Coquitlam

For Committee

December 5, 2018

10-5040-20/AFFHOU/2018-1 Our File:

Doc #: 3155982

To:

City Manager

From: **General Manager Planning and Development**

HAS Implementation Progress Report and Affordable Housing Facilitator Update Subject:

For: **Council-in-Committee**

Recommendations:

That the Committee receive the report of the General Manager Planning and Development dated December 5, 2018 and entitled "HAS Implementation Progress report and Affordable Housing Facilitator Update" for information.

Report Purpose:

The purpose of this report is to inform Council-in-Committee on the progress made on Housing Affordability Strategy (HAS) initiatives through the efforts of the Affordable Housing Facilitators since the establishment of the positions in mid-2017 and to provide an opportunity for Council to provide any feedback on the HAS initiatives to date.

Strategic Goal:

Coquitlam's HAS and accompanying initiatives supports the City's strategic goal of "Achieving Excellence in City Governance" as it guides Coquitlam's response to housing affordability challenges acting in partnership with others.

Executive Summary:

Since the approval of the HAS in 2015, Council has taken action to monitor the effectiveness of the strategy and ensure appropriate resources are assigned. Council, in April 2017, authorized the creation of two part-time Affordable Housing Facilitator positions (hereafter referred to as the HAS Facilitators) to further expedite and facilitate the development of purpose-built rental units, encourage the use of HAS-based incentives, promote and enable developer / nonprofit housing operator partnerships and position the City to take advantage of senior government funding opportunities.

In early 2018, Council reviewed the progress of HAS initiatives and endorsed staff undertaking additional tasks in support of advancing Housing Choice in Coquitlam. This report serves to update Council on the progress of these HAS Implementation initiatives and the work completed by the HAS Facilitators.

Background:

Since the establishment of the HAS, Coquitlam has seen a very significant increase in the development of market rental units through regulatory incentives in combination with several other factors. As well, HAS incentives promote the development of non-market units, which are more challenging to create and necessitate reaching partnerships with other parties.

Background: cont'd/

Since mid-2018, Coquitlam has continued to engage one of the original HAS Facilitators, funded from the Affordable Housing Reserve Fund (AHRF), and has replaced the other retiring Facilitator with the addition of the new Housing Planner (for a portion of their overall duties). Together they have worked to advance the City's efforts related to housing affordability. These positions will together be referred to as the HAS Facilitators and have been working on:

- Publicizing and disseminating HAS policies to developers and non-profit housing organizations and consultants;
- Encouraging developers to consider utilizing the various HAS incentives with respect to including market and below-market rental units within their proposed developments;
- Negotiating, in partnership with the Strategic Initiatives Department, a Memorandum of Understanding with Habitat for Humanity for the development of an affordable housing project at 1358 Coast Meridian Road;
- Matching up willing developers and non-profit housing organizations with respect to the provision of below-market rental housing;
- Assisting developers and Development Services staff in processing complex applications involving HAS incentives; and
- Advocating to senior governments for Coquitlam affordability issues and positioning Coquitlam to take advantage of anticipated government funding programs.

Discussion / Analysis:

The HAS identified 54 separate action items. As reported to Council early in 2017 through the bi-annual HAS implementation Progress report, all top 10 high-priority action items were completed within the two-year Council target date. Additionally, another 36 specific items were reported as completed or are operationalized as new procedures. This report serves to update Council on additional work completed in 2018 to support Housing Choices in Coquitlam. The report is divided into three sections:

- 1. Work completed as part of ongoing HAS implementation and now operationalized polices;
- 2. Additional tasks assigned to staff by Council as part of the January 2018 work plan update; and
- 3. Work completed by the HAS Facilitators as part of their work program or in response to arising opportunities.

Section I: Work completed as part of ongoing HAS implementation and now operationalized polices:

In 2018, staff completed additional housing affordability work tasks including:

 Como Lake United Church: The HAS Facilitators actively assisted with the Como Lake United Church project in advancing their vision for below market rental units at 1110 King Albert Avenue. Council authorized \$660,000 from the AHRF towards a portion of DCCs and building permit fees to further improve the affordability of this 75-unit project; and

• **Finnish Canadian Society:** On this project the HAS Facilitators worked closely with the Finnish Canadian Seniors Society in incorporating 14 below market units for seniors that are scheduled for 2020 opening. Council authorized \$177,000 from the AHRF to assist in achieving this project (i.e. for DCCs and building permit fees) in partnership with other parties.

An additional assigned task for the HAS Facilitators was to continue to monitor the take up of incentives for market rental and non-market housing. Staff are tracking the uptake of HAS incentives and regularly report on market and non-market rental unit production in line with the City's trimester reporting system. A specific analysis has now been completed on the effectiveness of density incentives introduced as part of the Zoning Bylaw amendment in November 2017 in achieving *Priority Unit Types* (i.e., 3-bedroom rental, accessible rental, or below market / non-market rental units).

