

Memorandum

To: Lisa Spitale,
Chief Administrative Officer

Date: December 4, 2023

From: Jackie Teed, Director of Climate
Action, Planning and Development

File: 2407736

Subject: **Budget 2024: A Housing Division to Expedite Housing Permits and Units
– Analysis Of Reduced Funding Implications**

PURPOSE

The purpose of this memo is to answer Council's question regarding the impacts to the work to expedite housing permits and units, if funding levels were reduced.

BACKGROUND

Attached is the November 20th memo which outlines the funding request needed to achieve the Council Strategic Priority Plan focus area: Homes and Housing Options; meet legislated Housing Needs Assessment housing targets; and, implement the newly-legislated immediate and ongoing provincial requirements related to planning for, approving, and servicing housing. At the November 20th Budget Workshop, Council asked that staff provide an analysis of the impacts to the service delivery model if requested funding could not be approved.

EXECUTIVE SUMMARY

To analyze the impacts to the service delivery model for expediting housing permits and units, four funding scenarios have been developed. The first scenario is the model recommended by City staff and is considered 100% funding – and acts as the baseline. The remaining three scenarios are derived from Scenario 1 by reducing staff and resource allocations to create three alternative models.

All four scenarios build on efficiencies already realized within the department through evaluation of existing functions and vacancies against ongoing operational need and efficiency of service delivery, resulting in changes and reallocations where strategic, and operationally feasible.

Each scenario was evaluated on their impacts to these four factors:

1. Impacts to implementing provincial legislation
2. Impacts to meeting housing targets

3. Impacts to achieving other Council Strategic Priorities
4. Impacts to organizational effectiveness and resiliency

As the legislated requirements are both immediate and ongoing, primarily permanent resources are proposed, and their work is non-discretionary. This means that if enhancements are not realized, significant reallocation of existing resources is required, with resulting significant impacts to departmental workplans related to other Council Strategic Priorities, and interdepartmental initiatives such as the Crises Response (Policy and Advocacy Team). Conversely, the ability to achieve the housing-related work may also be affected by decisions on enhancements included elsewhere in the budget, particularly as relates to Engineering, Crises Response, and HR/IT.

Summary of Scenario 1: 100% Funding

- This service delivery model is outlined, and forms the request in, the November 20, 2023 Council memo.
- This service delivery model recognizes that a new Housing Division, and a range of interdepartmental resources are required in order to meet the near-term and ongoing requirements set out in the provincial legislation, meet the mandated Housing Needs Report housing unit targets, and align with Council's Strategic Priority Plan – Homes and Housing Options.
- As the legislated requirements are related to how the City plans for, approves and services housing units, resources are required across departments, including housing unit approvals, building/plumbing permits, long range housing planning, affordable/supportive/shelter housing facilitation, engineering, and HR.
- This model provides sufficient housing-related resources to enable the City to continue supporting other Council Strategic Priorities and Crises Response (Policy and Advocacy Team).

Summary of Scenario 2: ~75% Funding Target

- With ~75% funding, the City continues to be able to make necessary changes to regulations and policies arising from the provincial changes to legislation, but there is a risk of not meeting overall housing targets or realizing related grant funding.
- Core Housing Division, long range housing planning, and vulnerable population housing resources are realized.
- Some housing unit approvals resources are not realized, with potential slowdown to unit approvals.
- HR resources are not realized, which could further negatively impact the ability to achieve the work.
- This model continues to provide sufficient housing-related resources to enable the City to continue supporting other Council Strategic Priorities and Crises Response (Policy and Advocacy Team).

Summary of Scenario 3: ~50% Funding Target

- With ~50% funding, there would only be partial realization of core Housing Division and long range housing planning resources. Staff must be reallocated from Social Planning and/or Development Planning functions to enable making necessary changes to regulations and policies arising from the provincial changes to legislation.
- Fewer housing unit approvals resources are realized, and no resources are realized to facilitate affordable/supportive/shelter housing, so there would be higher risk of being unable to meet overall housing targets or realizing related grant funding.
- HR resources are not realized, which could further negatively impact the ability to achieve the work.
- This model would not realize/would reallocate resources that are also required to support other Council Strategic Priorities and Crises Response (Policy and Advocacy Team), resulting in slowdown/inability to advance this work.
- Funding for this scenario is generally in alignment with est. \$710K anticipated to be received from the Province in early 2024.

