

REPORT

Office of the Chief Administrative Officer

To: Mayor Cote and Members of Council in Regular Meeting
Date: July 11, 2022

From: Lisa Spitale,
Chief Administrative Officer
File:

Item #: 2022-522

Subject: Affordable Housing Project Update

RECOMMENDATION

THAT Council receive this report for information.

PURPOSE

To provide an update on several affordable housing projects in which the City is a partner.

SUMMARY

In order to help address the housing affordability crisis, the City is actively pursuing creative approaches to providing affordable housing in New Westminster, including facilitating public housing rental projects. Through the affordable housing portfolio, the City seeks to be a strategic partner on affordable housing projects; to identify and prioritize resources for the most viable projects; to pursue senior government funding; and to ultimately see sufficient new affordable units constructed. This report provides an update on several projects that will see affordable housing units developed at various stages on the housing continuum; emergency shelter, supportive, non-market family and Indigenous housing.

BACKGROUND

The City identifies the need for supportive and affordable housing units in the community through the Housing Needs Report (Understanding Housing and Housing Needs in New Westminster: Housing Needs Report 2021-2031), which is updated every

five years. The Report identifies existing and projected gaps, and estimates the need for additional housing units in the community. The City, through a planning process, develops a Housing Strategy, which outlines the housing targets Council has endorsed to be pursued given available resources, senior government funding and competing municipal priorities.

The 2021-2031 Report estimates the following affordable housing needs for that period:

- Emergency shelter beds/mats: 72
- Supportive housing units: 358
- Affordable rental housing units: 2,083

Based on this, the City has identified a total affordable housing goal of 230 units/year through 2031, including emergency shelter, supportive and non-market units. Each year, the City will complete a Housing Development Update that summarizes advances in the previous year toward achieving this target. The target will be evaluated and adjusted, as needed, annually, based on these updates to the Housing Needs Report.

In order to help address the housing crisis, the City is exploring and seeking out creative approaches to providing affordable housing in New Westminster, including facilitating affordable rental housing projects. Through the affordable housing portfolio, the City seeks to be a strategic partner on projects; to identify and prioritize resources for the most viable projects; to pursue senior government funding; and to ultimately see new affordable units constructed.

DISCUSSION

Affordable Rental and Supportive Housing Development Policy

The City has a number of existing housing-related policies, which address different parts of the Housing Affordability Spectrum, and recognize a range of housing needs, including: Emergency and Extreme Weather Shelters, Supportive Housing, Affordable Rental Housing, Market Rental Housing, and Market Home Ownership.

However, in 2021, it was identified that a policy for Affordable Rental and Supportive Housing Development was needed to clearly outline the City's contribution to development projects that provide these types of units in New Westminster. This policy is currently under development. Supportive or affordable rental housing units provided as a component of mixed-income projects alongside market-rental or market-ownership are excluded from this Policy. These mixed-income projects are covered under the City's Inclusionary Housing Policy. Affordable homeownership projects are also not covered under this policy. Emergency shelter is covered elsewhere under the City's soon to be completed Homelessness Action Strategy.

The policy under development will define the City's financial and in-kind supports and a streamlined development review process. Once the policy being drafted is reviewed and

approved by Council, the supports outlined in the policy and streamlined processes would be available to eligible projects. The draft policy will set out eligibility criteria and an application process so that eligible projects will know how they may access these supports.

It is anticipated that a draft of the policy will be presented to Council fall 2022.

Nightly and 24/7 Emergency Response Centre Shelter – 502 Columbia Street

BC Housing, the Lower Mainland Purpose Society and the City are working together to transition the lower floor of 502 Columbia Street (the former Army and Navy Department Store) from an Extreme Weather Response (EWR) shelter, now closed (as such shelters only operate between November 1 and March 31), into a 24/7 Emergency Response Centre (ERC) shelter.

The ERC shelter will have Purpose Society staff onsite at all times and provide shelter guests with a bed, along with supports, referrals to community services, meals and hygiene facilities. To facilitate a 24/7 ERC shelter, building upgrades and additional sanitation services are required. BC Housing has engaged a Code Consultant and is willing to cover the majority of the costs associated with the two sanitation trailers, each containing three sinks and toilets, and two showers, whose maintenance will be the responsibility of the shelter operator. The building owner is also evaluating the extent of the necessary building upgrades.

The 24/7 ERC shelter, if operationalized, will be in place until March 31, 2023 with the possibility of an extension and will provide 50 beds. Anticipated occupancy is the first or second week of September 2022, with the possibility of a nightly shelter (i.e., 8:00 p.m. to 8:00 a.m.) operating in the interim. The 24/7 ERC shelter will address the increased numbers of unsheltered, with much of this increase attributable to the COVID-19 pandemic, until new supportive housing is developed at 60 to 68 Sixth Street.