Table 1 below lists the breakdown of the current projected market rental and *Priority Unit Types* based on in-stream development applications that have proceeded past rezoning bylaw first reading by Council.

Table 1: HAS Density Incentive Results by Unit Type

Bonus Density for Rental	Market Rental		Priorit	ty Unit Types	
	Total #	Total #	% as three- bedroom rental units	% as Below Market / Non- market units	% as accessible units
First 1.0 FAR (requires 80% market/ 20% priority units)	608	164	65%	30%	5%
Bonus 0.5 FAR (requires 60% market/ 40% below & non-market units)	205	128	n/a	40%	n/a

While it should be noted that all numbers are preliminary as applications often change through the development application process, an initial assessment indicates that most developers are responding favourably to both the first 1.0 FAR Priority Units density incentive and the second 0.5 FAR below market/non-market density incentive through including rental housing within a portion of their projects.

Developers who utilize the first 1.0 FAR incentive have more choice in how to meet the requirements. Specifically, 20% of the 1.0 FAR incentive must be provided through *Priority Unit Types*. Given the flexibility of this program it is apparent that developers are primarily choosing to deliver three bedroom market rental units.

The additional 0.5 FAR below market / non-market density incentive has a more defined requirement (i.e., 40% to be below market / non-market, while up to 60% can be market rental) and the resulting units created have been consistent with this policy goal.

Section II: Additional tasks authorized by Council as part of the January 2018 HAS work plan update:

In January 2018, Council assigned staff with five additional housing affordability tasks to be undertaken if capacity allowed. Specifically, Council directed staff to:

- 1. Host a Housing Summit;
- 2. Expand Support for Housing Providers;
- 3. Investigate Property Tax Exemptions;
- 4. Formulate new Incentives for Non-Profit Housing Development; and
- 5. Prepare Family Friendly Housing Guidelines.

Summarized below is the progress on those items:

 Housing Summit: In June 2018, the Housing Facilitators coordinated the first Coquitlam Housing Forum. Over 130 housing stakeholders from government, the non-profit sector and the development community gathered for a day of education, building partnerships, exploring funding mechanisms and sharing best practices.

The Forum focused on action to connect housing providers, developers and government authorities in order to build capacity and ultimately increase the supply of affordable housing in Coquitlam. One of the key outcomes from the day was the cross-pollination of ideas and building of relationships between the non-profit housing providers and the development community along with all levels of government. The strong theme throughout the day was that, with land values as high as they are in Metro Vancouver, land owners – whether developers, non-profits, faith-based organizations or government – must bring all parties together to make projects feasible. To help continue fostering these partnerships, the contact list of attendees and all presentations were sent to all who attended.

- 2. Enabling Housing Providers: As part of both the Housing Forum and individual meetings by the Housing Facilitators, a coordination of experts including Vancity, the BC Non Profit Housing Association, BC Housing and other experienced experts from outside Coquitlam were introduced to local non-profit providers. Utilizing grants and expertise provided by Vancity, CMHC and BC Housing, several operators have completed business planning exercises in order to more effectively respond to development opportunities. The Housing Facilitators through regular contact with these housing operators will continue to monitor and seek to support the overall capacity of local non-profit providers.
- 3. **Investigating Property Tax Exemptions:** At Council's direction, Finance staff brought forward a report to Council-in-Committee in June 2018, which included a review of the legislation and potential options for tax exemption with respect to non-profit housing. This review examined best practices, legislative requirements and financial implications.

4. Non-Profit Housing Development: As part of our HAS strategy update, staff explored a series of policy questions and options related to non-profit incentives. This review specifically looked at which non-profit providers in Coquitlam may redevelop in the near future and how current policy would align to their sites. Given the small number of potential non-profit sites involved and the unique context of each development, it was concluded that instead of developing new generic broad based policy, the preferred approach is for the City to consider other incentives on a specific case-by-case basis.

Having said that, and consistent with previous AHRF requests approved by Council, the preferred approach is to encourage "shallow subsidy" requests to support a wider variety of projects as opposed to providing "deep subsidies" per unit for a limited number of projects. Staff is undertaking further analysis in this area and will be reporting back for Council's consideration early in 2019.

5. Family Friendly Housing Guidelines: Through the City Centre Area Plan (CCAP) update staff has initiated efforts to make higher density housing more family friendly (e.g., three-bedroom units and flexible amenity spaces). This review included reviewing best practices and a discussion with the Urban Development Institute (UDI) around regulations, incentives and standards for "borrowed light" third bedroom units (i.e. a bedroom internal to a unit, without external windows that receives light and ventilation by other means). The lessons learned from the CCAP update will then be used to prepare stand-alone family friendly housing guidelines that could be applied citywide. This work will continue through 2019. In addition to the above, it is noted that efforts to increase housing options and affordability in lower density forms such townhouse, duplex and secondary suites is included as part of the current Housing Choices Review.

Section III: Work completed by the HAS Facilitators as part of their work program or in response to arising opportunities:

The following section provides a more comprehensive discussion detailing the tasks and work progress achieved in alignment with the HAS Strategy. A summary table of all completed and projects now underway is included in Attachment 1.

