



STAFF REPORT

TO: Committee of the Whole **MEETING DATE:** October 17, 2017
FROM: Director of Planning, Planning Assistant **FILE NO:** 5040-10-08-05-05
SUBJECT: Charman Creek Lands Affordable Housing project

RECOMMENDATION(S)

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;

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.

PURPOSE

The purpose of this report is to provide Council with information relating to the process so far and next steps to develop a site for a 40 unit affordable rental housing project in the Town.

SUMMARY

Affordable Housing and the increasing shortage of affordable options for a growing portion of our community has been a key community concern for over 10 years now. Rising prices of rental and owned housing options alike exceed the financial capacity of more and more households / families. Rental housing options are of a particular concern because of the relatively low number of available rental options and the lack of new construction of "purpose built" rental apartments.

In recent years, the Town has worked with local affordable housing stakeholders to find ways to facilitate new affordable housing options. With recent changes at the federal and provincial levels there is senior government funding available that could be pursued. Over the past 2 years the Town has worked with the Sunshine Coast Affordable Housing Society (SCAHS) and identified possible sites for an affordable housing project of up to 40 residential units.

In June, initial concept plans were presented at a Public Open House for two Town owned sites. Also, a feasibility study investigated the cost and viability of a possible affordable housing project on either site. One of the two sites at 571 Shaw Road next to the Christenson Village seniors care home, has recently been sold for the development of a new seniors care home. The other site is located at the end of Shaw Road and Eaglecrest Drive where a portion of the Charman Creek lands is proposed to be used for the affordable housing project.

The feasibility analysis shows the total cost of the project to be around \$ 9,000,000. With senior government funding this could result in the creation of 40 rental apartments consisting of a mix of 1, 2, and 3 bedroom units. The site would offer a mix of market rents (\$ 1,300 - \$ 1,850) as well as reduced monthly rents (\$ 1,100 to \$ 1,500 and \$ 900 to \$ 1,138) with rent reductions of anywhere between \$ 200 up to \$ 700 below market levels. This mix of rental options of market and below market apartments would provide affordable housing options to independent seniors or other singles, lone parents, couples, and couples with children. SCAHS would operate and manage the buildings.

It is recommended that Council designate the Charman Creek Lands site for an affordable rental housing project in partnership with the Society. The next steps would invite further community input, specifically to inform further design work for this site. CMHC funding would be pursued to fund this process. A three - step consultation process is being proposed to give interested community members (in particular neighbours from the adjacent O'Shea / Oceanmount neighbourhood) a say in the details of the site planning. Also, the Society and the Town would work on an outline of a partnership agreement for this project. All this work would take place over the winter of 2017/2018. Based on the results, Council would review the site plan and if supported, start the process for a Zoning Bylaw Amendment process, possibly in the spring of 2018.

BACKGROUNDS AND DISCUSSION

Affordable housing needs in Gibsons

There is a current shortfall in affordable housing on the Sunshine Coast due to a lack of new rental housing being constructed as well as housing market developments. This “crunch” in the housing market has been extensively documented, for example through the most recent 2014 Housing Needs Assessment for the Sunshine Coast, but also by Provincial housing advocacy groups (www.housingcentral.ca).

With regards to ownership the 2014 Housing Needs Assessment identified affordability gaps for households on the Sunshine Coast. This was based on 2010 data with a median household income at the time of approx. \$ 55,000 and a median home price of \$ 410,000 versus an affordable price point of \$ 264,000. Since then housing prices have further escalated, especially during 2016 - 2017. For example, the MLS HPI Benchmark Price for detached homes on the Sunshine Coast sits at \$ 572,000 as of August 2017.

For the June Open House Matt Thomson created the following graph illustrating the increasing gap between household incomes and ownership housing options.

