



REPORT

Development Services

To: Mayor Côté and Members of Council **Date:** 10/28/2019

From: Emilie K Adin, MCIP **File:** 13.2610.01
 Director of Development Services

Item #: 404/2019

Subject: **City Small Sites Affordable Housing Projects: Recommended Sites for Two New Developments and Calls for Proposal**

RECOMMENDATION

THAT Council endorse in principle the use of the City-owned properties at 2035 London Street and 2038 Ninth Avenue, and 350 to 362 Fenton Street for the development of small sites affordable housing projects;

THAT Council direct staff to proceed with the issuance of Calls for Proposals for the development of the two small sites affordable housing projects; and,

THAT Council direct staff to directly reach out to local Indigenous Housing Providers to submit proposals for the small sites affordable housing projects.

EXECUTIVE SUMMARY

Based on an evaluation of possible City-owned sites, including taking into consideration development and locational factors, staff is recommending the following two sites for the development of affordable housing: 2035 London Street and 2038 Ninth Avenue in Connaught Heights, and 350 to 362 Fenton Street in Queensborough. Staff is also recommending that Calls for Proposals be issued in November 2019 for the two small sites affordable housing projects, and that Indigenous Housing Providers be contacted about this opportunity. Staff would report back with recommendations for two non-profit housing proponents in early 2020.

PURPOSE

The purpose of this report is threefold: (1) to seek Council's endorsement of two City-owned sites for the development of small sites affordable housing projects; (2) to seek Council's direction to issue Calls for Proposals for the development these projects; and (3) to seek Council's direction to directly reach out to Indigenous Housing Providers.

BACKGROUND

A summary of related City policies and regulation is included in Attachment 1.

First Two Small Sites Affordable Housing Projects

The Mayor's Task Force on Housing Affordability has a mandate to provide recommendations to Council for actions that can be taken by the City and others to create affordable housing for low and moderate-income households, affordable rental housing and affordable homeownership. One of the first actions of the Task Force was to support the development of two small sites affordable housing projects at 43 Hastings Street in the Downtown neighbourhood, and 630 Ewen Avenue in Queensborough currently under construction.

Process for Selecting City Owned Sites

A. Physical Review

In August 2019, staff conducted an inventory of all City-owned sites, which were subsequently evaluated to determine their suitability for small-scale affordable housing projects. Sites were first broadly screened to remove properties that were physically unsuited, including amongst other factors: actively utilized by existing parks, playing fields, recreational or cultural buildings, and heritage assets; too small to facilitate development; unusually shaped and not appropriate for safe access; without vacancy in the short-term; and, within environmentally sensitive areas. The broad screening process resulted in 11 eligible City-owned small sites, distributed throughout the city.

B. Ongoing Policy/Project Review

Staff subsequently disqualified sites whose development potential was constrained by ongoing policy or project work currently underway, such as: broader area development plans that would occur outside of the timeframe of this project; and, sites linked to developments that are underway and/or forthcoming between the City and other external agencies (e.g., BC Housing, Metro Vancouver, the Province, etc.). The detailed screening resulted in a short list of five eligible City-owned small sites, three on the Mainland and two in Queensborough. Site profiles of the respective sites, which include information on the Official Community

Plan designation, Development Permit Areas, zoning, current land use, site area, frontage, average depth, and assessed values, are presented in Attachment 2.

C. Interdepartmental Review

The shortlisted sites were then referred to senior staff in Development Services, Engineering, and Parks and Recreation for an interdepartmental review to identify any foreseeable challenges that could complicate affordable housing development on those sites (e.g., servicing requirements, right-of-ways, geotechnical issues, locational considerations etc.). A summary of staff's comprehensive evaluation of the five shortlisted sites is presented in Attachment 3.

DISCUSSION

Recommended City Owned Sites

Based on the selection process outlined above, the two sites that are recommended to be made available for a Call for Proposals are:

- 2035 London Street and 2038 Ninth Avenue (Connaught Heights)
- 350 to 362 Fenton Street in Queensborough (Queensborough)

The key challenges identified for the other sites, precluding staff from recommending them for small site affordable housing projects at this time, are incorporated in the summary of staff's evaluation of shortlisted sites included in Attachment 3.