Senior Government Funding:

In December 2017, the HAS Facilitators initiated work with BC Housing and numerous Coquitlam based applicants towards securing provincial Community Housing Funding aimed at non-market and below market rental housing. Staff worked with interested developers and non-profit housing organizations (who expressed interest in HAS incentives) to identify potential partnership opportunities that would meet the Province's criteria and timelines.

In November 2018, the Ministry of Municipal Affairs and Housing announced funding for a number of Coquitlam projects including:

- \$7 million to Affordable Housing Societies for 70 homes for families located at 3100 Ozada Avenue, which is owned by the non-profit housing provider. Staff are now working to assist advancing this application and ensure that current residents will be relocated to other projects owned by the non-profit;
- \$13.1 million to Community Land Trust 131 co-op homes for families located at the Hoy Creek Co-op to serve as replacement of current co-op units; and
- \$10 million to Concert Real Estate for 100 below market rental units for families, seniors and people with disabilities located at the Burquitlam Park site; all 100 homes will be in a concrete tower for a total of 308 rental units.

The HAS Facilitators have also been in contact with Federal officials and are promoting efforts to secure CMHC funding for current applications.

Enabling Non-Profit lead Initiatives

Since the establishment of the HAS Facilitator positions, staff have met with and are continuing to work with non-profit housing organizations to inform them of HAS incentives and to encourage their participation in increasing housing options through development projects in Coquitlam. Staff have had multiple meetings with key housing providers (in Coquitlam or looking to expand into Coquitlam) including Affordable Housing Societies, New View Society, BC Community Land Trust, YWCA, Metro Vancouver, Tri-City Transitions Society, Share Family Community Services Society, Kinsight (Simon Fraser Community Living Society), and the Vancouver Resource Society (VRS). More details on these files are included in Attachment 2.

Creating Private / Non-profit Partnerships

As noted above, since the establishment of the HAS Facilitator positions, staff have met with and are continuing to work with developers to inform them of HAS incentives and to encourage their participation in increasing housing options in Coquitlam.

To this end, staff have twice presented to the Coquitlam chapter of the Urban Development Institute (UDI) on HAS incentives and policies, and have met with all developers that currently have larger scale development applications instream with the City.

Specifically, the HAS Facilitators have been working with over a dozen developers who have expressed interest in utilizing HAS incentives. A few specific partnership projects are progressing positively and as such are discussed in greater detail in Attachment 3 of this report in order to further inform Council in this regard.

BC Housing Partnership

Staff have also been working with BC Housing and several developers to create a three party agreement that will serve to allow private ownership of rental housing units but at the same time deliver these as non-market rental units. Under this model:

 Existing HAS policies will be utilized to provide density incentives to achieve the development of market and non-market units;

- Developers who choose to employ this incentive have the option to retain ownership and manage the rental units;
- BC Housing would hold a long term lease for these non-market rental units and then sub-contract with the developer for the day-to-day management of the units; and
- BC Housing would be solely responsible to ensure that the units are rented to those in need (including income testing), that the units operate to a high standard and that any enforcement issues or resident concerns are solely the responsibility of BC Housing.

Also under this approach, the City would continue to employ a standard Housing Agreement between the City and the developer identifying the number of subject rental units and rent levels committed to. This structure is currently being pursued on eight Coquitlam projects including those underway by Ledingham-McAllister, Amacon, and Townline. Staff feels this structure offers the best combination of private / public partnerships where the City's role is limited to offering a regulatory incentive, while at the same time addressing difficulties encountered by other municipalities with regard to developer managed below market / non-market rental units. Staff believes this model could create several hundred non-market rental units over the near future.

In contrast, one current applicant is pursuing a model for 41 non-market units where BC Housing would act to audit privately owned and managed units (no lease in place). Under this model, enforcement concerns would need to be addressed thoroughly through the City / developer Housing Agreement. Staff is continuing discussions in that regard on the basis of an alternate approach that will need to be agreed to and will report back to Council further on this issue.

Rapid Response to Homelessness Program

In the fall of 2017, the Provincial government released a new program entitled "Rapid Response to Homelessness". Shortly after that release, the HAS Facilitators met with BC Housing staff, investigated the program, provided a briefing note to Council and then responded to BC Housing.

While the "Rapid Response to Homelessness" program was not deemed a strong fit for Coquitlam at this time, future anticipated programs such as the *Community Housing Fund* were identified as more suitable approach. The Housing Facilitators also completed briefing notes for Council on the announced Federal and Provincial funding programs (July) as well as the newly proposed rental only zoning and changes to the Tenancy Act (October).

Housing Market Information

Working with Corporate Communications staff the HAS Facilitators developed two housing market information handouts as part of the City's ongoing communication efforts.

The handouts were included in an update of the City's Affordability Housing web content. The two information brochures illustrate the recent success of the HAS incentives. Also in this regard, Attachment 4 provides an overview of market rental projects under application or anticipated, while Attachment 5 provides an overview of non-market units completed under application or anticipated.