Supportive Housing at 60 to 68 Street

BC Housing is moving towards a model of supportive housing as a preferred approach to sheltering the unsheltered. Supportive housing projects provide affordable and secure housing for an extended period of time, thus enabling occupants to address issues which may be contributing to their homelessness. To this end, BC Housing and the City have collaborated on enabling 52 units of supportive housing at 60 to 68 Sixth Street. Council has approved the Official Community Plan amendment and Rezoning to permit this housing, with site development work soon to be underway, and occupancy approximately 30 to 36 months, if final project funding is approved. Originally anticipated to be a modular housing development, BC Housing has informed the City that although the modular construction is technically feasible, they are reverting to a traditional wood-frame construction due to site constraints (site size) and market conditions.

Managed by a non-profit agency, preference for these units will be given to the locally unsheltered, with City staff and homeless outreach workers contributing to such decisions.

350 to 366 Fenton Street

In partnership with Vancouver Native Housing Society (VNHS), the City is pursuing an affordable housing project on this site in Queensborough. In fall 2022, a grant application was submitted for a three-storey, 58-unit building to meet the needs of urban Indigenous individuals and families, including a target of 50% units for women and children. Although the grant application was not successful in securing federal funding, VNHS and the City remain committed to a project on the site. VNHS is currently applying to Canada Mortgage and Housing Corporation for funding to further refine a housing development proposal for the site. If successful, the City will work with VNHS on the next stages of the project including securing funding.

Affordable Housing at Poplar Landing – 1400 Quayside Drive

Poplar Landing, located at 1400 Quayside Drive, New Westminster, is jointly owned by Metro Vancouver and the City. Staff from both Metro Vancouver and the City continue to work jointly to develop an affordable housing project on this site.

Throughout 2020, Metro Vancouver and the City conducted numerous feasibility studies and identified factors that would impact the cost and complexity of bringing this site into a 'development-ready' state; soil remediation, ground densification, dike reconstruction and off-site works. These studies have identified site and soil conditions that significantly increase costs to bring the land to a development-ready state. Given the challenging site conditions and costs, delivering affordable rental housing at this site is not without challenges. However, through 2021/22, Metro Vancouver and the City staff have explored more creative solutions to achieve affordable housing through this site. Both partners will continue to explore creative opportunities to bridge this site's funding gap and anticipate reporting to Council in fall 2022

Project Manager(s) – Affordable Housing Projects

As noted earlier, the City is pursuing creative approaches to providing affordable housing in New Westminster, including actively facilitating affordable rental housing projects between senior levels of government, housing providers and other non-profits. Securing affordable housing projects is complex, challenging, and often involves multiple project partners, funding sources, and approval authorities. It also involves separating out the City's role as 'regulator' and 'project partner/applicant,' a challenging aspect for a single staff person to balance.

To assist in implementing this Strategic Priority, staff are preparing to post a Request for Qualifications for Project Managers. This would result in having a list of pre-qualified

proponents that could then be retained as affordable housing project opportunities are identified.

As a City-appointed Project Manager, the two key roles of the consultant will be to:

1. Provide advice to the City – drawing on technical knowledge, skills, and experience in the development of affordable housing projects. They will also be responsible for securing and coordinating technical experts/specialists, where necessary.
2. Act as a Project Manager – taking responsibility for managing the project from start to completion in a role that is distinct from the City’s ‘regulatory function,’ as well as from any project partners’ project management requirements or needs. It is a coordinating role, ensuring the project advances and that activities are undertaken by supporting consultants, project partners, City staff team members and approving authorities, as required. They will act as an advocate for the project throughout the approvals process and will be required to “trouble shoot” to resolve any issues arising or any potential delays.

It is anticipated that the list of pre-qualified Project Managers will be in place by August 2022, after which staff would be able to retain proponent(s) for individual projects. At this time, identifying a Project Manager for 60 to 68 Sixth Street is the priority, followed by Fenton Street and Poplar Landing when they reach an appropriate stage.

FINANCIAL IMPLICATIONS

The capital budget 2022-2026 includes \$8,860,000 for affordable housing projects. The breakdown of potential City contributions can be summarized as:

- Up to \$500,000/project for off-site works
- Up to \$150,000/project for Project Management costs
- \$1,000,000 for Poplar Landing project
- \$1,000,000 for Fenton Street project

INTERDEPARTMENTAL LIAISON

The Affordable Housing portfolio is being moved forward by staff in a number of Divisions including Economic Development, Climate Action, Planning and Development, Engineering, and Parks and Recreation.

OPTIONS

Two options are presented for Council’s consideration,

1. THAT Council receive this report for information.

2. THAT Council provide staff with alternative direction.

Staff recommends option 1.

APPROVALS

This report was prepared by:
Carolyn Armanini

This report was reviewed by:
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This report was approved by:
Lisa Spitale, Chief Administrative Officer