secured market rental housing*, unless required by other City policies or regulations;
f) *developments applications* in which the residential units are secured by a housing agreement intended to deliver a majority of units at less than market rents and which are operated by a *not-for-profit housing operator*;

3.3 Heritage Revitalization Agreements applications are required to provide *inclusionary housing units* as prescribed by this Policy. However, the City may provide relaxations from requirement of the Policy where an application includes revitalization and long term protection of a significant heritage asset. Any relaxations are fully at the City's discretion.

3.4 Official Community Plan amendment applications are considered on a case-by-case basis when a compelling argument can be made and appropriate benefits aligned with Council policy and priorities can be provided. Official Community Plan amendment applications must meet the requirements of this policy. Official Community Plan amendment applications are likely to require improved housing outcomes (e.g. increased number of *inclusionary housing units*, deeper affordability) beyond the minimum expectations of this policy as an aspect of ensuring appropriate benefits aligned with Council policy and priorities are provided.

## 4. POLICY REQUIREMENTS

### Below Market Unit Set Aside Amount

4.1 *Inclusionary housing units* will be set aside in an amount equal to 10% of the total number of residential units in a *development application*.

4.2 Where a percentage results in a partial *inclusionary housing unit* required, the number of inclusionary units required will be rounded up to the nearest whole number.

4.3 The required number of *inclusionary housing units* would be secured by a housing agreement.

4.4 Where a site is proposed to be rezoned, rental tenure zoning would be applied to the *inclusionary housing units*.

### Maximum Unit Rents

4.5 The maximum rents permitted for *inclusionary housing units* will not be more than 10% below average rents, all years for the Vancouver Census Metropolitan Area (CMA) per unit (bedroom) type as published within the latest summary from the Canada Mortgage and Housing Corporation (CMHC).

4.6 Maximum unit rents will be secured through a housing agreement.

4.7 Maximum rents will be established at the time of initial occupancy of *inclusionary housing units* and annual increases would be permitted pursuant to the Residential Tenancy Act.

4.8 Vacated *inclusionary housing units* may be re-tenanted with maximum rents updated to be set no higher than maximum rent rates in effect through this policy (CMHC average rents) at time of start of the new rental agreement.

### Inclusionary Housing Unit Ownership and Purchase Prices

4.9 *Inclusionary housing units* will be constructed by the *applicant* and sold to a *not-for-profit housing operator* at a *below market sale price* published by the City. *Below market sale price* includes provision of *inclusionary housing unit* design requirements as established by this policy.

4.10 The *below market sale price* of *inclusionary housing units* are based on financing that can be supported by the maximum unit rents prescribed by this policy.

4.11 The *below market sale price* of *inclusionary housing units* is intended to be updated periodically to respond to changing market conditions which would impact *not-for-profit housing operators*.

4.12 The final *below market sale price* of *inclusionary housing units* will be calculated based on the City's published *below market sale price* at the time of Building Permit submittal.

4.13 The *applicant* and *not-for-profit housing operator* may jointly propose modification of the *below market sale price* to be considered by the City. Any modification of the *below market sale price* would be approved or rejected by the City at its sole discretion. A request for consideration of a modification of the *below market sale price* must be submitted jointly by the *applicant* and the *not-for-profit housing operator* and include a detailed rationale for a modification of the *below market sale price*, including a detailed analysis of operational costs which demonstrates long-term operational feasibility and consistency with the principles of this Policy.

4.14 Transfer of ownership of *inclusionary housing units* to the not-for-profit housing operator will be secured by legal agreements prior to changes to development entitlements (e.g. rezoning).

4.15 The purchase price of *inclusionary housing units* will be secured by legal agreements prior to changes to development entitlements (e.g. rezoning).

4.16 The *inclusionary housing units* will be a separate legal entity, such as an airspace parcel. Stratification of inclusionary units is not permitted and a no-separate sales agreement is required.

### Not-For-Profit Housing Operator Selection

4.17 The *applicant* must select a *not-for-profit housing operator* to partner with at time of *development application* submission.

4.18 Documentation of a commitment to work with a *not-for-profit housing operator* must be provided to the City at time of application. This will be a memorandum of understanding or similar documentation acceptable to the City which outlines the partnership agreement between the *not-for-profit housing operator* and the *applicant*.

4.19 The selected *not-for-profit housing operator* must address identified housing needs and demand in the city, including those identified in the latest City of New Westminster Housing Needs Report. An assessment of how needs and demands are addressed must be provided at time of application. Priority will be given to operators who address multiple identified needs or needs in multiple categories.

4.20 *Not-for-profit housing operators* are to be approved by the City and evaluated on a number of factors including:

a) be a public agency, charitable society pursuant to the *Societies Act,* or an incorporated not-for-profit organization, with a mission to provide affordable housing;
b) have a minimum 5 years demonstrated experience operating affordable / non-market housing projects; and
c) be independent from any for profit development entities (developer);

### Inclusionary Units - Location

4.21 *Inclusionary housing units* will be provided on the development site.

4.22 *Inclusionary housing units* should be clustered together to allow for ease of operation and air space parcel subdivision.

4.23 Consideration will be given to the location of the *inclusionary housing units* so they do not end up in the least desirable location(s) on the site.

4.24 At the City's discretion, *inclusionary housing units* may be provided on another site where a rationale has been provided and which demonstrates improved

housing outcomes and deliver of these units is secured to the satisfaction of the Director of Planning and Development.

## Inclusionary Housing Units - Design

Unit Mix

4.25 *Inclusionary housing unit* mix will comply with the Family Friendly Housing requirements in place at time of *development application*. The requirements will be calculated independent from other residential units (e.g. market) provided on-site.