Additionally, staff has also worked to improve data tracking of market and non-market rental units by introducing changes to the pre-application submission package which allow for tracking of developer intentions and serves to communicate the availability of incentives. As of the end of August this year, there are an anticipated 4,230 units of new market rental and 946 units of new below-market / non-market in the development process (pre-application, application under review, or under construction). The below table summarizes past and projected rental housing unit construction.

Table 2: Rental Units Approved and In Progress 2007-2018

2007-2015	2015-2018			
67 market rental units approved	475 market rental units approved			
	Approx. 3,500 market rental units under application			
95 non-market units approved	102 below market/non-market units approved			
	800 below market/non-market units under application			
Total 145 rental units	4,000 Market rental units and 900 below market/non- market rental units approved or in process			

Tenant Assistance and Relocation

Much of Coquitlam's recent growth is occurring through redevelopment within existing neighbourhoods and on sites where some displacement of existing owners, tenants or businesses is expected to occur. During the development of the HAS, the strategy foresaw the potential loss of 700 - 1,100 units of existing purpose-built rental by 2023. Since 2014, 213 older, purpose-built rental apartments have been demolished to accommodate 1,339 units of new development.

Out of the total 4,230 new rental units anticipated, approximately 2,670 units are occurring on sites with no preexisting rental and therefore no rental displacement; 1,485 units are on sites with existing rental housing that contained 755 older rental units to be replaced.

Should all the anticipated projects come to fruition, the overall projected net gain is 3,390 new rental homes (plus 10,332 new strata homes associated with these projects). This equates to a projected rental replacement rate of 1.5 to 1 on sites with existing rental housing and a long-term projected citywide rental replacement rate of 4.3 to 1.

The HAS sets out policies that call on property owners intending to redevelop a site with existing rental housing to prepare a "Tenant Relocation and Assistance Strategy". Based on existing HAS policies the Housing Facilitators, with support from Development Planning staff, completed a "Rental Housing Redevelopment – Tenant Assistance Policy Guide" (Attachment 6). The guide serves to provide further clarity on Coquitlam's expectations for relocating and assisting existing renters, the financial assistance options, and the guidelines for communications and property management relations between a developer and existing renters. As established in the HAS, the City's expectation is that tenant notification, assistance and financial compensation will be greater than the minimum required under the Residential Tenancy Act.

Next Steps:

The HAS Facilitators will continue to pursue and enable partnerships between developers and housing providers, advance private / non-profit housing partnerships, advocate for senior government funding as well as advancing the Habitat for Humanity project.

When first launched, the HAS was a highly innovative policy approach. Since its approval in December 2015, several policy revisions have occurred to help strengthen the delivery of Coquitlam's Housing Strategy. Since the introduction of the AHRF criteria, a range of projects suggesting different ways to utilize the AHRF have been completed or are under consideration. As staff learn more about the structure of such projects, the requirements for BC Housing leverage dollars and the needs of non-profit housing providers, as noted earlier in the report, staff feel it would be prudent to revisit the AHRF criteria. Early in 2019, staff will bring forward a more robust analysis of completed and proposed projects that have received or are requesting AHRF support and seek guidance from Council related to what criteria refinements would best serve the City of Coquitlam going forward in this challenging policy area.

As touched on earlier, it is felt that there is greater merit in a "shallow subsidy" approach in terms of support from Coquitlam's AHRF given that the responsibility for "deeper" housing affordability subsidies is more appropriate for senior levels of government.

Financial Implications:

Housing affordability affects many of the City's residents. Although municipal resources to address this issue are limited, financial contributions leveraged through partnerships with senior government, private sector and community partners make affordable housing projects possible.

The AHRF allows the City to partner with others and be ready to act when project opportunities arise. Applications for use of the AHRF are brought forward for consideration by Council on a case-by-case basis noting our preference for a shallow subsidy approach. The AHRF balance currently stands at approximately \$11.7M. As noted above, in T1 of 2019 staff will be bringing forward a report on the use of the AHRF and potential projects, such as those identified in Attachments 2 and 3, that may submit applications to access the AHRF. At this

Financial Implications: cont'd/

preliminary stage it is estimated that AHRF requests for applicable, in process development applications, may be in the range of \$4-5 million for 2019.

Reported previously, \$200,000 was authorized to be allocated from the AHRF to support the two HAS Facilitator positions through to the end of 2018. Staff are evaluating the potential need for resources through 2020 and are preparing a AHRF request for Council's consideration that would best support the on-going implementation of the HAS.

Conclusion:

Since the adoption of the HAS Strategy and the establishment of the HAS Facilitator role, Coquitlam has advanced its efforts to communicate City objectives and programs, enabled current applications to utilize HAS incentives, encouraged and supported potential developer / non-profit housing organization partnerships and has directly worked to increase the inventory of affordable housing stock throughout the City.