Summary of Scenario 4: ~25% Funding Target

- With ~25% funding, no core Housing Division resources would be realized. All Social Planning staff and some Development Planning staff must be reallocated to enable making necessary changes to regulations and policies arising from the provincial changes to legislation.
- There is a reduction in housing unit approvals resources from 2023, and no resources are realized to facilitate affordable/supportive/shelter housing, so the City would be unable to meet overall housing targets or realize related grant funding.
- HR resources are not realized, which could further negatively impact the ability to achieve the work.
- This model would not realize/would reallocate further resources that are also required to support other Council Strategic Priorities and Crises Response (Policy and Advocacy Team), resulting in an inability to advance any of this work.

ANALYSIS - EVALUATING THE 4 SCENARIOS

All positions represent estimated salaries, to which benefits and general operational expenses would be added. A number of these enhancements are fully offset by increases in expected fees revenue in 2024, and the City is seeking senior government funding to cover the remainder for a number of years. This includes in the order of \$710K anticipated to be received from the Province's implementation funding in early 2024. Other grants are specifically tied to housing unit approvals, so Scenario 3 (50%) and Scenario 4 (25%) would significantly impact the City's ability to realize those funds.

Following the November 20 Council memo, two additional positions were identified as required for this work, and have been added below: Master Plan Development Planner, and Paralegal, both of which are offset by funding collected through targeted fees.



<u>Scenario 1 – 100% Projected 2024 budget: \$1.685M</u>			
Housing Division			
<ul style="list-style-type: none"> • Senior Housing Planner (P2) – 1 RFT (\$105K/year) • RFT Housing Planner (P1) – 1 RFT (\$97K/year) • RFT Housing Planner (P1) – 1 RFT (\$97K/year) 			
Long Range Housing Planning			
<ul style="list-style-type: none"> • Supervisor, Land Use Planning (P3) – 1 RFT required supervisory backfill due to converting current Supervisor role to Housing Manager (\$119K/year) 			
Vulnerable Population Housing			
<ul style="list-style-type: none"> • Senior Social Planner (P2) – 1 RFT supervisory backfill due to converting current Supervisor role to Social Planning Manager (\$105K/year) 			
Housing Unit Approvals			
<ul style="list-style-type: none"> • Reclassification of City inspectors to align with BOABC requirements (\$152K/year) • Backflow Plumbing Inspector – 1 RFT converted from existing TFT (\$89K/year) • Zoning Plan Reviewer – 1 RPT converted from auxiliary (\$35K/year) • Building Clerk 3 – 1 RFT converted from auxiliary (\$61K/year) • Affordable Housing Project Manager – 1 TFT/Contract (\$142K/year) • Master Plan Development Planner (P3) – 1 TFT/Contract (\$150K/year) • Paralegal – 1 RFT to create more efficiencies in housing approvals via a staff member dedicated to the preparation/registration of legal agreements/requirements (\$96K/year) 			
Interdepartmental Staff Supporting Housing Work			
<ul style="list-style-type: none"> • Project Engineer (utilities & land development) – 1 RFT (\$127K/year) • Transportation Planner – 1 RFT (\$108K/year) • Human Resources Business Partner – 1 RFT (\$131K/year) • Human Resources Assistant – 1 RFT converted from exiting 1 TFT position (\$67K/year) 			

Impacts to Implementing Provincial Legislation	Impacts to Meeting Housing Targets	Impacts to Achieving Other Council Strategic Priorities	Impacts to Organizational Effectiveness and Resiliency
Ability to respond to new legislation through creation of new Housing Division and related interdepartmental enhancements; however, stated Provincial timelines are considered challenging	Ability to support housing approvals across the spectrum, as well as approvals streamlining	Ability to advance other priorities related to Social Planning, and Crises Response (Policy and Advocacy Team)	Ability to achieve grant-related requirements, and support recruitment and retention of staff