2035 London Street and 2038 Ninth Avenue

The two adjacent City-owned sites at 2035 London Street and 2038 Ninth Avenue are vacant properties located in the Connaught Heights neighbourhood. The site profile and location map of the respective lots is summarized in Figure 1 below

Figure 1: Site Profile and Location Map of 2035 London Street and 2038 Ninth Avenue.

Site Profile						
OCP Designation	DPA	Zoning	Current Land use	Site Area	Frontage	Avg. Depth
M_Parks – Parks, Open Space and Community Fac.	/	NR-1 Single Detached	Civic Institute & Rec - Vacant	<i>Lot Consolidation May be Considered</i>		
				<i>Approximate Total Lot Dimensions</i>		
				≈1114m ² (11,990ft ²)	≈30.46m (100ft)	≈37m (121ft)

Opportunities

The main site opportunities include:

- consolidation potential that may provide economies of scale opportunities to deliver more units at a lower per-unit cost;
- with consolidation, a larger site area where ground-oriented townhouses, stacked townhouses, or row houses can be considered;
- with consolidation, a larger project may provide non-profit housing providers with a greater opportunity to efficiently deliver services that satisfy a greater number of tenants while meeting organizational financial limitations;
- Proximity to public transit (22nd Street Station);
- Proximity to support services;
- Proximity to parks, playgrounds and schools (Connaught Heights Park and Connaught Heights Elementary School);
- Available water, sewer and storm connections, with 2035 London Street currently serviced.
- Corner lot with easy access, gentle topography and no trees that are required to be removed.

Challenges

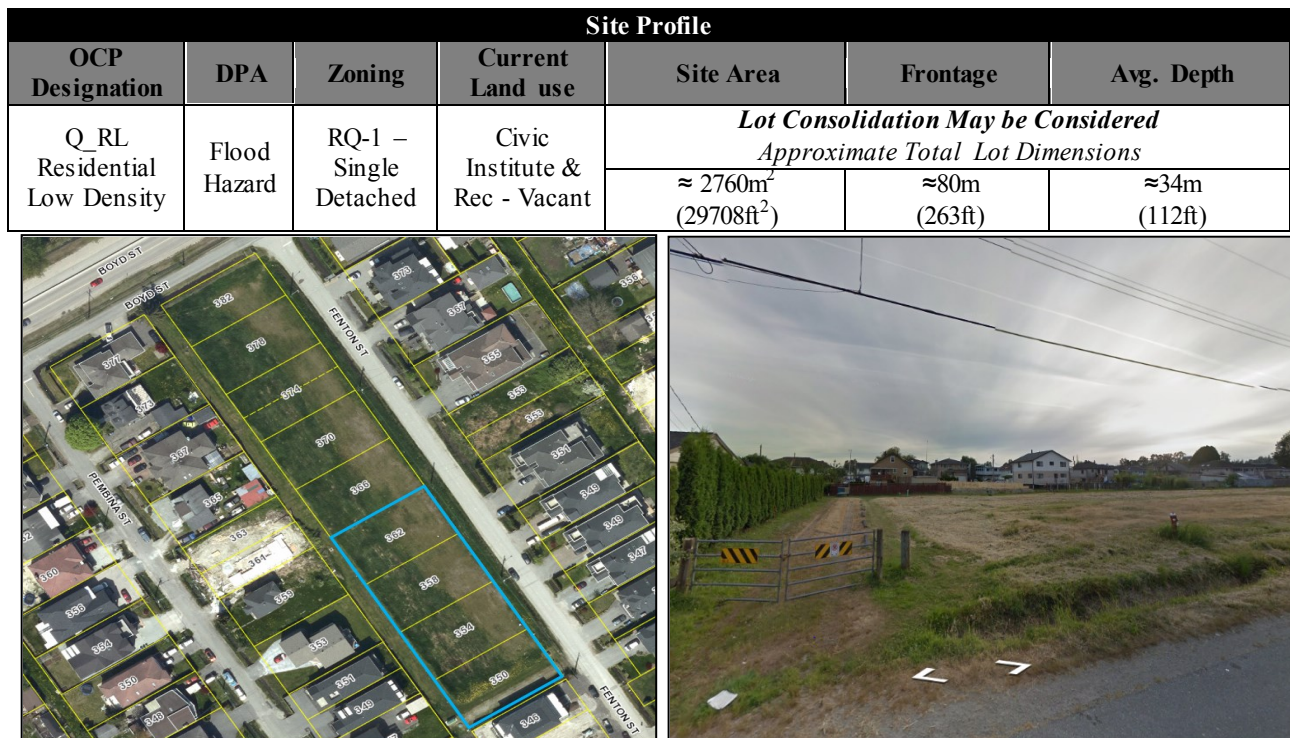
The main site challenges include:

- Requires new sidewalk, curb and gutter and potential undergrounding of utilities.
- Limited commercial and retail services in the area.
- Twentieth Street currently has traffic congestion challenges.

350 to 362 Fenton Street

The four adjacent City-owned sites from 350 to 362 Fenton Street are vacant properties located in the Queensborough neighbourhood. These three southwestern adjoining sites are being recommended over the sites adjacent to Boyd Street, as the latter are relatively close to industrial areas. The site profile and location map of the respective lots is summarized in Figure 2 below.

Figure 2: Site Profile and Location Map of 350 to 362 Fenton Street



Opportunities

The main site opportunities include:

- consolidation potential of adjacent sites that may provide economies of scale opportunities to deliver more units at a lower per-unit cost;
- with consolidation, ground-oriented townhouses or row houses can be considered;
- the potential to create rear lane access by partially utilizing 350 Fenton Street;
- gentle topography; and,
- within walking distance to Old Schoolhouse Park and the commercial, retail and service establishments at Queensborough Landing and the future Queensborough Eastern Neighbourhood Node.

Challenges

The main site challenges include:

- development in a floodplain that requires a geotechnical assessment, costly site preparation, and piling;
- required ditch infill;
- required frontage upgrades, including construction of sidewalks, curb and gutter, lighting and street trees planting; and,
- 350 Fenton Street is adjacent to a utility easement, which will require a setback.

NEXT STEPS

Calls for Proposals

If Council supports proceeding with the recommended sites, staff is seeking direction to circulate Calls for Proposals for the development and operation of affordable housing on each of the respective recommended sites.

Preference would be given to those projects that can enter into long-term leases with the City, that ensure that the housing units remain affordable for the longest period possible, and that achieve a level of affordability for low- and moderate-income households. Staff is recommending that the Calls for Proposals not be prescriptive in terms of the details of the projects being requested. Instead, a set of evaluation criteria will be included in the document that would identify those projects that best meet the following objectives:

- Projects that demonstrate short- and long-term affordability;
- Projects that are sympathetic in design with existing neighbourhoods;
- Projects that are suitable for families with children;

- Projects that can be replicated elsewhere in the city; and,
- Projects that can be completed by fall 2022.

Details on the selected sites, including land use designations, potential building forms, assessed value and servicing requirements, would be included in the document. The Calls for Proposals would be circulated in November 2019. Proponents would be invited to submit a proposal on one or both of the sites. Staff would report back with recommendations in early 2020. The City will reserve the option of not proceeding with an affordable housing project on one or both sites if no suitable project proposal is submitted.

Reaching out to Indigenous Housing Providers

Staff is also seeking direction to reach out to Indigenous Housing Providers to submit proposals for the small sites affordable housing projects. Staff would work with the Aboriginal Housing Management Association and BC Housing to identify the appropriate local Indigenous Housing Providers.

INTERDEPARTMENTAL LIAISON

Staff members from Development Services, Engineering and Parks and Recreation have been involved in the review of potential sites.

FINANCIAL IMPLICATIONS

Funding and Financial Assistance

It is recommended that the City provide the land on long-term land leases (60 years). It is also recommended that the City be responsible for the following costs, with funding coming from the Affordable Housing Reserve Fund:

- Site servicing costs (sewer, storm drainage, water);
- Development approvals and Building Permit fees;
- Costs associated with public consultation requirements (public meetings, mailing costs, communication materials); and,
- Preparation and registration of legal documents.