The regulatory incentives established by the HAS have worked to created 475 approved market rental units and an estimated 2,800 market rental units under application. This level of market rental development provides a significant improvement to the housing choices available in the City.

Additionally, the HAS incentives have created an estimated 102 non-market rental units with an additional 295 proposed in partnership with developers now in application. In 2019, the HAS Facilitators will continue to work with staff throughout the organization, developers and non-profit housing providers to support current applications and utilize HAS incentives to attract future projects that advance Coquitlam's housing affordability.

J.L. McIntyre, MCIP, RPP

BI/rd

Attachments:

- Non-Market Units Completed and Projected (Doc# 3156158)
- 2. Non-Profit Lead Projects Summary (Doc# 3164255)
- 3. Partnership Projects Summary (Doc# 3164265)
- 4. Market Rental Housing Projects Overview 2018 (Doc# 3077193)
- 5. Below Market / Non- market Housing Projects Overview 2018 (Doc# 3077189)
- 6. Rental Housing Redevelopment Tenant Assistance Policy guide (Doc# 3077187)

This report was prepared by Bruce Irvine, Affordable Housing Facilitator with assistance of Jacint Simon, Housing Planner and reviewed by Michelle Hunt, General Manager Finance and Technology and Andrew Merrill, Manager Community Planning.

Compelted Pr	rojects	# of units	Secured # of Years	City Contribution	AHRF Model	Leveraged \$ in	city \$ per unit/year	Structure	Status
FCRHA Interco	orp	14	60	\$185,000	Forgivaeable Loan Forgivaeable	\$3,000,000	\$220	non profit owned	Completed
United Church	1	75	60	\$620,000	Loan	\$14,000,000	\$138	non profit owned	Completed
RainCity Housi	ing	60	60	\$3,000,000	Land lease	\$4,000,000	\$833	city own/ NP managed	Completed
Talitha Khom		18	60	\$725,000	co-ownership	\$1,800,000	\$671	managed	Completed
YWCA 528 Cor	mo	37	60	\$2,000,000	land lease	\$2,100,000	\$901	city own/ NP managed	Completed

Non-profit Initiatives	# of units	Secured # of Years	Expected AHRF request	AHRF Requested as:	Leveraged \$ in	city \$ per unit/year	Structure	Status
Comm Land	787 3				and the same of	A PERCENT	1 1/4	
Trust/Hoy Creek	131	60	unknown	unknown	\$13,100,000	unknown	unknown	in application
Habitat For								
Humanity	50	80	n/a	Land Lease	unknown	unknown	Land lease	in process
Comm Land Trust	250	60	unknown	unknown	unknown	unknown	unknown	in application conceptual
Aff. Housing Socities	70	60	unknown	unknown	\$7,000,000	unknown	unknown	development

Document Number: 3156158 Document Name: Non-market housing projects tracking sheet

Partnership Initiatives	# of units	Secured # of Years	Expected AHRF request	AHRF Requested as:	Leveraged \$ in		city \$ per unit/year	Structure	Status
Concert/BCH	100	60	\$3,800,000	Forgivaeable Loan	15,000,000	\$	633.33	non profit owned	Equity concerns
Townline/BCH	9	60	unknown	unknown				BCH lease/ developer owned	Progressing
Anthem/AHS	54	60	unknown	unknown				NP owned and operated	Progressing
Beadie/VRS	12	60	\$600,000	Forgivaeable Loan	unknown			VRS own/operate	Progressing
Amacon/BCH	18	60	unknown	unknown				BCH lease/ developer owned	Progressing
Led Mac/BCH	54	60	unknown	unknown					Progressing
Marcon/ Kinsight	6	60	961,525	25% grant/ 75% Loan	\$2,800,000	\$	2,670.90	city equity/ NP managed	Progressing
Onni	41	60	unknown	unknown	unknown	un	ıknown	developer owned/ operated	Land lease prefered
Boffo				applications	pending further	r dis	cusions		
Intergulf Mosaic					pending further				

Total Projected		
Non-market Units	999	

Doc 3156158

NON-PROFIT LEAD PROJECTS SUMMARY

The following is a summary of non-profit lead housing projects. Please note that the non-market units are difficult to predict as the unit counts fluctuate while the projects proceed through the development process as the applicants finalize their project design, secure financing, take advantage of various incentives, and access government funding.

Hoy Creek

The BC Community Land Trust (CLT) is a non-profit society that acts as the land development arm of the Co-Operative Housing Federation of British Columbia. The CLT has authority to lead on the redevelopment of the Hoy Creek Co-op located at 2905 Glen Drive. CLT has submitted a multi-phase pre-application proposing the restoration of the current 97 Co-op units and the development of an additional 34 co-op units. Later phases will explore the development of up to 200 new non-profit below market units (including affordable home ownership and below market rental). Combined these would a significant contribution towards affordability issues in Coquitlam.