<u>Scenario 2 – ~75% Projected 2024 budget: \$1.237M</u>			
Housing Division			
<ul style="list-style-type: none"> • Senior Housing Planner (P2) – 1 RFT (\$105K/year) • RFT Housing Planner (P1) – 1 RFT (\$97K/year) • RFT Housing Planner (P1) – 1 RFT (\$97K/year) 			
Long Range Housing Planning			
<ul style="list-style-type: none"> • Supervisor, Land Use Planning (P3) – 1 RFT required supervisory backfill due to converting current Supervisor role to Housing Manager (\$119K/year) 			
Vulnerable Population Housing			
<ul style="list-style-type: none"> • Senior Social Planner (P2) – 1 RFT supervisory backfill due to converting current Supervisor role to Social Planning Manager (\$105K/year) 			
Housing Unit Approvals			
<ul style="list-style-type: none"> • Reclassification of City inspectors to align with BOABC requirements (\$152K/year) • Backflow Plumbing Inspector – 1 RFT converted from existing TFT (\$89K/year) • Zoning Plan Reviewer – 1 RPT converted from auxiliary (\$35K/year) • Building Clerk 3 – 1 RFT converted from auxiliary (\$61K/year) • Affordable Housing Project Manager – 1 TFT/Contract (\$142K/year) • Master Plan Development Planner (P3) – 1 TFT/Contract (\$150K/year) • Paralegal – 1 RFT to create more efficiencies in housing approvals via a staff member dedicated to the preparation/registration of legal agreements/requirements (\$96K/year) 			
Interdepartmental Staff Supporting Housing Work			
<ul style="list-style-type: none"> • Project Engineer (utilities & land development) – 1 RFT (\$127K/year) • Transportation Planner – 1 RFT (\$108K/year) • Human Resources Business Partner – 1 RFT (\$131K/year) • Human Resources Assistant – 1 RFT converted from exiting 1 TFT position (\$67K/year) 			

Impacts to Implementing Provincial Legislation	Impacts to Meeting Housing Targets	Impacts to Achieving Other Council Strategic Priorities	Impacts to Organizational Effectiveness and Resiliency
Ability to respond to new legislation through creation of new Housing Division and related interdepartmental enhancements; however, stated Provincial timelines are considered challenging	Some risk of not meeting targets due to slow-down in housing unit approvals	Ability to advance other priorities related to Social Planning, and Crises Response (Policy and Advocacy Team)	Some risk to success of grant applications related to slow down in approvals; impacts possibly worsened by decreased ability to support mgmt., recruitment and retention of staff, including highly-trained current resources



NEW WESTMINSTER

<u>Scenario 3 – ~50% Projected 2024 budget: \$832K</u>
Housing Division
<ul style="list-style-type: none"> • Senior Housing Planner (P2) – 1 RFT (\$105K/year) • RFT Housing Planner (P1) – 1 RFT (\$97K/year) • RFT Housing Planner (P1) – 1 RFT (\$97K/year)
Long Range Housing Planning
<ul style="list-style-type: none"> • Supervisor, Land Use Planning (P3) – 1 RFT required supervisory backfill due to converting current Supervisor role to Housing Manager (\$119K/year)
Vulnerable Population Housing
<ul style="list-style-type: none"> • Senior Social Planner (P2) – 1 RFT supervisory backfill due to converting current Supervisor role to Social Planning Manager (\$105K/year)
Housing Unit Approvals
<ul style="list-style-type: none"> • Reclassification of City inspectors to align with BOABC requirements (\$152K/year) • Backflow Plumbing Inspector – 1 RFT converted from existing TFT (\$89K/year) • Zoning Plan Reviewer – 1 RPT converted from auxiliary (\$35K/year) • Building Clerk 3 – 1 RFT converted from auxiliary (\$61K/year) • Affordable Housing Project Manager – 1 TFT/Contract (\$142K/year) • Master Plan Development Planner (P3) – 1 TFT/Contract (\$150K/year) • Paralegal – 1 RFT to create more efficiencies in housing approvals via a staff member dedicated to the preparation/registration of legal agreements/requirements (\$96K/year)
Interdepartmental Staff Supporting Housing Work
<ul style="list-style-type: none"> • Project Engineer (utilities & land development) – 1 RFT (\$127K/year) • Transportation Planner – 1 RFT (\$108K/year) • Human Resources Business Partner – 1 RFT (\$131K/year) • Human Resources Assistant – 1 RFT converted from exiting 1 TFT position (\$67K/year)

