

To: Her Worship Mayor McKortoff and Members of Council

From: Shannon Duong, Planner

Date: October 13, 2026

Subject: Near Market Affordable Housing (NMAH) Program Review

Tracker No: POL-083

Recommendation:

THAT the Town of Osoyoos Official Community Plan Amendment Bylaw No. 1375.12, 2026, be read a third time and adopted;

AND THAT the Housing Agreement Bylaw Repeal Bylaw No. 1411, 2026, be read a third time and adopted;

AND THAT Town of Osoyoos Policy PLA-017 (Near Market Affordable Housing (NMAH) Program Guidelines), be repealed.

CAO Comments:

Approved for Council's consideration.

Executive Summary:

The purpose of this report is to seek further direction with respect to the Town's Near Market Affordable Housing (NMAH) Program and associated Policy PLA-017, proposed amendments to the Town's Official Community Plan (OCP) Bylaw No. 1375, 2021 and proposed repeal of Housing Agreement Bylaw No. 1343, 2018.

OCP Amendment Bylaw No. 1375.12, 2026, proposes to delete Section 7.A.2.1(c) of the Town of Osoyoos OCP Bylaw No. 1375, 2021, being a policy which supports the exclusion of lands within the Southeast Meadowlark Area (SMA) from the Agricultural Land Reserve (ALR) and which makes reference to the conditions associated with the previously approved ALR exclusion and the former SMA Plan.

Housing Agreement Bylaw Repeal Bylaw No. 1411, 2026, proposes to repeal Housing Agreement Bylaw No. 1343, 2018, which provides Council the authority to enter into housing agreements for specified lands within the SMA which are part of the NMAH Program.

Background:

At its meeting of August 18, 2026, Council passed a resolution to bring the following resolution from the July 21, 2026 In-Camera meeting out to the Regular open meeting:

THAT the following be initiated:

The "Near Market Affordable Housing Program Guidelines", being Council Policy No. PLA-017, be repealed;

An amendment to the Town Official Community Plan (OCP) Bylaw No. 1375, 2021, be initiated in order to delete Policy No. 7.A.2.1(c);

And the Housing Agreement Bylaw No. 1343, 2018, be repealed.

At its meeting of September 22, 2026, the Town of Osoyoos Municipal Council resolved to approve first and second reading of the amendment bylaws and scheduled a public hearing ahead of its meeting of October 13, 2026.

All comments received to date in relation to this application are included with this report.

Analysis:

In reviewing the NMAH Program, it is unclear whether the Program has been effective in its goal to provide affordable housing within the Town and that a mismatch exists between the ambition of the NMAH Program and the administrative capacity of the Town.

Specifically, a fundamental constraint that impacts many small municipalities attempting to administer an affordable housing program is the lack of dedicated staff, with the result being that responsibility for the program is assigned to other positions (e.g. planner, clerk or corporate officer), which may already be at capacity in terms of core responsibilities.

Consequently, it is not unusual for there to be limited institutional knowledge in relation to the program, slow processing times, inconsistent program administration, and a vulnerability to staff turnover (e.g. when a staff person familiar with the program leaves, the program can become moribund).

Reflecting these limitations, the Town's NMAH Program is considered to be administratively burdensome in that it requires the following:

- discretionary rezoning applications (as opposed to pre-zoning land for residential development) in order to require the developer enter into of a housing agreement;
- discretionary amendments to the Housing Agreement Bylaw in order to formalize the requirement for a housing agreement (this also requires the Housing Agreement Bylaw be formally amended to address any subsequent changes, such as changing the applicable parcels);
- extensive reliance on professional legal services in order to assist with the drafting and review of legal documents, such as the housing agreement (NOTE: this also typically involves Town staff and the developer and their legal representation); and
- that the Town verify an applicant's residency, employment and financial situation, enforcing occupancy restrictions (e.g. "primary place of residence"), monitoring resale compliance, and tracking market rates.

Furthermore, the benefits of the program are seen to be relatively weak when considering that the purchaser of an affordable housing unit within the NMAH Program must only retain the property for five (5) years in order to be able to sell the property at market value.

Sales which take place prior to the 5-year mark must be sold in accordance with the registered

housing agreement, which typically stipulates a maximum sale price of the original purchase price. Accordingly, homes sold under the NMAH Program *may* only benefit one purchaser per house if the original purchaser owns the property for 5 years.

The NMAH Program also encompasses only below market home sales, and does not contemplate below market rental of housing units, which limits opportunities to provide affordable housing.

Feedback has also been received from developers as it relates to the NMAH Program and the requirements and limitations it imposes on their ability to develop and sell a property.

This includes a concern that developers are subsidizing the purchase of these homes and that buyers under the program could potentially be significantly benefiting from this initial subsidy, with a long-term result being that the Program *may* be creating a disincentive to develop lands within the SMA Plan area.

