



Charman Creek Lands Affordable Housing



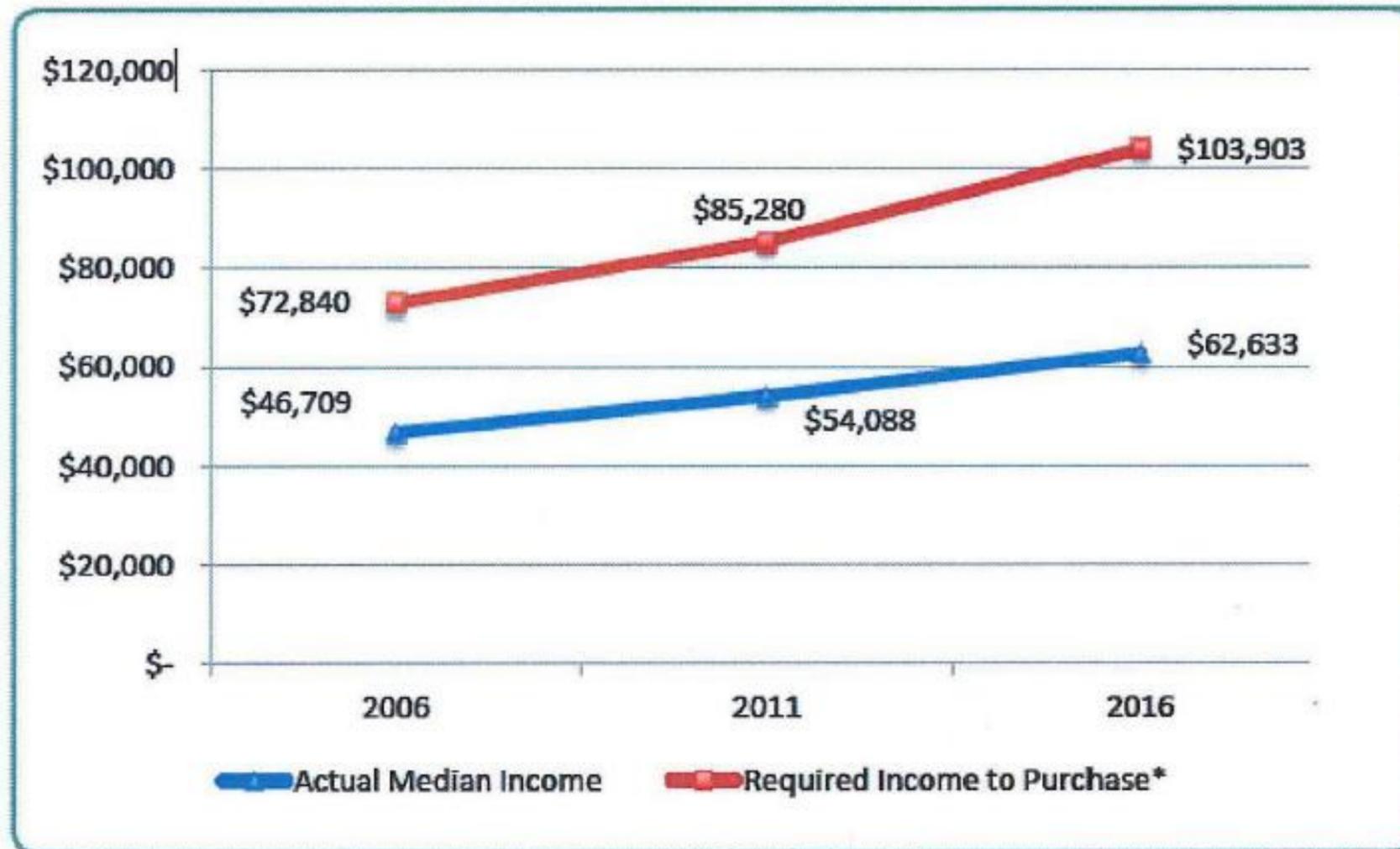


Figure 1: Gap for home ownership for median earning households (Urban Matters).