Impacts to Implementing Provincial Legislation	Impacts to Meeting Housing Targets	Impacts to Achieving Other Council Strategic Priorities	Impacts to Organizational Effectiveness and Resiliency
Reduced staffing of new Housing Division; reallocation of Social and/or Development Planning staff required to retain ability to respond to new legislation; stated Provincial timelines continue to be considered challenging	Likely unable to meet housing targets; reduced ability to facilitate affordable/supportive/shelter units; longer review times for other permit types (e.g. commercial tenant improvements); significant slowdown in streamlining work	Inability to advance other priorities related to Social Planning, and Crises Response (Policy and Advocacy Team) due to reallocation of Social Planning staff	Likely risk to success of grant applications related to slow down in approvals; impacts possibly worsened by decreased ability to support mgmt., recruitment and retention of staff, including highly-trained current resources



NEW WESTMINSTER

<u>Scenario 4 – ~25% Projected 2024 budget: \$395K</u>
Housing Division
<ul style="list-style-type: none"> • Senior Housing Planner (P2) — 1 RFT (\$105K/year) • RFT Housing Planner (P1) — 1 RFT (\$97K/year) • RFT Housing Planner (P1) — 1 RFT (\$97K/year)
Long Range Housing Planning
<ul style="list-style-type: none"> • Supervisor, Land Use Planning (P3) – 1 RFT required supervisory backfill due to converting current Supervisor role to Housing Manager (\$119K/year)
Vulnerable Population Housing
<ul style="list-style-type: none"> • Senior Social Planner (P2) — 1 RFT supervisory backfill due to converting current Supervisor role to Social Planning Manager (\$105K/year)
Housing Unit Approvals
<ul style="list-style-type: none"> • Reclassification of City inspectors to align with BOABC requirements (\$152K/year) • Backflow Plumbing Inspector – 1 RFT converted from existing TFT (\$89K/year) • Zoning Plan Reviewer – 1 RPT converted from auxiliary (\$35K/year) • Building Clerk 3 — 1 RFT converted from auxiliary (\$61K/year) • Affordable Housing Project Manager — 1 TFT/Contract (\$142K/year) • Master Plan Development Planner (P3) — 1 TFT/Contract (\$150K/year) • Paralegal — 1 RFT to create more efficiencies in housing approvals via a staff member dedicated to the preparation/registration of legal agreements/requirements (\$96K/year)
Interdepartmental Staff Supporting Housing Work
<ul style="list-style-type: none"> • Project Engineer (utilities & land development) — 1 RFT (\$127K/year) • Transportation Planner — 1 RFT (\$108K/year) • Human Resources Business Partner — 1 RFT (\$131K/year) • Human Resources Assistant — 1 RFT converted from exiting 1 TFT position (\$67K/year)

Impacts to Implementing Provincial Legislation	Impacts to Meeting Housing Targets	Impacts to Achieving Other Council Strategic Priorities	Impacts to Organizational Effectiveness and Resiliency
Slowdown in ability to respond to new legislation due to loss of key interdepartmental resources; new Housing Division not staffed; reallocation of whole Social Planning team, and some Development Planning staff required toward responding to new legislation; stated Provincial timelines continue to be considered challenging	Unable to meet housing targets; further reduced ability to facilitate affordable/supportive/shelter units; longer review times for other permit types (e.g. commercial tenant improvements); inability to continue streamlining work	Pause all other Social Planning work; do not advance Crises Response, Policy and Advocacy Team component due to reallocation of Social Planning staff	Significant risk to success of grant applications related to slow down in approvals; impacts possibly worsened by decreased ability to support mgmt., recruitment and retention of staff, including highly-trained current resources

**Attachment: 2024 Budget – A Housing Division to Expedite
Housing Permits and Units (November 20, 2023)**