Affordable Housing Societies

Affordable Housing Society (AHS) is the largest non-profit housing provider in British Columbia. AHS has several sites throughout Coquitlam and worked with the Facilitators to explore opportunities to redevelop their Coquitlam properties. AHS has received a forgivable loan of \$10 million from BC Housing's Community Housing Fund to aid with the redevelopment of 3100 Ozada Avenue. The potential re- development would include 60-70 units of family housing (2&3bdrm units) in a 6-storey wood frame building. AHS is currently developing detailed plans for the site and expect to submit an application to the City in mid-2019.

Habitat for Humanity

The HAS Facilitators in partnership with Strategic Initiatives are also continuing to advance the Habitat for Humanity affordable housing project located at 1358 Coast Meridian Road. The revised Memorandum of Understanding will be presented to Council for consideration early in 2019.

Malaspina Village – 1144 Inlet Drive

In 2016 Metro Vancouver Housing Corporation (MVHC) completed an assessment of the Malaspina Village site which identified the project as a preferred redevelopment opportunity given the redevelopment opportunity, age of the building, and proximity to transit, schools, parks and other amenities. Subsequently, MVHC determined they did not have the capacity to proceed immediately with redevelopment. Recently, a private sector developer has expressed interest in exploring redevelopment of the site as part of a comprehensive development with other adjacent property. Staff have met with both the developer and Metro Vancouver Housing. Given the overall good condition of the current housing units and the significant capital required for development, Metro Vancouver does not see this project as proceeding in the short term, however they remain open to unsolicited proposals on the subject site. Staff will continue to monitor the situation.

December 2018 ATTACHMENT 3

PARTNERSHIP PROJECTS SUMMARY

The following is a summary of private/non-market partnership housing projects. Please note that non-market units counts may fluctuate as the projects proceed through the development process and as the applicants finalize their project design, secure financing.

Beedie Homes/ Vancouver Resource Society

As part of Beedie's proposed project in Austin heights, Beedie has proposed 12 units that would be sold below cost to the Vancouver Resource society (VRS). The VRS is a large scale established non-profit operator that provides units for seniors and individuals with disabilities. The project will apply for BC Housing funding, contributions from the developer and will be expected to apply to the City of Coquitlam's AHRF.

Kinsight/ Marcon

In May 2017, as part of the Marcon project at Como Lake the original approval identified that the Affordable Housing portion of the projects density bonus contribution could be made available to support six units of non-market accessible housing. Council directed staff to negotiate with the Kinsight (formerly Simon Fraser Living Society) as the housing operator and bring back a report and supporting agreements for consideration. Staff is continuing to negotiate with Kinsight and will be seeking Council input on a potential AHRF grant In Q1 2019.

Anthem Properties

As part of its multi-phase redevelopment of the "Best Western" site, Anthem is proposing 1,400 residential units along with increased office and commercial space. Working with the HAS facilitators anthem has established a partnership with Affordable Housing Societies to build 18 below market rental units in phase 1 along with 36 below market units in phase 2. Phase 2 will also include 49 market rental units.

Ledinaham McAllister

As part of a series of sites across the city, the Ledingham MCAllister is proposing utilizing Coquitlam's Housing Affordability incentives to build a considerable number strata and market rental units in tower form. Utilizing the HAS incentives these projects will also create an additional 54 non-market units in partnership with BC Housing. The large number of rental units considered would contribute substantially to a net positive balance of market rental units built versus lost through City wide redevelopment.

Amacon

Currently under application facilitators are working with Amacon's projects at 500 Foster Avenue and 633 North Road. Amacon is proposing to include up to 18 non-market units leased to BC Housing along with 75 market rental units in the 91-unit building to make room for belowmarket and non-market units.

Townline

Townline is currently advancing an application at 533 Cottonwood which proposes to take advantage of HAS incentives to provide both market and non-market rental units. The Non-

market rental units will be leased to BC Housing who will be responsible for the operation of the units.

Concert Properties

Staff have been working with Concert Properties and BC Housing since 2017 related to the significant rezoning applications for the Burquitlam Park and Whitgift Gardens sites. All three parties were able to significantly increase both the number and affordability levels from the original proposal.

Concert's application proposes utilizing Coquitlam's HAS incentives to build a considerable number (1,000) of market rental units. Staff is supportive of the approach Concert has taken in utilizing market rental incentives. Specifically, the number of rental units proposed would contribute substantially to a net positive balance of market rental units built versus those lost through City wide redevelopment.