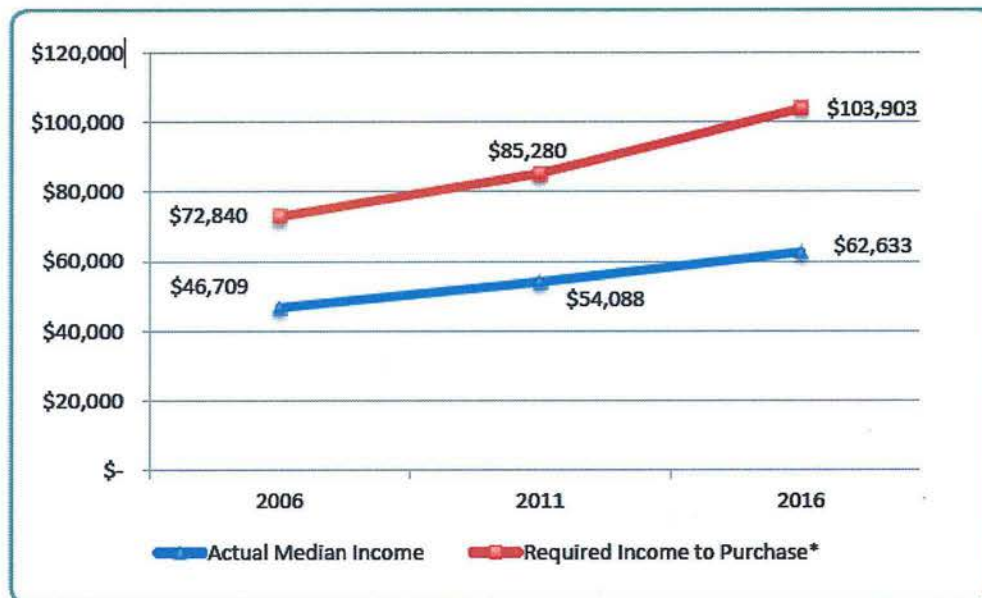


Figure 1: Gap for home ownership for median earning households (Urban Matters).

For rental accommodation the recent upswing in the ownership market and related increased turnover has severely constrained the rental market. The attached Feasibility Study outlines that current rents have increased between 40 – 75% since 2011. This poses a challenge in terms over rents versus limited incomes for households who rely on renting. Moreover, rental vacancies is extremely scarce and it is not uncommon for available listings to attract dozens of prospective tenants, which can lead to bidding wars.



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

With the present rent levels there are significant gaps between what typical household incomes can afford versus what is available. Consultant Matt Thomson (now part of Urban Matters) prepared the following information for the Open House illustrating the gap for a variety of households.

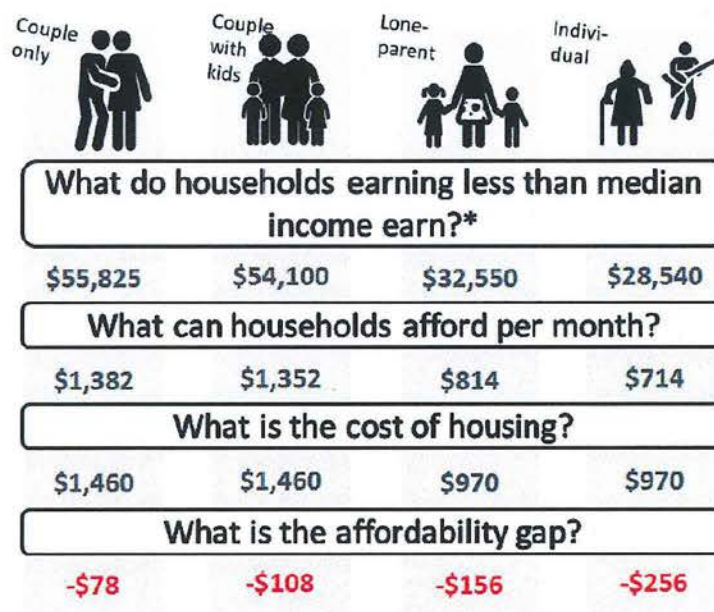


Figure 3: Affordability gap for different types of Sunshine Coast households (Urban Matters)

With regards to homelessness the Sunshine Coast has seen an increase in the number of people living on the street or parks, on nearby Crown lands, in cars, etc. For some homelessness is a temporary stage, for other it is chronic. A recent estimate shows the number of homeless people in the region to be around 40. BC Housing and the District of Sechelt are currently exploring a site for a permanent homeless shelter.