As well, concerns have been raised with respect to the extent to which the affordable housing units being made available are realistically “affordable” to those waitlisted individuals in the NMAH Program due to rising costs. It is noted that some waitlisted applicants have previously turned down opportunities to purchase a home within the Program.

Lastly, and in light of the recent reconsideration by the ALC, repealing the NMAH Program is not going to impact the ability of the Town to exclude parcels in the SMA Area that remain in the ALR (as consistency with the former SMA Plan, which included the provision of affordable housing, had previously been a condition of the Commission’s in relation to further exclusion of lands in the SMA Area). The exclusion of these parcels remains subject to the conditions under ALC Resolution #741/2025.

Proposed Bylaw Changes

Administration have identified two bylaw changes that are seen to be necessary should the NMAH Program be ceased and Policy PLA-017 be repealed.

Firstly, Section 7.A.2.1(c) of the OCP Bylaw contains policy which supports the exclusion of lands within the Southeast Meadowlark Area from the ALR and references the conditions associated with the ALR exclusion approval and the former Southeast Meadowlark Area Plan. Given that the Southeast Meadowlark Area Plan has been repealed and conditions of the ALC’s exclusion approval for the area have been revised via ALC Resolution #741/2025 to uncouple it from the Plan, Administration finds that deleting the policy would be appropriate to remove outdated references and information.

Secondly, Housing Agreement Bylaw No. 1343, 2018 was adopted as a means of implementing the NMAH Program and that the Bylaw currently only authorized the Town to enter into specified housing agreements as part of the NMAH Program. Should the NMAH Program be ceased, Administration finds it appropriate to discharge all outstanding housing agreements, as the properties would no longer be maintained as part of the Program. Accordingly, the Housing Agreement Bylaw would no longer be necessary and should be repealed.

Alternative:

Conversely, Council has the options of retaining the “Near Market Affordable Housing (NMAH) Program” (e.g. Policy PLA-017) in its current form is available to Council.

While the NMAH Program has limitations, it represents an established policy tool that has delivered approximately 10 home ownership opportunities over the past decade at rates that have been below “market”.

Further, developing and implementing a replacement program – should Council wish to retain opportunities for affordable housing within the Town – would likely require significant staff time, legal costs, and Council deliberation to implement.

The Program also carries institutional value in that its framework — including eligibility criteria, housing agreement templates, resale restrictions, and developer obligations — has already been developed and tested. While the 5-year resale restriction is acknowledged as a relatively small affordability window, it nonetheless may provide short-term relief to qualifying purchasers who may otherwise be priced out of home ownership in the Town.

Finally, repealing the NMAH Program could be perceived as a step back from the Town's affordable housing objectives at a time when housing affordability is a known public policy concern across the province.

Alternately, the option of retaining a revised version of the “Near Market Affordable Housing (NMAH) Program” (i.e., Policy PLA-017) is also available to Council.

A revised program could improve clarity, update outdated provisions, provide greater flexibility, and strengthen the long-term affordability benefits of the program, while building on the policy framework and housing agreements already developed by the Town.

This is, however, seen to constitute a broader strategic planning project and would require substantive background research, identification of potential community and governmental partners, and potential involvement of consultants given the specific expertise required to design such a program in order to inform potential bylaw amendments and policy development. (NOTE: this work is not contemplated in current work plans and would likely require additional staffing resources).

Summary:

For the reasons outlined above, Administration is recommending that OCP Amendment Bylaw No. 1375.12, 2026 and Housing Agreement Bylaw Repeal Bylaw, be read a 3rd time and adopted, and that Policy PLA-017 be repealed..

Options:

1. THAT the Town of Osoyoos Official Community Plan Amendment Bylaw No. 1375.12, 2026, be read a third time and adopted;

AND THAT the Housing Agreement Bylaw Repeal Bylaw No. 1411, 2026, be read a third time and adopted;

AND THAT Town of Osoyoos Policy PLA-017 (Near Market Affordable Housing (NMAH) Program Guidelines), be repealed.

2. THAT first and second readings of the Town of Osoyoos Official Community Plan Amendment Bylaw No. 1375.12, 2026, and Housing Agreement Bylaw Repeal Bylaw No. 1411, 2026, be rescinded and the bylaws abandoned.

Attachments:

1. Properties Conditionally Approved for ALR Exclusion
2. Map of Properties Sold Under NMAH Program
3. "Near Market Affordable Housing Program Guidelines" (Council Policy No. PLA-017)
4. Official Community Plan Amendment Bylaw No. 1375.12
5. Housing Agreement Bylaw Repeal Bylaw No. 1411
6. Representations

Attachment No.1 – Properties Conditionally Approved for ALR Exclusion



Attachment No. 2 – Map of Properties Sold Under NMAH Program