Staff has allocated \$200,000 as part of the 2020 Capital Plan and will make a similar request for each of 2021 and 2022. Depending on the number of units realized, a higher request may be necessary for each of 2021 and 2022.

Funding limits for each project would be expected to be consistent with the City's Affordable Housing Reserve Fund Policy and Funding Allocation Guidelines. The policy states that withdrawals from the fund not exceed \$25,000 per transitional, supportive, affordable or non-market housing unit for projects with ten or more units and \$35,000 per

transitional, supportive, affordable or non-market housing unit for projects with nine or fewer units. Higher amounts may be considered if there are extenuating circumstances such as adverse soil conditions, floodplain considerations and other site constraints.

OPTIONS

The options for Council's consideration are:

1. That Council endorse the use of the City-owned properties at 2035 London Street and 2038 Ninth Avenue, and 350 to 362 Fenton Street for the development of small sites affordable housing projects;
2. That Council direct staff to proceed with the issuance of Calls for Proposals for the development of the two small sites affordable housing projects; and,
3. That Council direct staff to directly reach out to Indigenous Housing Providers to submit proposals for the small sites affordable housing projects.

Staff recommends Option 1, 2 and 3.

ATTACHMENTS

Attachment 1: Related City Policies and Regulation

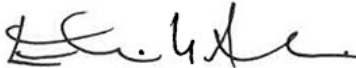
Attachment 2: Site Profiles of the Shortlisted City Owned Sites Following
Comprehensive Screening

Attachment 3: Summary of Staff's Evaluation of the Other Shortlisted City Owned Small
Sites

This report has been prepared by:
Anur Mehdic, Housing and Child Care Planning Analyst

This report was reviewed by:
Jackie Teed, Senior Manager of Development Services

Approved for Presentation to Council



Emilie K Adin, MCIP
Director of Development Services



Lisa Spitale
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Attachment 1

Related City Policies and Regulation

Attachment 1: Related City Policies and Regulation

Council Strategic Plan: 2019-2022

The *Council Strategic Plan: 2019-2022* (July 8, 2019) includes the following directions:

- *Aggressively pursue creative approaches to housing policy and on-the-ground projects to transform the way housing is provided in New Westminster.*
- *Use partnerships, negotiations with developers and leveraging of City resources to secure development of below- and non-market housing, as well as affordable child care.*

Official Community Plan

The *Our City Official Community Plan* (2017) includes the following policies:

- *Facilitate the creation and maintenance of housing that offers options for people who are homeless or at-risk of homelessness.*
- *Facilitate access to affordable and non-market housing for low- to moderate-income households.*

Affordable Housing Strategy

The *Affordable Housing Strategy* (2010) includes the following two goals:

- *To preserve and enhance the city's stock of safe, affordable and appropriate rental housing.*
- *To improve the choice of housing for the city's low- and moderate-income residents and households with unique needs.*

In addition, the development of affordable housing is in alignment with the following Strategic Directions as contained in the *Affordable Housing Strategy*:

Strategic Direction #3: Facilitate Community Partnerships

- *Implement proposal calls to non-profit housing providers for housing that targets special needs groups that may be under-served in the community. This would involve partnership with other levels of government and identification of priority target groups.*

Strategic Direction #5: Use Financial Tools and Incentives

- *Use the Housing Reserve Fund to purchase land for the purpose of affordable housing and/or to provide grants to non-profit housing providers and support other affordable housing initiatives.*

Attachment 2

Site Profiles of the Shortlisted City Owned Sites Following Comprehensive Screening

Attachment 2: Site Profiles of the Shortlisted City-Owned Sites Following Comprehensive Screening