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).

There is an increasing awareness and willingness to address this affordability crisis although in staffs view it has proven challenging for all levels of government and the society as a whole to identify and effectively address the myriad of underlying causes and issues. Nonetheless, there are new funding opportunities for affordable (rental) housing projects that both the Federal and the Provincial government are prepared to support financially. In particular for this report the Provincial Investment in Affordable Housing (PIAH) program offers an opportunity for additional rental housing in Gibsons.

Exploring a site for PIAH funded rental housing

In 2015, the Provincial Investment in Affordable Housing (PIAH) program was announced. This is a commitment of \$355 million to create more than 2000 affordable rental housing units in B.C. The investment will be distributed over five years. Since 2015, 15 projects have been approved under the scheme – contributing 493 units so far. Moreover, the recently installed new Provincial government has set out a new goal of building 114,000 housing units in the next 10 years.

With upcoming rounds being available in the PIAH program, the Town and the Sunshine Coast Affordable Housing Society have been exploring a tentative partnership by looking at various Town-owned sites to see if a larger Affordable Housing Project, focusing on affordable rental housing and market rental (as seen in figure 1) could be funded through the PIAH program in the Town.

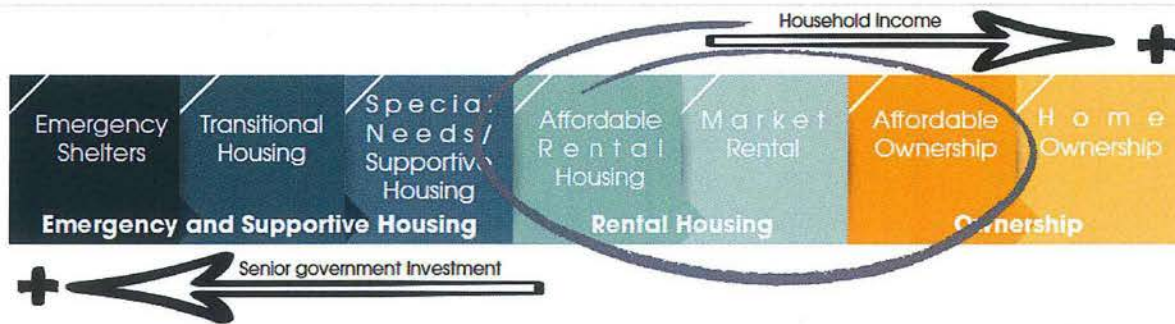


Figure 5: The prospective types of housing in relation to the full "housing continuum"

Staff provided a report in early March to the Committee of the Whole with two site options for a potential rental housing project. Two site options were put forward for discussion: firstly a portion of the Charman Creek Lands at the ends of Shaw Road and Eaglecrest Drive and secondly 571 Shaw Road, adjacent to the Christenson Village care home. Council carried the following at the March 21, 2017 meeting:

THAT staff organize community consultation on the proposed sites and the Affordable Housing Project;

AND THAT staff commission a feasibility analysis of the two identified sites for a possible affordable housing project, and that the analysis be funded by the Affordable Housing Reserve Fund.

Design options

Architect Teryl Mullock developed a concept with proposed site plan for each site. The concept looked at four 10 unit buildings with 2 "common houses". The building consist of a mix of housing, with 20 1-bedroom units, 16 2-bedroom units and 4 3-bedroom units. Common houses, a concept often found in co-housing neighbourhoods, allows for a shared gathering space, a guest suite and bike storage.

Charman Creek Lands concept

The Charman Creek Lands concept looks to locate the housing between Shaw Road and Eaglecrest Drive. The intention is that the parking would be constructed between the trees, retaining as much greenspace as possible, the housing would be clustered to create an intimate community feel and to create a buffer with the adjacent single family neighbourhood.



