

REPORT

Climate Action, Planning and Development

To: Mayor Cote and Members of Council **Date:** November 15, 2021

From: Emilie Adin, MCIP **File:** 13.2620.20
Director, Climate Action, Planning and
Development

Item #: 2021-547

Subject: Cohousing: City Options to Support This Land Use

RECOMMENDATION

THAT Council direct staff to issue a Request for Expressions of Interest to pursue one cohousing pilot project, with the intent to identify the appropriate balance of community and private benefits such that long-term City policy on cohousing can be drafted for Council's future consideration.

PURPOSE

This report requests Council endorsement of a recommendation to issue a Request for Expressions of Interest in order to identify a cohousing pilot project, with whom the City will work to advance development review and public policy development.

BACKGROUND AND POLICY CONTEXT

New Westminster

As set out in the City's 2017 Official Community Plan (OCP), "an increase in housing choices will allow families to meet their changing needs, enable empty nesters and seniors to downsize and stay in their neighbourhood, provide accessible and integrated homes for new immigrants and refugees, and retain and attract youth and young professionals [who] are just entering the housing market." (p.29) Per the OCP, New Westminster has housing for different tenure styles, including (as of 2015) 415 co-op units, 1,069 social housing units and 369 supportive housing units. However, the City doesn't have any cohousing units in its housing stock at this time.

Also per the OCP:

Well designed housing and public spaces encourage inclusion and social interaction, and result in improved mental health. We understand that it will be increasingly important to plan our community with physical and mental health in mind as our population ages. (p.29)

Welcoming common spaces in new buildings provide the chance to bump into a neighbour. Shared outdoor areas provide places for kids to play and parents to meet. (p.30)

Active transportation increases when communities include a mix of housing sizes, types and densities... (p.69)

The city's limited diversity in housing options means that many people must look for homes outside New Westminster. To meet housing needs, the city must be able to offer housing options that are diverse in terms of cost, location, number of bedrooms, tenure and type in each neighbourhood. (p.95)

In 2016 single detached dwellings and apartments made up more than 95% of the city's housing stock, resulting in limited housing options appropriate for people of all abilities, ages and family types. (p.101)

In terms of endorsed strategy, the OCP (2017) lays out the following Goal and Policies on page 96:

Goal 8: New Westminster's neighbourhoods are great places to live and have diverse housing choices that meet the needs of the community.

Policy 8.4: Create neighbourhoods with housing options for people of all ages, abilities and household types to meet their changing needs.

Policy 8.5: Design housing to be livable and to foster social cohesion and connectivity.

Policy 8.6: Provide housing to meet the needs of the projected population in ways that ensure growth contributes positively to the neighbourhood context.

In addition to policy support existing within the OCP, the City's 2019-2022 Strategic Plan includes the goal to "aggressively pursue creative approaches to housing policy and on the ground projects to transform the way housing is provided in New Westminster."

Metro Vancouver

The current Metro 2040 – Shaping Our Future (i.e., the current Regional Growth Strategy, or RGS, adopted in 2011) is intended to manage population expansion while advancing livability and sustainability – a shared commitment by Metro Vancouver and its member municipalities. The current RGS recognizes the importance of a mix of housing types with good access to local-serving transit.

The draft Metro 2050, a proposed update to the RGS currently in circulation, also supports member municipalities' pursuit of diverse housing types and choices.

While the Regional Affordable Housing Strategy (2016) focuses on the rental housing supply, it also supports municipalities' expansion of the supply and diversity of housing to meet a variety of needs.

DISCUSSION

At the Regular Meeting of Council on November 15, 2021, there will be a presentation from one or more experts on cohousing around the known number of options that have been pursued in achieving cohousing projects in the Metro Vancouver housing market.

It is staff's understanding that the following four options for developing a cohousing project can prove successful in the greater Vancouver context.

1. Self-Organized ("DIY") Cohousing Group

Early cohousing projects relied on group members to organize all aspects of the land purchase, approvals, financing, and construction phases. It is not clear if this model works any more in the Metro Vancouver region, given the high costs of land, labour, materials, etc., as well as the complexity of approval processes.

