

# COUNCIL POLICY

Planning and Development



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<b>Policy Name</b>	Inclusionary Housing Policy
<b>Policy Number</b>	M7
<b>Effective Date</b>	July 14, 2025
<b>Approved By</b>	Council

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## PURPOSE

The purpose of this policy is to set out an approach for the administration and allocation of Inclusionary Housing (IH) units throughout the City of North Vancouver.

The City's Zoning Bylaw (Bylaw No. 6700) requires IH contributions from new developments that contain residential dwelling units. This Policy contributes to meeting the objective of the 2014 Official Community Plan to provide affordable and appropriate housing that matches the diverse needs of local residents.

## POLICY

To facilitate affordability for low to moderate income renters, the following contributions to the City's stock of affordable housing are required:

- a) For new secured market rental developments, 10% of units should be rented at least 10% below average rents in the City, as calculated by Canada Mortgage and Housing Corporation (CMHC) in perpetuity, or the equivalent cash-in-lieu;
- b) For new stratified developments, 2% of units should be rented at deep discounts or supportive housing levels, or the equivalent cash-in-lieu.

## Definition of IH Units

Inclusionary Housing (IH) Units are dwelling units:

- that are occupied by households that are low and moderate income renters;
- that are rented at least 10% below Canada Mortgage and Housing Corporation (CMHC) *average market rents*<sup>1</sup> for the City, based on unit type, and secured in perpetuity; and,
- where the registered owner or ground lessee of the freehold or leasehold title to the land on which the housing is situated has entered into a housing agreement for the housing commitments required by the City, registered against the freehold or leasehold title, with such priority of registration as the City may require.

## Securing IH Units and Unit Management

IH units are secured by Housing Agreement. IH units within secured market rental developments may be managed and administered by the rental building owner or a

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<sup>1</sup> *Average market rents* are defined in CMHC's Rental Market Survey and updated annually for the calendar year.

management agent appointed on their behalf. Management agents may be for-profit or non-profit organizations

IH units secured within a strata development must be sold to the City or a qualified housing provider, which include non-profit housing providers, government agencies, not-for-profit housing cooperatives, societies or registered charities for the purpose of providing affordable housing.

All IH units in a development must be managed and operated by one agent. All obligations on the owner under the Housing Agreement are subject to compliance with the Residential Tenancy Act.

### **Rent Setting, Tenancy Terms and Rent Increase**

For IH within market rental developments, rent levels are set at least 10% below average market rents in the City for studio, 1 bedroom and 2 bedroom units, and at least 30% below average market rents for units with 3 or more bedrooms. Average market rents are defined by CMHC's annual Rental Market Survey. The starting rents for IH units will be updated annually based on the CMHC data for the calendar year and posted on the City's website. The rental rate for IH units will be set at the time of occupancy of the building and secured in perpetuity.

Income limits for households (i.e. Household Income Limits) to qualify are determined by multiplying the IH Rent Level by 12 to yield the households' annual housing costs, and dividing by 28% to meet the standard level of affordability of 30%. A 2% income buffer is provided to better support affordability for low to moderate income households and allow greater flexibility to qualify. Household Income Limits are used as part of the eligibility criteria for an IH unit. There is no requirement to monitor household income after a tenancy agreement has been signed.

Table 1 provides an example of the IH rent levels calculation and household income limits for units occupied in 2025. (As noted above, this table will be updated annually based on the CMHC data for the calendar year and posted on the City's website – Table 1 is an example only.)

*Table 1: Example - 2025 IH Unit Rent Levels and Household Income Limits*

<b>Unit Size</b>	<b>2024 CMHC Average Market Rent for CNV</b>	<b>2025 Inclusionary Housing Rent Level</b>	<b>Household Income Limit</b>
Studio	\$1,608	\$1,448	\$62,057
1 bedroom	\$1,802	\$1,622	\$69,514
2 bedroom	\$2,309	\$2,078	\$89,057
3+ bedroom	\$3,888	\$2,722	\$116,657

IH units are subject to the requirements of the Residential Tenancy Act, which sets out allowable increases during a tenancy. Upon re-let, IH units are subject to the baseline criteria, prioritization approach, and advertising requirements set out below. Rents and household income limits for IH units at re-let would be at the levels published by the City for the calendar year in which the re-let takes place.

For IH units within strata development, rent levels may vary depending on the housing provider who is selected. However, the intent of these units are to provide discounts significantly lower than market and should be geared to households that are low-income or in need of supportive units.