Figure 6: Siteplan and concept plan for Charman Creek Lands

Shaw/O'Shea Road Concept

The 571 Shaw Road site plan looked to access the site from O'Shea Road opposite Christenson Village. The site plan looked to take around 50% of the 571 Shaw Road property, leaving the rear portion vacant for the time being. Access and parking is proposed to go through the site.



Figure 7: Siteplan and concept for 571 Shaw Road

Community Consultation Results

In total the Town received 63 submissions (attached) from 60 individuals and the following highlights can be provided:

- Approximately 30 submissions identified opportunities and benefits of an Affordable Housing project on either site. Frequently, the urgent need for more affordable housing options was identified as a key reason for the Town to proceed and expedite this Affordable Housing project.
- Approximately 11 submissions expressed strong concerns and / or clear objections against Affordable Housing on either site. Key concerns are Shaw Road and compatibility with the existing mostly single family neighbourhood.
- Approximately 17 submission appeared neutral on the idea of an Affordable Housing project but shared suggestions and concerns regarding the proposed sites.

The Shaw / O'Shea site was generally and clearly preferred over the Charman Creek Lands site. Approximately 27 submissions supported this site, and only 5 opposed it. Proximity to schools and services was frequently mentioned as a plus as well as the nearby shopping mall and transit stop. On the other hand some people felt that this site should be preserved for future additional seniors care home facilities.

The Charman Creek Lands site received mixed opinions. Approximately 10 people supported the site and another 4 qualified the site as a second-choice option after the Shaw / O'Shea site. On the other hand, 14 submission explicitly objected to the Charman Creek Lands site. The key concern with this site is loss of tree cover and existing habitat areas. In addition, the new alignment of Shaw Road was mentioned as a concern as well as compatibility with the established single family neighbourhood.

There were a number of other topics that the respondents provided comments on:

Traffic – 18 respondents overall cited issues over the traffic capacity of Shaw Road. Several comments were made about the recently installed bike lane and an expected increase in traffic with the 464 Eaglecrest Drive development proposal.

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.

Feasibility Study results

Consultant Matt Thomson has completed a feasibility analysis for an affordable rental housing project. The feasibility analysis reviews construction cost as well as the operations of a 40 unit rental housing project that would be managed by the Sunshine Coast Affordable Housing Society. The results of the feasibility study are attached and consultant Matt Thomson will be in attendance to present highlights of this analysis.

The first part of the study explores housing needs for different types of rental households such as couples with children, lone parents and singles (including seniors). For households below the Housing Income Limit (households that earn substantially less than the median income) the current gap between monthly rents they could afford and actual rent level ranges from \$ 400 - \$ 700.

	Bachelor	1-bedroom	2-bedroom	3-bedroom
Housing below HILs	\$762.50	\$900	\$975	\$1,138
Household Type(s) served	Independent seniors	Independent seniors, lone parents, couples without children	Lone parents, couples with children	Couples with children
Housing for Median Earners	\$878	\$975	\$1,017-\$1,691	\$1,691
Household Type(s) Served	Independent seniors	Independent seniors, lone parents, couples without children	Lone parents, couples with children	Couples with Children
Market Rents (October 2016)	n/a	\$1,329	\$1,542	\$1,850
Rental Gap— Housing Income Limit to Market Rental	n/a	-\$429	-\$567	-\$712

"Table 1: Rent Target for Mixed Income Development" from the Feasibility Study

The financial feasibility section of the report explores construction cost, operational cost by the housing society, and rent levels to determine the amount of grant that would be needed for the project. The feasibility analysis shows the total cost of the project to be around \$ 9,000,000. It explores three scenarios with different mixes of market rent, below market rents and Housing Income Limit rents. The site would offer a mix of market rents (\$ 1,300 - \$ 1,850) as well as reduced monthly rents (\$ 1,100 to \$ 1,500 and \$ 900 to \$ 1,138) with rent reductions of anywhere between \$ 200 up to \$ 700 below market levels. This mix of rental options of market and below market apartments would provide affordable housing options to independent seniors or other singles, lone parents, couples, and couples with children. SCAHS would operate and manage the buildings.