Figure 2: Increase in market rental cost 2014 – 2017 (Urban Matters)



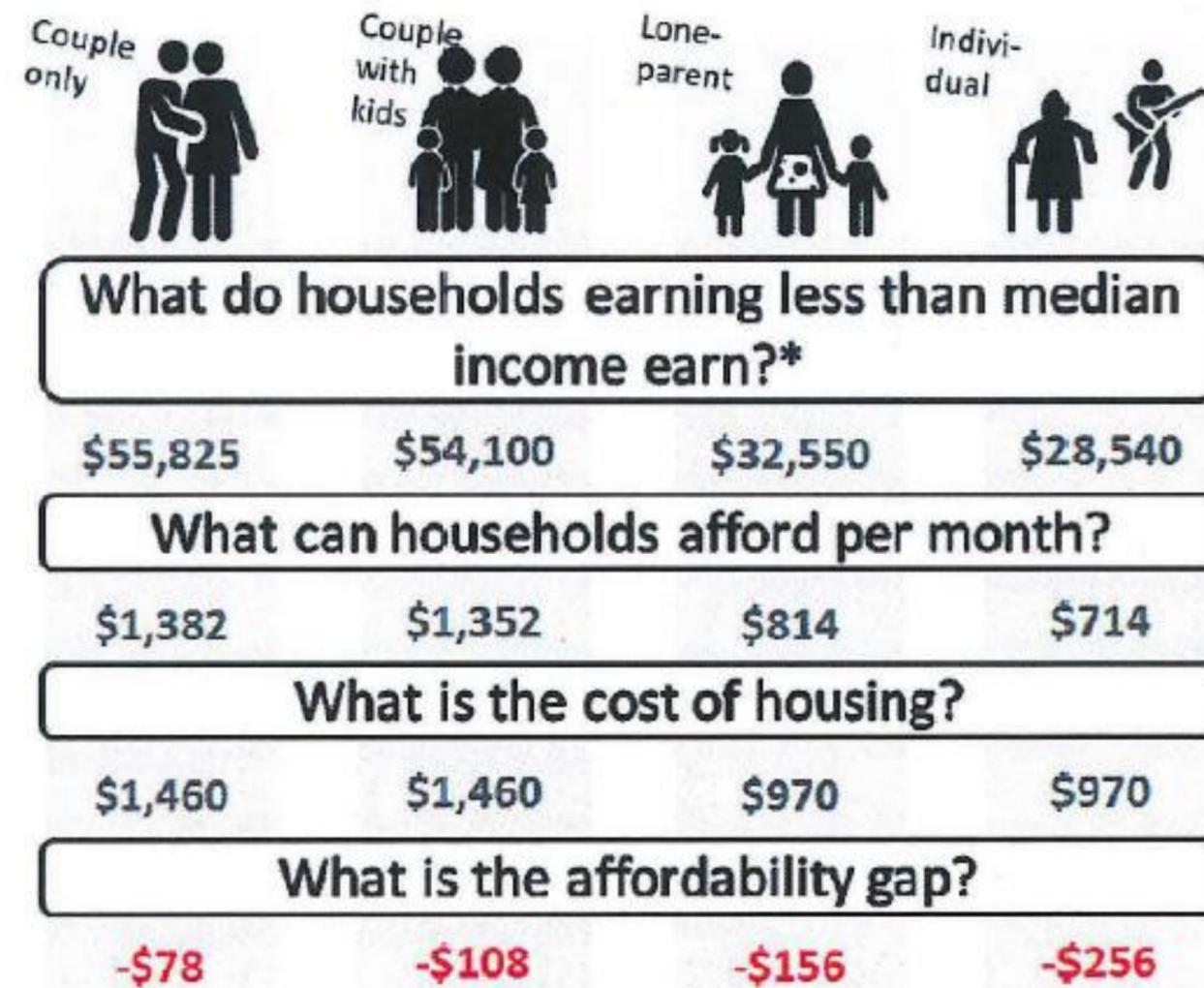


Figure 3: Affordability gap for different types of Sunshine Coast households (Urban Matters)

In August 2016, RainCity Housing estimated that there were a minimum of 40 individuals who were experiencing homelessness in the region. The table below provides the cost estimate required to adequately house those individuals who are episodically or chronically homeless.

No. Temporary Homeless	10
No. Episodic Homeless	3
No. Chronic Homeless	27
TOTAL	40
Average cost per year to address homelessness	\$459,684

Figure 4: Estimated number of homeless people on the Sunshine Coast (from www.housingcentral.ca).