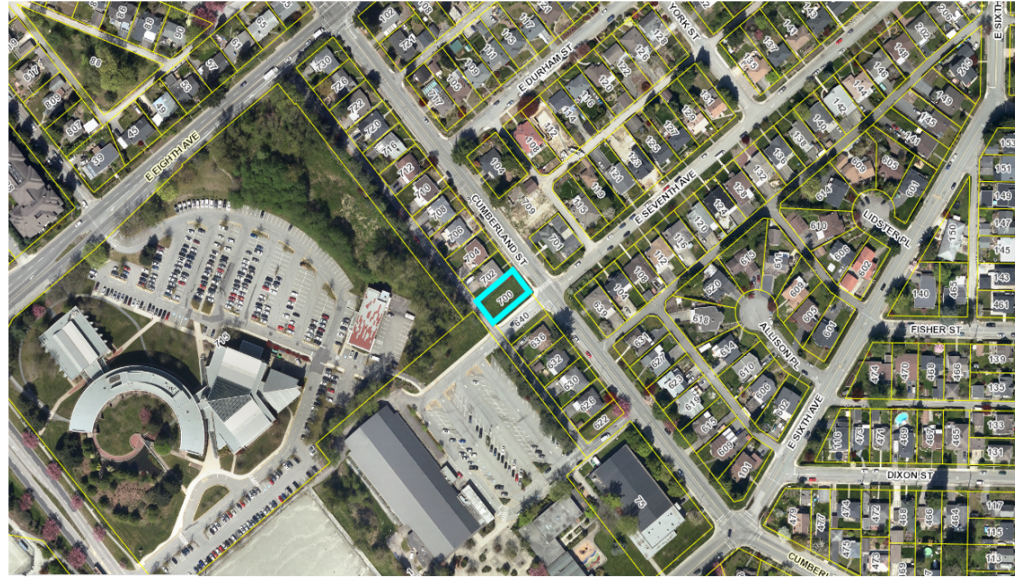
Site Profile								
Site	Neighborhood	OCP Designation	DPA	Zoning	Current Land use	Site Area	Frontage	Avg. Depth
Mainland								
1) 700 Cumberland St.	Victory Heights	M_RD – Residential – Detached and Semi-Det	Mainland Laneway and Carriage	RS-1 Single Detached	Civic Institute & Rec - Vacant	515m ² (5546ft ²)	16.90m (55.45ft)	30.48m (100ft)
2) 2035 London St. 2038 Ninth Ave.	Connaught Heights	M_Parks – Parks, Open Space and Community Fac.	/	NR-1 Single Detached	Civic Institute & Rec - Vacant	Lot Consolidation May be Considered <i>Respective Lot Dimensions for the Two Sites:</i>		
						557m ² (5995ft ²)	15.23m (49.97ft)	36.57m (119.98ft)
3) 1823 River Dr. to 1835 River Dr.	North Arm North	M_U Utilities and Transportation Infrastructure	None	RT-1 Duplex	Civic Institute & Rec - Vacant	Lot Consolidation May be Considered <i>Respective Lot Dimensions for the Three Sites:</i>		
						623m ² (6704ft ²)	16.29m (53.44ft)	38.22m (125.39ft)
Queensborough								
4) 329 Johnstone St.	Queensborough	Q_RL Residential Low Density	Queensborough Flood Hazard	RQ-1 – Single Detached	Civic Institute & Rec - Vacant	1,021m ² (10,988ft ²)	22.34m (73.29ft)	45.69m (149.90ft)
5) 350 Fenton St. to 382 Fenton St.	Queensborough	Q_RL Residential Low Density	Queensborough Flood Hazard	RQ-1 – Single Detached	Civic Institute & Rec - Vacant	Lot Consolidation (2 Sites) May be Considered <i>Respective Lot Dimensions for the Nine Sites</i>		
						All sites ≈ 690m ² (7427ft ²)	All sites ≈ 20m (66ft)	All sites ≈ 34m (113ft)

Attachment 3

Summary of Staff's Evaluation of Other Shortlisted City Owned Small Sites

Attachment 3: Summary of Staff's Evaluation of the Other Shortlisted City-Owned Small Sites