Grants are required in all scenarios because under current market and fiscal conditions even a market rental building would not be financially viable. The required financial support ranges from \$ 1,000,000 to \$ 3,200,000. All scenarios assume the land is available at no cost (for example under a long term lease from the Town). This gives an indication of the level of support that would be requested from the Province combined with more limited local grants and fund-raised monies or in-kind contributions. Further details can be found in Table 4 of the attached Feasibility Analysis.

Recent development: Charman Creek Lands only remaining option

With the land at 571 Shaw Road recently sold to be used for a seniors care facility, only the Charman Creek Lands remain as a possible location for a larger affordable rental housing project on Town land. This section re-caps key information about these lands.

As reported on in earlier staff reports, the Charman Creek Lands were purchased in 1970 by the Town for a possible residential subdivision. About 10 years ago, the possibility of a botanical garden was explored, however, the Botanical Garden Society found a site in Sechelt instead. Although currently used as trails and green space, the land is not a dedicated park as opposed to most other parks.

The Official Community Plan designates the Charman Creek Lands for "Public and Community Uses" with the following intent:

To provide for uses and services to the community at large, including schools, places of assembly, recreation facilities, government offices, public care facilities, and utility services. This includes museums and botanical gardens.

The OCP designation would need to be changed if part of the lands are to be used for housing.

The zoning for the site was Single Family Residential 1 (R-1) until a recent house keeping amendment in April 2017 changed it to Parks, Recreation and Open Space (PRO) given the current use. A housing project would require rezoning of the site area to a residential zone.

Moreover, it is important to note that this possible Affordable Housing project would not require all the lands but only a portion. Of the total site area of 81,623 m² (approx. 20 acres) approximately 13,480 sqm (approx.. 3 acres) would be needed for the project which translates to about 15% of the northern parcel or 7.5% of all the Town owned Charman Creek Lands. The map below shows the tentative extent of the site based on the current site plan and in relation to the current trail system. The site is located well to the north of the current trail loop that forms a half circle and leads from Shaw Road to Eaglecrest Drive. Areas to the south of this trail toward the creek ravine and the area of the newly constructed Helen's Way trail would not be affected.



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

Staff recommend to Council to select this portion of the Charman Creek lands as the future site for affordable rental housing. By confirming this site, next steps can commence to prepare a detailed plan for the affordable housing project.

NEXT STEPS AND COMMUNICATION

Staff have created the graphic below to provide an update of where we are in the process, and the proposed next steps.

Staff recommends to consult extensively with community members to refine the concept plan to a finalised plan which meets the needs of our community (neighbours and future residents of the project). The Advisory Planning Commission can also be requested to comment and make suggestions. Staff proposes that the community engagement process should be divided into three phases, to ensure that the project receives as much input from the community as possible.

The first phase of engagement would be to hold a "World Café" style meeting, in which residents and stakeholders talk about particular topics related to the rental housing project, including housing needs on the coast, building form, traffic and environmental impacts.

The second phase will invite interested residents and stakeholders to a design charrette to focus on the design, taking the input received from comments at the previous Open House and working out details such as massing, form and character and the site plan.

The third phase will bring the finalized design back to the community for final comments and Council review, before moving forward with the OCP and Zoning Bylaw changes and Development Permit.