4.26 *Inclusionary housing units* may be exempted from the unit mix requirements of the Family Friendly Housing requirements in place at time of *development application* where a detailed rationale can be provide for such an exemption. All exemptions are at the City's discretion.

4.27 Where the City has authorized a relaxation to the required unit mix, the *gross floor area* will be equivalent to the amount of *gross floor area* prior to any authorized relaxations.

Unit Size

4.28 *Inclusionary housing units* will meet the unit size requirements for secured rental residential units required by the Zoning Bylaw.

Unit Design

4.29 Interior layout, finishings and design of *inclusionary housing units* will be determined by joint agreement between the *applicant* and the *not-for-profit housing operator*.

4.30 Units and common areas will be designed to ensure a high a degree of community connectedness and consideration will be given to "The Building Social Connections Toolkit" by the Hey Neighbour Collective.

4.31 Consideration will be given to any specific cultural needs of the population served by the *inclusionary housing units* and the spaces necessary to accommodate those needs in the design of *inclusionary housing units*.

4.32 Consideration will be given to inclusion of a small office, administration or support space to allow not-for-profit operator to manage *inclusionary housing units*.

4.33 The *inclusionary housing units* will not be distinguishable from any other unit from the exterior. Exterior elements (e.g. doors, windows, exterior cladding materials,) will be of the same material, quality and finishing as all other units in the building.

Accessibility

4.34 Building and unit accessibility measures will be provided to meet the needs for the tenant population to be served by the *not-for-profit housing operator*.

Shared Entries and Amenity Areas

4.35 There will not be a separate entry(ies) which serves only *inclusionary housing units*. All entries are expected to be shared between the *inclusionary housing units* and any other residential units on site. An exception may be provided, at the discretion of the City, where *inclusionary housing units* are located in a separate building.

4.36 The *applicant* will provide shared amenities areas which would be available to all units, including *inclusionary housing units*. Access will be secured by legal agreements.

4.37 Costs for *inclusionary housing unit* tenants to access amenity areas (e.g. rent for amenity rooms) will not be higher than costs for any other resident of the building. Consideration should be given to allowing *inclusionary housing unit* tenants access to spaces at no cost.

4.38 *Applicant* and *not-for-profit housing operator* will jointly agree on shared operational and maintenance costs of shared entries and amenity. This agreement would be secured by a legal agreement which would include the City as a party.

Parking and Loading

4.39 Vehicle parking will be provided for *inclusionary housing units* at a minimum as required by the Zoning Bylaw. Where parking is not required it will be provided at an equal ratio (e.g. space per unit) as residential units in the rest of the building.

4.40 Vehicle parking for *inclusionary housing units* will be provided by the *applicant* to the *not-for-profit housing operator* at no additional cost.

4.41 Bicycle parking will be provided to *inclusionary housing units* by the *applicant* at no additional cost and, at a minimum, as required in the Zoning Bylaw.

4.42 Access to vehicle and bicycle parking areas for *inclusionary housing units* will be secured by legal agreements.

4.43 Loading facilities will be designed to service the entire site including *inclusionary housing units* and access to loading areas will be secured by legal agreements.

Residential Storage Space

4.44 Residential storage space will be provided in accordance with the Zoning Bylaw at no additional cost to the *not-for-profit housing operator*. Location of storage will be jointly determined by the *applicant* and the *not-for-profit housing operator*.

### Tenant Household Income Eligibility

4.45 A Housing Agreement will ensure that *inclusionary housing units* are allocated to eligible tenants whose household incomes are appropriately matched to the established rents and that such that incomes are not disproportionately high relative to the intended affordability of the units.

4.46 Tenant eligibility will generally be based on the principle that rents would equate to approximately 30% of household (gross, pre-tax) income, with specific requirements to be confirmed in a Housing Agreement.

4.47 A Housing Agreement will require that the *not-for-profit housing operator* would review the income of tenants on a regular basis to confirm income eligibility and would be required to provide reporting to the City.

### Length of Affordability

4.48 A Housing Agreement will secure *inclusionary housing units* for 60 years or the life of the building, whichever is longer.

### Cash-in-Lieu

4.49 A development may instead provide a cash-in-lieu contribution to the City's Affordable Housing Reserve Fund as outlined in this section where the development would be required to provide less than ten (10) *inclusionary housing units*

4.50 Recognizing the preference for delivery of *inclusionary housing units* over cash-in-lieu, in exceptional circumstances and where it can be demonstrated to result in improved housing outcomes, the City may considered the provision of a cash-in-lieu contribution. Any consideration is at the sole discretion of the City and a detailed analysis and rationale would be required to be provided by the *applicant*.

4.51 A cash-in-lieu contribution to the City's Affordable Housing Reserve Fund will be provided based on rates published by the City.

4.52 Cash-in-lieu payments will be secured by legal agreements.

4.53 Cash-in-lieu payments will be calculated based on the City's published rates at the time of Building Permit submittal and would be valid for 12 months. Cash-in-lieu payments will be collected in full at the issuance of either a partial Building Permit (e.g. foundation) or a full Building Permit, whichever is issued first.

### External Grants

4.54 *Not-for-profit housing operators* are encouraged to seek grants and funding from exterior sources and senior government. Grants would not change the conditions within this policy but the City would anticipate they would further improve housing outcomes such as further rent reductions.

## Flexibility

4.55 City may choose to waive requirements of this policy where it can be demonstrated that improved housing outcomes would result.

## Monitoring and Revision

4.56 The City intends to monitor the implementation and outcomes of this policy over time. Based on this monitoring, the City may make adjustments to ensure the policy continues to meet its objectives, respond to changing housing needs, and align with broader planning and policy frameworks.