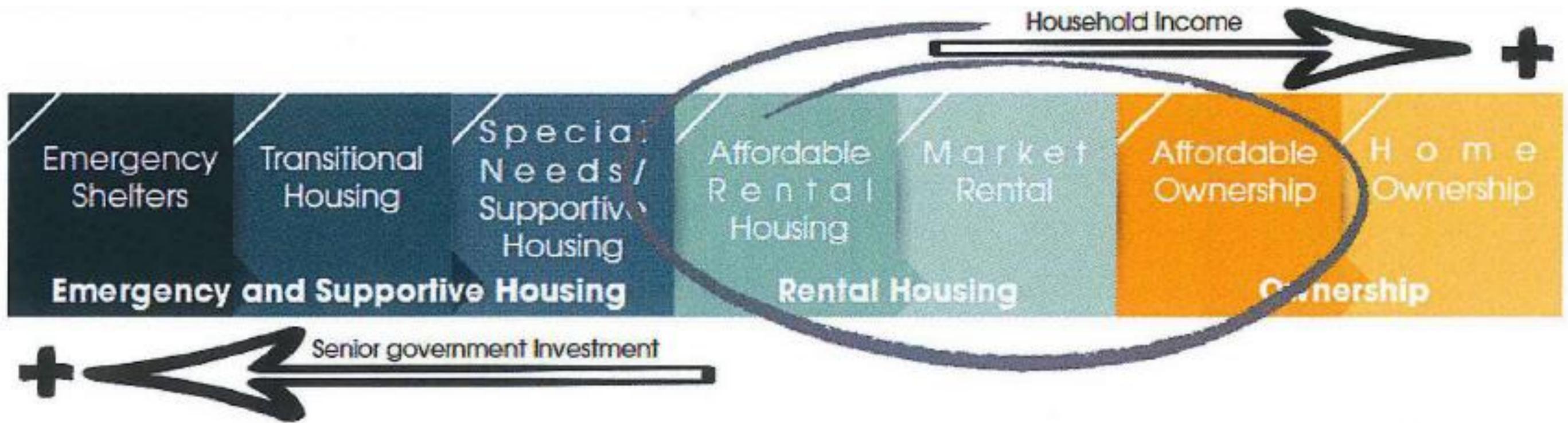


Figure 5: The prospective types of housing in relation to the full "housing continuum"





Figure 6: Siteplan and concept plan for Charman Creek Lands



Figure 7: Siteplan and concept for 571 Shaw Road



Consultation feedback

- 63 submissions from 60 individuals
- 30 submissions identified opportunities and benefits of an affordable housing project
- 11 submissions expressed strong concerns or clear objections to either site
- 17 submissions appeared neutral

- Shaw/O'Shea was the preferred site over Charman Creek
- Charman Creek Site received mixed opinions – 10 submissions supported the site, 4 qualified the site as a 2nd choice.
- 14 submissions objected to the Charman Creek Lands, with a key concern loss of tree cover and existing habitat.



Feedback continued

Traffic – 18 respondents overall cited issues over the traffic capacity of Shaw Road.

Green Space – 12 respondents stated that they had concerns with the loss of green space, in particular in relation to the Charman Creek Lands.

Drainage – 4 individuals stated that there are drainage issues on the Shaw Road/O'Shea Road site.

Character – 4 individuals provided some concerns over the character of the concept and it's compatibility with the character of the adjacent neighbourhood.

Seniors housing – 5 respondents stated that the affordable housing project should include independent seniors housing.

Units for families – 3 individuals asked that larger sizes family rental housing be included or increased in the concept plans.



urban matters

Affordable

Housing in the
Town of Gibsons-
Financial
Feasibility



Background

- The Town of Gibsons has been working with the Sunshine Coast Affordable Housing Society and other partners to identify land for mixed income rental housing
- Open house was held to receive public input on 2 site options
- Charman Creek site was selected after 571 Shaw Road was sold
- Goal of this study is to determine a high-level financial viability of such a project

Charman Creek Lands-Early Concept



Zoning and Regulatory Considerations

- Site is currently zoned public/community uses
- Concept is for 40 units of mixed-income (affordable, below market, market) rental units on Town-owned land
- 'Affordable' is based on BC Housing Housing Income Limits; below market/market from rental market survey
- Incentives from the Town such as reduced parking requirements, DCC rebate, waiver of other development costs could be considered as Town contributions

10 plex

10 plex

common
house

Financial Analysis

- Building hard costs, site servicing and construction soft costs are based on architect and builder estimates
- Operating costs are based on comparable rental projects
- Financing Assumptions are based on current market conditions
- Rental rates are based on HILs market rental survey

Construction Cost Estimates

- Total construction costs are estimate at about \$9 million, not including land
- This is about \$225,000 per unit
- This is about \$7,000,000 in construction and site servicing costs, \$700,000 in soft costs and \$1.2 million in contingency (15%)