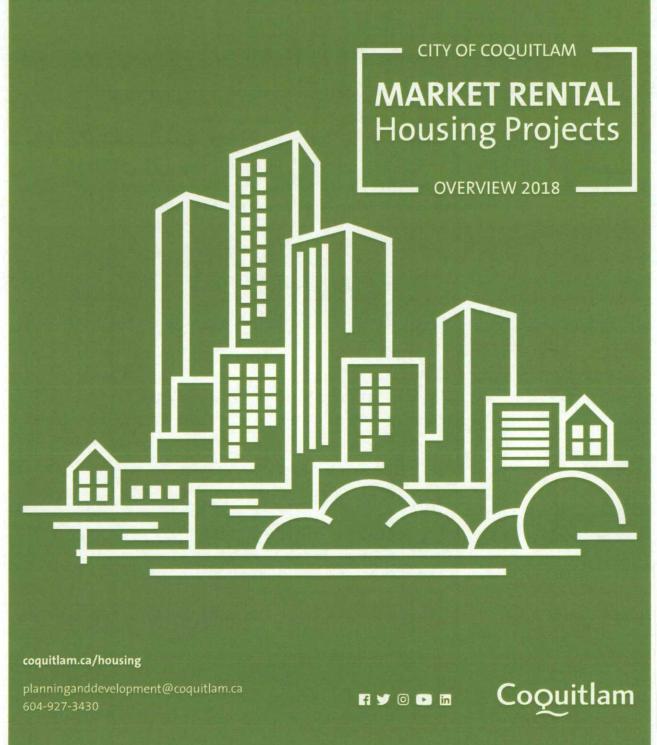
As mentioned above efforts to include non-market rental units resulted in securing a \$10 Million dollar forgivable loan from BC Housing. As proposed Concert will lease 100 units to non-profit for 60-years within a 308-unit all-rental concrete building. These units will be integrated throughout building and consist of both shelter rates and rent geared to income units.

The goal of Coquitlam's Housing Affordability Strategy (HAS) is to work with partners from the non-profit, private and public sectors to ensure that a wide variety of housing types, sizes, tenures and prices will be available in Coquitlam in the years to come.

Rental housing is a key part of new housing in Coquitlam. While the City does not own or build any housing, it does offer a wide variety of incentives to encourage both private developers and non-profit housing providers to build and operate new rental housing. We could not be successful without our partners working together on this issue.

KEY FACTS:

- → About 28% of Coquitlam residents are renters. This is expected to increase over the next decade.
- → 47% of renter households in Coquitlam are spending over 30% of income on rent and utilities.
- → There are approximately 5,400 existing primary market purpose-built rental homes in Coquitlam and a further 5,500 secondary market rental homes including basement suites and investorowned units that are rented out.
- → Since the HAS was adopted in late 2015, and the City offered a number of new incentives, more than 3,200 new market rental and over 800 below-market rental homes are in the application process or approved for development and under construction.
- → In 2015, the HAS forecasted the potential loss of 700 to 1,000 units of existing purpose-built rental housing by 2023.
- → For information on tenant assistance and rental relocation, visit coquitlam.ca/housing.



Page

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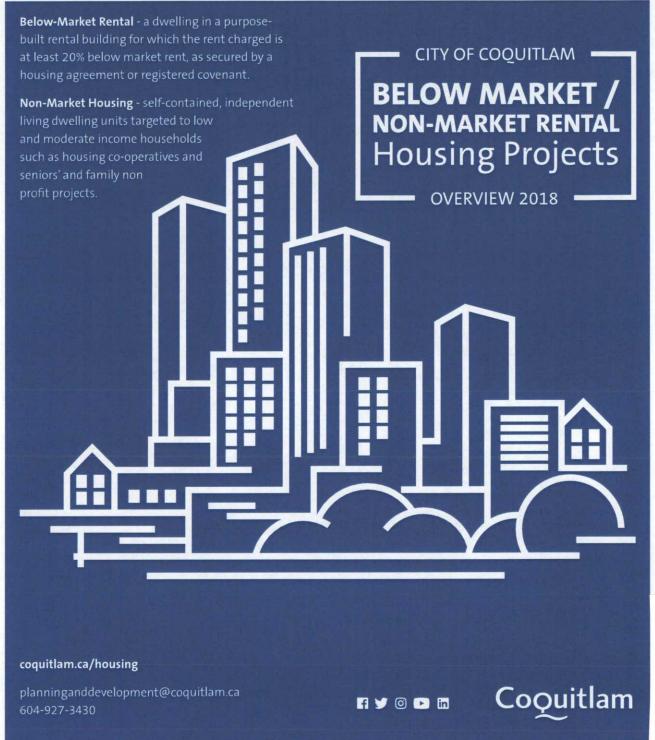
The goal of Coquitlam's Housing Affordability Strategy (HAS) is to work with partners from the non-profit, private and public sectors to ensure that a wide variety of housing types, sizes, tenures and prices will be available in Coquitlam in the years to come.

Rental housing is a key part of new housing in Coquitlam. While the City does not own or build any housing, it does offer a wide variety of incentives to encourage both private developers and non-profit housing providers to build and operate new rental housing. We could not be successful without our partners working together on this issue.

KEY FACTS:

- → About 28% of Coquitlam residents are renters.