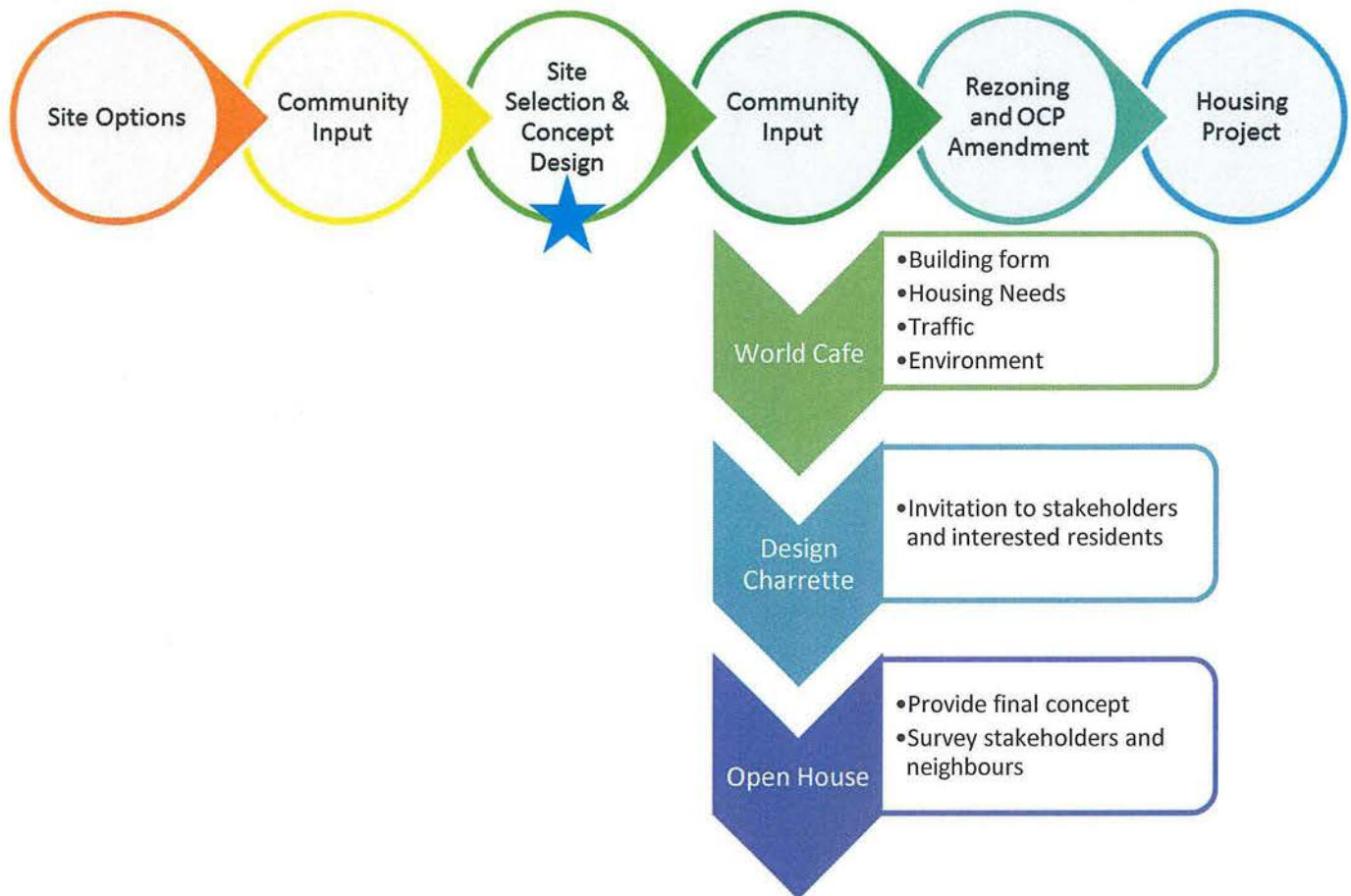


Figure 9: Process outline including recommended community consultation process

Should Council move forward with the project, Staff plan to organize the world café style meeting November or December. The meeting would be advertised in the paper, and neighbouring residents will be informed by mail, as done previously.

The world café meeting will provide information about next steps and ask residents interested in the project to submit their names for the design charrette. Staff are still confirming where the charrette will take place, but it is anticipated that 10 to 20 residents and stakeholders would be able to take part in detailing the design for the project. This could take place in December / January.

Once the architect has prepared the plans, another open house will be advertised in the newspaper and on the Towns website. The results of this open house would be compiled and a report about the results of all three community consultation steps would be provided to Council. This could take place in February / March.