Operating Assumptions

	HILs	Below Market Rates	Market Rates
	Rates	Rates	Rates
1-Bedroom	\$900	\$1,100	\$1,300
2-Bedroom	\$975	\$1,300	\$1,500
3-Bedroom	\$1,138	\$1,500	\$1,850

Scenario 1

50-50 HILs and
Market Units

Scenario 1: 50-50 HILs and Market Units		
	Monthly	Annually
Total		\$9,084,107
Grant		\$3,200,000
Principal		\$5,884,107
Interest Rate		3.50%
Amortization		35
Monthly Mortgage Servicing	\$24,516	\$294,196
Residential Gross Rent	\$47,775	\$573,300
Residential Vacancy Rate	\$2,389	\$28,665
Effective Rent	\$45,386	\$544,635
Operating Cost	\$20,000	\$240,000
Average per unit	\$500.00	\$6,000
Net operating Income	\$25,386	\$304,635
Revenue after costs	\$870	\$10,439

Scenario 2

1/3 Market, Below
Market and HILs
Split

Scenario 2: 1/3 Market, Below Market, HILs Split		
	Monthly	Annually
Total		\$9,084,107
Grant		\$2,900,000
Principal		\$6,184,107
Interest Rate		3.50%
Amortization		35
Monthly Mortgage Servicing	\$25,766	\$309,195
Residential Gross Rent	\$49,113	\$589,350
Residential Vacancy Rate	\$2,456	\$29,468
Effective Rent	\$46,657	\$559,883
Operating Cost	\$20,000	\$240,000
Average per unit	\$500.00	\$6,000
Net operating Income	\$26,657	\$319,883
Revenue after costs	\$891	\$10,687

Scenario 3

All Market
(Reference)

Scenario 3: All Market		
	Monthly	Annually
Total		\$9,084,107
Grant		\$1,000,000
Principal		\$8,084,107
Interest Rate		3.50%
Amortization		35
Monthly Mortgage Servicing	\$33,683	\$404,192
Residential Gross Rent	\$57,400	\$688,800
Residential Vacancy Rate	\$2,870	\$34,440
Effective Rent	\$54,530	\$654,360
Operating Cost	\$20,000	\$240,000
Average per unit	\$500.00	\$6,000
Net operating Income	\$34,530	\$414,360
Revenue after costs	\$847	\$10,168

Financial Analysis

- The project would require significant grant funding of approximately \$3 million
- There would be no ongoing operational subsidy
- The project is sensitive to an increase in interest rates, with an increase of 1% resulting in a negative cash flow; however, the market rental units could mitigate against this somewhat
- The Town could contribute to the grant component through DCC rebates, reduction in development costs, etc.