1) 700 Cumberland Street



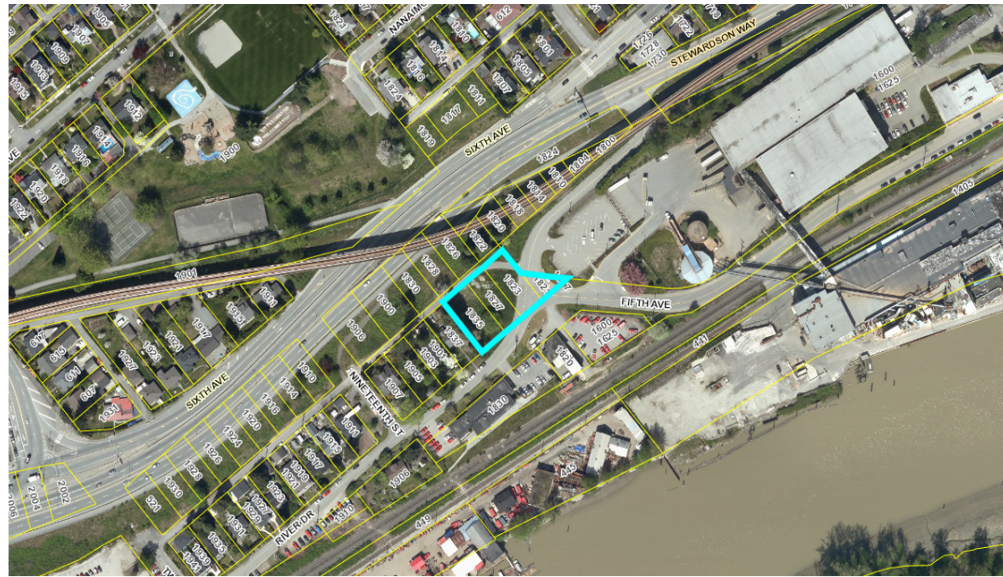
Opportunities/ Positives:

- Small-scale affordable housing project e.g. house with two suites of fourplex
- Adjacent to future New Westminster Aquatic and Community Centre.
- Proximity to commercial and retail services, and to parks and schools (Glenbrook).
- Gentle topography with no trees required to be removed.
- Corner lot with easy access.
- Water, sewer and storm connections available.

Challenges:

- New Westminster Aquatic and Community Centre constructed during the timeframe of this project – may create unexpected complications.
- Adjacent southeast road may be upgraded to a multi-use path, the setback of which would further reduce already limited buildable area.
- Adjacent area to the southwest will be utilized for temporary large recycling area.
- Single detached zoning.
- Cumberland Street currently has traffic congestion challenges.

3) 1823 to 1835 River Drive



Opportunities/ Positives:

- Large site if properties consolidated, with an opportunity to develop ground-oriented townhouses or fee simple row houses.
- The recent opening of the Stewardson Way pedestrian overpass has significantly improved access to the recently upgraded 22nd Street Bus Exchange and adjacent Skytrain station, Grimston Park, and Tweedsmuir Elementary School;
- Pre-service with sanitary, with water connection available.

Challenges:

- Limited access to commercial and retail services;
- Irregularly shaped parcel, with dedication/ servicing right-of-way required for lane and River Drive;
- Challenging traffic access from Stewardson Way;
- Proximity to industrial areas;
- Steep site topography;
- Several onsite trees that will need to be replace or retained; and,
- Required storm extension, a new sidewalk, curb, gutter and boulevard, and potential

4) 329 Johnstone Street



Opportunities/ Positives

- Small-scale affordable housing project e.g. house with two suites of fourplex.
- Gentle topography with no trees required to be removed.
- Proximity to Old Schoolhouse Park.
- Proximity to Queensborough Eastern Neighbourhood Node.

Challenges:

- Significant sewer force main runs through a portion of this site and requires a setback.
- Site located within a floodplain and would call for a geotechnical assessment report, and would likely require costly site preparation such as fill and preload placement, and piling.
- Site preparation may require ditch infill.
- Housing on site may preclude future opportunity for a mid-block greenway connection between Derwent Way and Wood Street that could utilize City lands and rights of way.
- Requires frontage upgrades (e.g. new sidewalk, curb and gutter, lighting etc.).