Example of this type:

Unknown in local region

No developer

Benefits:

- Every unit can be customized
- Some units can be secured for affordable rental or affordable homeownership in perpetuity; sometimes even more innovative arrangements can be secured (e.g., Quayside has a secured commercial retail unit which provides a corner store for the neighbourhood)
- Municipalities are generally willing to assist cohousing projects through conferring value through OCP and zoning amendments (density, variances to setbacks, site coverage and other regulations, etc.)
- Some municipalities are willing to waive community amenity contributions or other municipal requirements for not-for-profit cohousing projects

Drawbacks:

- Generally not discounted housing or affordable housing, due to the high costs of design, legal agreements, etc.
- These independent cohousing projects can take longer to get off the ground
- These projects have a hard time advancing in the current regional housing market unless there are cohousing group members who have deep savings to fund initial capital outlays for purchase of the property and other initial expenses

2. Cohousing Group Works with Consultant:

A consultant with cohousing expertise can help a group to navigate development approvals and creation of agreements between all cohousing group members. The consultant sometimes has advice for addressing challenges that arise.

Example of this type:

Driftwood Village Cohousing

<https://www.driftwoodvillagecohousing.com/>

Chesterfield Avenue, City of North Vancouver

No development partner

Benefits:

- Consultant can arrange for some of the buyers to anonymously put up more capital to cover upfront capital costs, in exchange for receiving a return on investment over time
- Every unit can be customized
- Some units can be secured for affordable rental or affordable homeownership in perpetuity
- Municipalities are generally willing to assist cohousing projects through conferring value through OCP and zoning amendments (density, variances to set backs, site coverage and other regulations, etc.)
- Some municipalities are willing to waive community amenity contributions or other municipal requirements for not-for-profit cohousing projects

Drawbacks:

- Not discounted housing (generally about 20% more than market to deliver)
- These somewhat independent cohousing projects can take longer to get off the ground
- These projects have a hard time advancing in the current regional housing market unless there are cohousing group members who have deep savings to fund initial capital outlays for purchase of the property and other initial expenses

3. **Cohousing Group Working in Partnership with a Private Developer:**

Historically, cohousing has been typically achieved without entering into a partnership with a developer. However, in some recent cases a partnership of this kind has proven itself to be a key component of getting a project designed, approved, and constructed in the local housing market.

Example of this type:

Our Urban Village Cohousing Community (approved and under construction)

<https://www.oururbanvillage.ca/>

Main Street, City of Vancouver

Private Development Partner: Tomo Spaces

Benefits:

- Developer can cover initial capital outlay
- Developer can assist in locating an appropriate site and negotiating a purchase price
- Developer can be an experienced agent for the cohousing group with regard to the municipal development review process

Drawbacks:

- Residents are not as involved in the design process
- Units are not customized to suit the initial co-housing members who have stepped forward as members
- This is not affordable housing, except that some units can be secured for affordable rental or affordable homeownership in perpetuity
- This model is sometimes referred to as “Cohousing Lite”

4. **Private Developer Initiated “Cohousing” Project:**

Cohousing has been identified as an in-demand alternative for prospective community-minded buyers in the local housing market. Several cohousing projects that seem entirely initiated by private designers, consultants and developers are currently pursuing presales.

Example of this type:

Victoria Drive Cohousing (preliminary stages of presales and approvals)

<https://dunefield.ca/victoria-drive-cohousing/>

Victoria Street, City of Vancouver

Developer: Dunefield

Benefits:

- Developer covers all capital expenses, soft costs, etc.
- Housing product is somewhat different than other market options (due to existence of additional communal spaces and opportunities)

Challenges:

- Residents are not involved in the design process
- Units are not customized
- This is not affordable housing
- This model is referred to as “Cohousing Lite” and does not fit many people’s definition of cohousing

In looking at a number of cohousing projects that have been approved in the City of Vancouver and the City of North Vancouver, it is typical for comprehensive development zoning to be developed and applied to site-specific cohousing projects (i.e. spot rezoning). Variances from City policies and regulations are typically supported on a site-specific basis through Council consideration and potential approval.

Given that it is difficult to make a cohousing project’s pro forma work in the current Metro Vancouver housing market, staff recommend that Council direct staff to issue a Request for Expressions of Interest to explore with one proponent what would be needed to make their project financially workable and municipally supportable (should any special considerations be sought by the cohousing group).

By working through a real life situation with a local group or proponent, it is staff’s expectation that this learning will form the basis of further policy work that can outline how the City can support other cohousing proposals going forward.

FINANCIAL IMPLICATIONS

The Planning Division can issue a Request for Expressions of Interest utilizing current budget resources. Any financial implications associated with pilot project consideration and approvals will be explored in subsequent reports, once a potential pilot project partner has been identified.

OPTIONS

The following options are provided for Council’s consideration:

1. That Council direct staff to issue a Request for Expressions of Interest to pursue one cohousing pilot project, with the intent to identify the appropriate balance of community and private benefits such that long-term City policy on cohousing can be drafted for Council’s future consideration.
2. That Council provide staff with alternative direction.

Staff recommends Option 1.

APPROVALS

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