## Typical Unit Size

IH units must be generally comparable to market units in terms of size, layout, and location within a building and floorplate. Minimum IH unit sizes are as follows:

- Studio: 400 square feet (37.16 m<sup>2</sup>)
- One bedroom: 525 sf (48.8 m<sup>2</sup>)
- Two bedroom: 725 sf (67.4m<sup>2</sup>)
- Three bedroom: 925 sf (86m<sup>2</sup>)

For secured market rental developments, a minimum of 10% of units must be family-friendly units with 3 or more bedrooms; within strata developments 15% of units must be family-friendly.

## Tenant Eligibility Criteria

The following eligibility criteria provides a balanced, fair, and transparent process to tenant selection for IH units along with certainty and clarity for rental building owners regarding the advertisement and prioritization process for renting IH units.

To be eligible for an IH unit, a tenant must meet the following criteria:

- Have a gross annual income below the Household Income Limit for the corresponding unit size for the year of occupancy;
- Have no ownership or interest in a property where the household could otherwise occupy; and,
- Either be:
  - A City of North Vancouver resident; and/or,
  - A person who has worked in the City of North Vancouver for the last six months or more.

For IH units within strata development the previously listed eligibility criteria present a reasonable basis for decision making, but may be altered to address the priorities of the chosen housing provider.

## Priority Matrix for IH Unit Tenant Selection

IH units must be let to tenants selected in accordance with the Priority Matrix set out in Table 2. The Priority Matrix applies at first let, and at any subsequent re-let. This approach prioritizes City residents over non-City residents in recognition of the City's objective to see the social mix of the City maintained, and non-City residents who have worked in the City of North Vancouver for the last six months over those who haven't, in recognition of the contribution of workers from outside the city.

Where the IH units are part of a new development that resulted in the displacement of rental tenants from an existing building on that site, displaced tenants whose household income is below the household income limit have first priority for an IH unit of an appropriate size. Tenants who have been displaced by redevelopment elsewhere in the City and whose household income is below the household income limit will have second priority for an IH unit of an appropriate size.

For the purposes of tenant selection for units with 2 or more bedrooms, a family is defined as a household with a minimum of two people, one of whom is a dependent.

Where the housing provider has complied with the advertisement requirements set out in this policy and there are no applicants who are displaced tenants or who live and work in the City, the housing provider may select a tenant who does not live or work in the City provided the household income limits and decision making process regarding 2 bedroom and larger units are followed.

*Table 2: Priority Matrix for IH Tenant Selection*

Priority	Status	Decision Making		
<b>First</b>	Tenants displaced from former building due to redevelopment	Household income limits apply	If two or more applicants, families have priority for 2 bedroom and larger units	If still the same, first to apply will have priority
<b>Second</b>	Tenants displaced from other buildings in the City due to redevelopment	Household income limits apply	If two or more applicants, families have priority for 2 bedroom and larger units	If still the same, first to apply will have priority
<b>Third</b>	City residents or non-City residents who have worked in the City for the preceding six months	Household income limits apply	If two or more applicants, families have priority for 2 bedroom and larger units	If still the same, first to apply will have priority

For IH units within strata development the previously listed tenant selection prioritization matrix present a reasonable basis for decision making, but may be altered to address the priorities of the chosen housing provider.

## **Advertisement**

Prior to undertaking tenant selection for the first let of an IH unit, the IH unit must be advertised for a minimum of one month on at least two common rental property search platforms. The platforms selected must allow tenants to view available properties for rent in North Vancouver without payment of a fee or requirement for registration. The advertisement must include full details of the available IH units, including the tenure restrictions set out in this policy and the closing date for applications after which tenant selection will take place. When an IH unit becomes available for re-let, the required advertisement period is one week.

The City will establish an online 'register of interest' for IH units that enables individuals to register their interest in receiving notifications about the availability of IH units. Housing providers will be required to provide relevant information to the 'register' about when IH units will be coming available for rent. Individuals would not need to be on the 'register of interest' to apply for an IH unit and individuals would apply directly to the housing provider for available units. The 'register of interest' is a notification system for those who would like to know when units become available.

## **Annual Submission of Compliance Information**

The owner of the building (or the appointed management agent) is required to submit annual information to the City that demonstrates compliance with the provision of this policy. The annual submission is to be via standardized form and coordinated with Business License Renewal.

## **Third Party Support**

The City may require managers of IH units to engage with an agent acting on the City's behalf to provide support services for review of tenant eligibility and tenant selection, as well as review of annual compliances information.

## **AUTHORITY**

*Local Government Act, RSBC, 2015*

## **DOCUMENT HISTORY**

<b>Date</b>	<b>Action</b>	<b>By</b>
July 25, 2022	Approved (Mid-Market Rental Policy)	Council