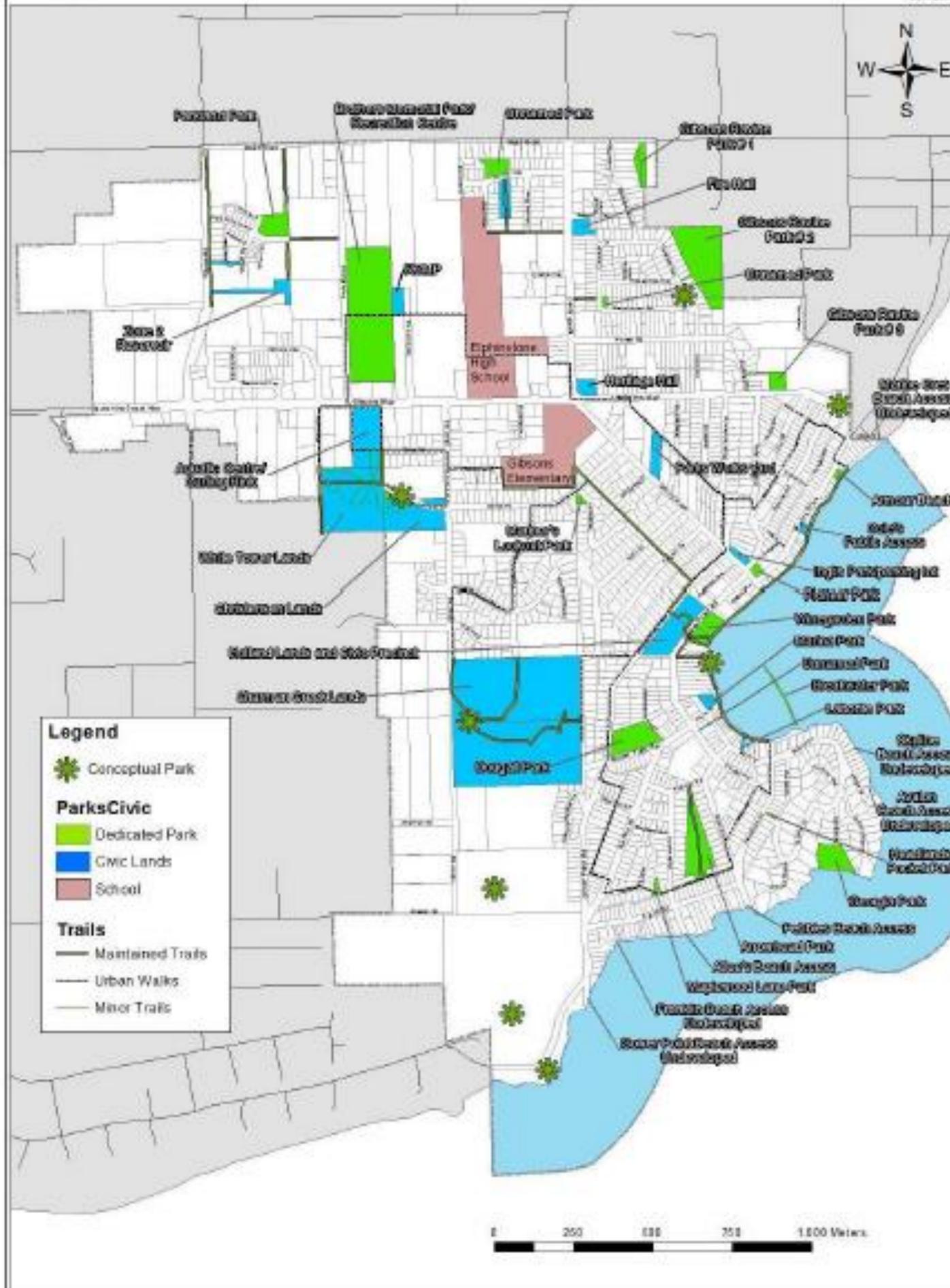
Two sites selected, one remaining





Map 2 - Parks and Civic Lands

Scale 0001
Jan 2015



OCP Policies

7. Parks and Outdoor Recreation

“Overall, the Town has about 19.7 hectares (ha) of park, excluding school sites, or 5.1 ha per 1000 residents. This exceeds the overall parkland standard of 2.2 ha per 1000 residents that was recommended in the “Sunshine Coast Parks and Recreation Action Plan” (1990/91). Using this parkland standard, Gibsons has enough park space for up to 9,000 residents, more than double the present population.”

8. COMMUNITY AND SOCIAL ISSUES

8.1.4 Review the potential community uses of municipal lands north of Charman Creek, and develop an appropriate concept plan which may incorporate public uses, park and recreation facilities, as well as the potential sale of land for housing to assist in cost-recovery for public uses.





Figure 8: Tentative site area (marked by the black box) in relation to current trails in the northern half of the Charman Creek Lands



