

REPORT

Planning and Development

To: Mayor Johnstone and Members of Council
Date: July 7, 2025

From: Jackie Teed, Director,
Planning and Development
File: #2705641
HA000038

Item #: 2025-200

Subject: **Housing Agreement: 1923 & 1927 Marine Way (Affordable Rental Housing) – Bylaw for First, Second and Third Readings**

RECOMMENDATION

1. *THAT Housing Agreement Bylaw (1923 & 1927 Marine Way) No. 8507, 2025, to secure 89 affordable rental residential units, be introduced and given first, second, and third readings;*
 2. *THAT, should Housing Agreement Bylaw (1923 & 1927 Marine Way) No. 8507, 2025 be adopted, the Mayor and Corporate Officer be authorized to execute the Housing Agreement and Section 219 Covenant;*
 3. *THAT, should the Housing Agreement be approved, the Director of Finance be directed to allocate \$500,000 from the Affordable Housing Reserve Fund to Aunt Leah's Foundation to be used towards capital expenditures for the proposed affordable housing project at 1923 & 1927 Marine Way.*
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PURPOSE

To request that Council consider Housing Agreement Bylaw No. 8507, 2025 for first, second, and third readings; direct the Mayor and Corporate Officer to sign and execute the Housing Agreement, to provide a legal framework for operating and maintaining the affordable units; and, direct the Director of Finance to allocate \$500,000 from the Affordable Housing Reserve Fund to Aunt Leah's Foundation, in support of the project.

EXECUTIVE SUMMARY

Rezoning of the site at 1923 and 1927 Marine Way has been approved to allow an affordable housing project consisting of a six-storey building with 89 units. The project will be owned and operated by Aunt Leah's Foundation, and is intended to serve youth and young mothers transitioning from the foster care system to independent living. The project is being funded by BC Housing through the Community Housing Fund and, per the terms of this fund, would contain 20% deep subsidy units, 50% rent-geared-to-income units, and 30% market rental units.

The proposed Housing Agreement and Section 219 Covenant would provide the legal framework for operating and maintaining the affordable rental units. The proposed Agreement has been reviewed and approved by Aunt Leah's Foundation and BC Housing, and is structured to align with the Operating Agreement required by BC Housing. As such, staff recommend that Council consider the Housing Agreement Bylaw for first, second and third readings.

The project has also submitted an Affordable Housing Reserve Fund grant request, in the amount of \$500,000, to be used for project-related capital expenditures. As the project and the request comply with the City's Affordable Housing Reserve Fund Policy, staff recommend that the Director of Finance be directed to allocate \$500,000 from the Affordable Housing Reserve Fund to Aunt Leah's Foundation, in support of the project.

BACKGROUND

On August 26, 2024 Council approved the Zoning Amendment Bylaw (1923 & 1927 Marine Way) No. 8466, 2024. This bylaw rezoned the subject to Comprehensive Development District (1923 & 1927 Marine Way) (CD-111), which permits an apartment building up to 12 storeys in height and 4.0 Floor Space Ratio, provided the building is used for rental housing and secured by a Housing Agreement. A six-storey, 89-unit affordable rental housing building is proposed. The project would be owned and operated by Aunt Leah's Foundation, a charitable organization and experienced affordable housing owner and operator. Through the Housing Agreement, the proposed project would comply with existing zoning.

Affordable Housing Reserve Fund Policy

In 2010, the City of New Westminster established an Affordable Housing Amenity Provision Reserve Fund. This reserve fund receives monies through density bonusing, annual contributions from operations, and a portion of the revenues from digital signage. The reserve fund is used for capital expenditures related to the provision of affordable housing in New Westminster.

An Affordable Housing Reserve Fund Bylaw (Bylaw No. 8138, 2019) was adopted by Council in 2019 with specific funding allocation guidelines. These guidelines state that the reserve fund shall be used for purposes related to funding capital expenditures related to the development, preservation, and servicing of affordable housing.

The guidelines further state that eligible applicants be a registered non-profit society and demonstrate confirmed sources of primary capital and operating funding, and partnership with senior levels of government.