The site plan a resulting from this process would provide the basis for the preparation of an OCP and Zoning Bylaw Amendment and a proposed Subdivision. As part of the Zoning Bylaw process a Public Hearing would provide a final opportunity for community members to comment. Parallel to the Zoning Bylaw Amendment process the grant application could be prepared and submitted to the Province to meet any relevant deadlines. This could take place in the spring / summer of 2018.

PLAN/POLICY IMPLICATIONS

Official Community Plan

Section 9.4 of the Official Community Plan provides a number of policies relating to the development of affordable housing in the Town, the most relevant policies to an affordable housing project are stated below:

Support initiatives which help provide affordable housing in the community, including:

- *Provision for housing mixed with commercial development which can create some lower-cost apartments.*
- ***Lands acquired by the Town may be conveyed to a registered non-profit for the purpose of affordable housing.***
- *Facilitate the development of affordable housing through considering actions such as fast-tracking the development process, waiving development cost charges, leasing or contributing land, reduced parking requirements for developments with an affordable component etc.*
- *Review and update the current Community Amenity and Affordable Housing Policy to reflect a change to a density bonusing approach to affordable housing.*
- ***Continue to develop partnerships for the establishment of new affordable housing and protection of existing affordable housing in the Town of Gibsons.***
- *Work with other Sunshine Coast local governments, as well as Provincial and Federal Governments to address affordable housing regionally.*

Affordable Housing Contributions option

An Affordable Housing site could also provide the potential for developers to provide cash or in-kind contributions towards the construction of dwelling units on the Affordable Housing site.

Strategic Plan 2016-2018

The 2016-2018 Strategic Plan states the intention to collaborate on affordable housing initiatives.

Financial Plan Implications

Sunshine Coast Affordable Housing Society is interested to explore Town financial support for example for funds from the Affordable Housing Reserve Fund to offset Development Cost Charges or infrastructure servicing requirements. Council may want to consider how to make use of the reserve fund considering the three affordable housing projects that are currently under preparation.

Based on current estimates the Charman Creek Lands housing project would incur approximately \$ 300,000 in DCC's and \$ 40,000 in permit fees overall. Possibly, the Society would request Town support for a portion of these costs through a grant in aid for example for the units that offer below market rents.

The current balance of the Affordable Housing Reserve Fund is approx. \$ 255,000 and after an anticipated pending contribution it is anticipated that by the end of this year the balance will stand at approx. \$ 315,000. The available funds for 2018 would be approx. \$ 292,500 based on approved project development costs which through the Capital Budget are assigned to this fund.

The proposed consultation process in this report requires the continued involvement of the architect and support from the consultant. Staff estimates additional cost to be approx. \$ 5,000 - \$ 7,500 of which approx. \$ 3,500 would still be available from funds in the 2017 Capital Budget. The consultant has indicated that once a site has been selected, CMHC could be requested to support the further project development for a cost up to \$ 50,000 and this would reduce the need for Town funds for project development.

RECOMMENDATIONS / ALTERNATIVES

Staff's recommendations are listed on page 1 on this report.

Additional recommendations

The following recommendations can be added to the staff recommendations on page 1:

Additionally, to include Council discussion and follow up after each of the three steps in the consultation process:

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

The following alternative recommendations could be used to replace staff recommendations on page 1.

Alternatively, in the interest of time or to reduce project development cost, Council can outline a shorter consultation process limited to a single Open House at the end of the design process:

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.

Alternatively, Council can suggest that the Society and staff explore other sites for an affordable housing project possibly with current development applicants:

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.

Respectfully Submitted,



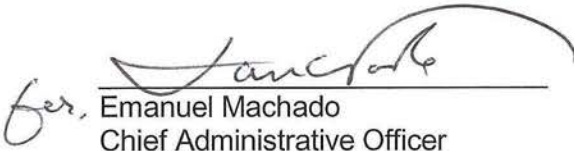
Katie Thomas
Planning Assistant



André Boel, RPP
Director of Planning

CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:

I have reviewed the report and support the recommendation(s).



Emanuel Machado
Chief Administrative Officer

Attachments:

- Poster Boards from Open House
- Copies of submitted surveys
- Feasibility study