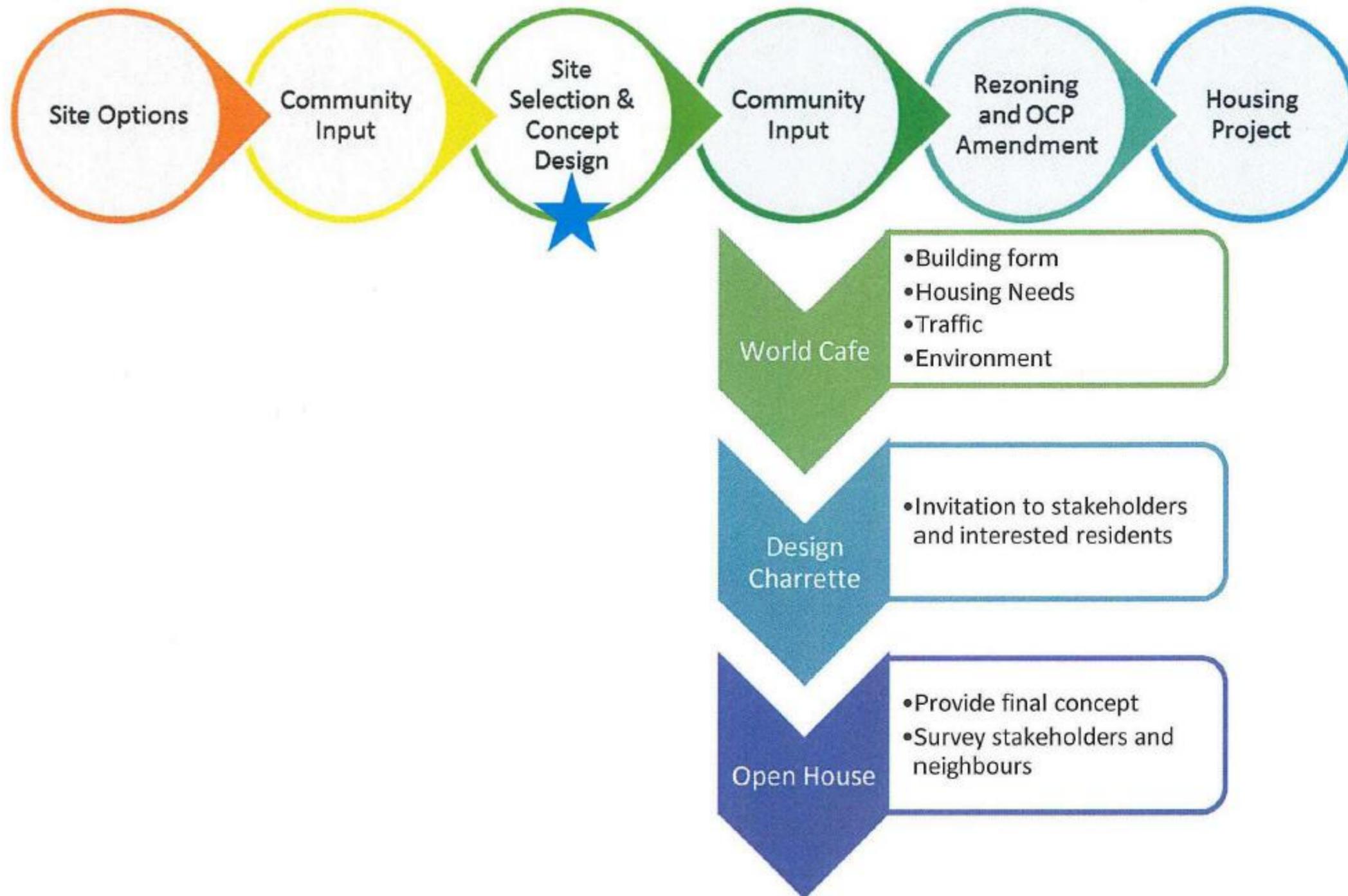


Figure 9: Process outline including recommended community consultation process



Recommendations

THAT the staff report regarding the Charman Creek Lands Affordable Housing Project be received;

AND THAT Council designate a portion of Charman Creek lands as the prospective site for a 40-unit rental housing project to be developed and funded in partnership with the Sunshine Coast Affordable Housing Society and senior governments;

AND THAT Council direct staff to work with the Sunshine Coast Affordable Housing Society to execute the consultation process outlined in this report, and to report back on the results;



Recommendations continued

AND THAT the Advisory Planning Commission be requested to provide recommendations as part of the first and the third phase of the three consultation process steps; and that a selection of APC members also be invited for the second phase (design charette);

AND THAT Council support fundraising efforts for the project development cost of the Charman Creek Lands Affordable Housing project through an application by the Society to CMHC;

AND FURTHER THAT based on the outcomes of the feasibility study by Urban Matters, staff provide an outline of a partnership agreement between the Town of Gibsons and the Sunshine Coast Affordable Housing Society for Council consideration.



Recommendations Alternatives

Additional recommendations

THAT staff report back to Council after each of the three steps of the consultation process for the site planning of a Provincial Investment Affordable Housing Project;

Alternative recommendations

THAT Council direct staff to proceed with site planning based on input from the June Open House, the Sunshine Coast Affordable Housing Society's preferences, recommendations from the Advisory Planning Commission regarding the current plans and that the resulting final concept plan be presented to the community for feedback through an Open House presentation.

THAT Council request the Society and staff to explore alternate locations for an affordable rental housing project with applicants of current development proposals.

Alternatively, Council can identify other preferred courses of action such as seeking public input before designating the recommended site, or by not proceeding with an affordable housing project on Town owned land at this time.