DISCUSSION

Housing Agreement

Through the Housing Agreement, all units would be secured as affordable rental housing for 60 years or the life of building. As the project is funded by BC Housing, the applicant must also enter into a Community Housing Fund Operating Agreement. The Housing Agreement (between the City and Aunt Leah's Foundation) is designed to ensure there are no conflicts with the Operating Agreement (between Aunt Leah's Foundation and BC Housing). The Housing Agreement has also been structured to "stand alone" if for any reason the Operating Agreement is no longer in place.

The Housing Agreement Bylaw is included in Attachment 1 and has been reviewed and approved by Aunt Leah's Foundation, BC Housing and the City's solicitor.

Affordable Housing Reserve Fund Grant Request

Aunt Leah's Foundation has submitted a request for funding through the City's Affordable Housing Reserve Fund, in the amount of \$500,000. This funding would be used toward capital expenditures for the proposed affordable housing project, including but not limited to construction costs and payment of City fees.

The request has been evaluated in light of the City's Affordable Housing Reserve Fund Policy, and would comply with this Policy should the Housing Agreement Bylaw be adopted by Council. As such, staff recommend that the Director of Finance be directed to allocate \$500,000 from the Affordable Housing Reserve Fund to Aunt Leah's Foundation, in support of the project.

APPLICATION REVIEW PROCESS

The development application review process for this project is as follows:

1. Rezoning application received (May 23, 2024);
2. Public notification that no Public Hearing will be held (June 28 to July 8, 2024);
3. Council consideration of first, second, and third readings of the Zoning Amendment Bylaw (July 8, 2024);
4. Development Permit application received (July 15, 2024);
5. Council consideration of adoption of the Zoning Amendment Bylaw (August 26, 2024);
6. Council consideration of first, second, and third readings of the Housing Agreement Bylaw **(WE ARE HERE)**.

Anticipated next steps:

7. Council consideration of adoption of the Housing Agreement Bylaw;
8. Issuance of the Development Permit by the Director of Planning and Development.

INTERDEPARTMENTAL LIAISON

The request for City funding has been reviewed by senior staff from across departments, including Planning and Development and the Office of the Chief Administrative Officer. The City's Solicitor prepared the proposed Housing Agreement Bylaw, Housing Agreement, and Section 219 Covenant.

FINANCIAL IMPLICATIONS

Should Council approve Housing Agreement Bylaw No. 8507, 2025, \$500,000 would be re-allocated from the Affordable Housing Development (BU12513) budget in the approved Five Year Capital Plan to this project. The Affordable Housing Development budget is funded by the Affordable Housing Reserve Fund, which was established in 2010 and is used for capital expenditures related to the provision of affordable housing, as well as homelessness prevention and housing assistance programs.

OPTIONS

The following options are presented to Council for consideration:

1. That Housing Agreement Bylaw (1923 & 1927 Marine Way) No. 8507, 2025, to secure 89 affordable rental residential units, be introduced and given first, second, and third readings.
2. That, should Housing Agreement Bylaw (1923 & 1927 Marine Way) No. 8507, 2025 be adopted, the Mayor and Corporate Officer be authorized to execute the Housing Agreement and Section 219 Covenant.
3. THAT, should the Housing Agreement be approved, the Director of Finance be directed to allocate \$500,000 from the Affordable Housing Reserve Fund to Aunt Leah's Foundation to be used towards capital expenditures for the proposed affordable housing project at 1923 & 1927 Marine Way.
4. That staff be provided with alternative direction.

Staff recommends Options 1, 2, and 3.

ATTACHMENTS

Attachment 1: Housing Agreement Bylaw (1923 & 1927 Marine Way) No. 8507, 2025

APPROVALS

This report was prepared by:
Wendee Lang, Senior Development Planner

This report was reviewed by:
Demian Rueter, Manager, Development Planning
Rupinder Basi, Deputy Director, Planning

This report was approved by:
Jackie Teed, Director, Planning and Development
Lisa Spitale, Chief Administrative Officer