 This is expected to increase over the next decade.
- → 26% of renter households in Coquitlam are spending over 50% of income on rent and utilities.
- → Since the HAS was adopted in late 2015, and the City offered a number of new incentives, more than 3,200 new market rental and over 800 below-market rental homes are in the application process or approved for development.
- → In 2015, the HAS forecasted the potential loss of 700 to 1,000 units of existing purpose-built rental housing by 2023.
- → The City places approximately 10% of density bonus revenue it receives from market development into a fund called the Affordable Housing Reserve Fund (AHRF). The fund can then be used to provide grants to non-profit housing providers, representing the City's financial contribution towards increasing the supply of housing options for low and moderate income families.
- → For information on tenant assistance and rental relocation, visit coquitlam.ca/housing.



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CITY OF COQUITLAM Policy Guide & Procedure

RENTAL HOUSING REDEVELOPMENT – TENANT ASSISTANCE POLICY GUIDE

Issue Date: September 2018

Purpose:

This document applies to property developers acquiring existing rental housing sites (multifamily, co-op, non-market) with the purpose of redeveloping them in Coquitlam. If you apply to redevelop sites containing existing purpose-built rental housing in Coquitlam, you are asked to follow Policy 1.4 of the City's Housing Affordability Strategy (HAS) in addition to the statutory requirements set out under the *Residential Tenancy Act*.

HAS policy 1.4 (page 22 of the Housing Affordability Strategy) requires the property owners intending to redevelop a site with existing rental housing to prepare a "Tenant Relocation and Assistance Strategy". This policy guide provides further detail and clarity on the City's expectations for preparing that strategy. In addition, attached to this document is a sample Rental Housing Strategy, based on an approved strategy, and intended to assist applicants in preparing their own Strategy.

The redevelopment of mobile home parks is also subject to policy guidelines, with additional expectations for financial compensation for individual mobile homes. The Mobile Home Park Redevelopment Tenant Assistance Policy can be found on the <u>Coquitlam's website</u>. The redevelopment of mobile home parks is governed by the <u>B.C. Provincial Manufactured Home Park Tenancy Act</u>.

Tenants currently in any non-dedicated rental units (secondary suites, single-family, coach houses and market condo units) should understand their rights under the British Columbia Residential Tenancy Act. Additional tenant resources may also be found at the Tenant Resource & Advisory Centre (www.tenants.bc.ca).

Policy 1.4 of the Housing Affordability Strategy directs the following:

Require a Rental Housing Strategy (a tenant relocation and assistance strategy) for the redevelopment of sites with existing purpose-built rental and co-op units according to the following criteria:

- An assessment of existing on-site rental housing (number, bedroom-mix, tenancy characteristics, unit rent levels and occupancy/vacancy);
- Proposed options for relocating and assisting existing renters;
- Proposed process for relocating renters during and after redevelopment;
- Proposed financial assistance options for tenant relocation; and
- Strategy for managing communications and relations between a developer and existing renters, including the retention of a housing consultant to lead this process.

Key Points to consider when preparing a Rental Housing Strategy:

1. When do I need to submit my Rental Housing Strategy?

The Rental Housing Strategy should be submitted with the development application. Proponents are encouraged to submit their preliminary actions on this topic as part of the pre-application. Staff will evaluate the proposed Rental Housing Strategy in conjunction with the redevelopment application to ensure that it meets the objectives of the policy; that is, to understand the needs of existing tenants and assist them in the process to find alternate accommodation.

Staff will include this information in the report to Council requesting first reading to allow time for the applicant to address any requested adjustments.

2. When should I let tenants know about possible development plans?

At the pre-application stage, the applicant should notify in writing all tenants that plans for redevelopment are being made and that a relocation assistance program is part of these plans. Notices should also be posted on communal notice boards and facilities within the purpose built rental housing site. Copies of these communication materials should be submitted with the application for the development and will be attached to the report that is forwarded to Council.

The tenant assistance program will apply to all tenants with leases or month-to-month tenancy at the time the Rental Housing Strategy is submitted.

It is important that any communications are clear that this is not a formal notice to vacate, but rather an early effort to make tenants aware of possible changes, the anticipated timing of such changes, and the efforts that will be undertaken to assist tenants in finding and securing alternate accommodation. The plan for communicating to tenants throughout the process should be outlined in a communication strategy.

3. What are options and processes for relocating tenants?

Where possible, development plans should be phased to retain some of the existing units, to provide an interim housing solution for tenants and distribute the number of tenants in the rental market at any one time.

Some proponents who own and manage other rental properties in the region have offered units to existing tenants, and have kept the rent levels consistent with the current amount the tenant is paying. Others have talked with other rental property managers in the neighbourhood to, if possible, access units for tenants to move into.

4. What should the communication strategy include?

The communication strategy should provide tenants with information that will assist them in making plans for alternative living arrangements. Communication should be through both face-to-face and written communication.

Proponents should provide updates to residents as the process progresses, including when the application for redevelopment is considered at Council meetings and Public Hearings.

A Resident Support Specialist who is leading the process and managing communication between the developer and tenants should be available on-site. Translation services should be provided as needed.

A follow-up report indicating the type of financial and non-financial assistance was provided should be submitted to the City when the process has concluded. This report should include a status report on the implementation of the program, indicating preferred options for the tenants.

5. How much financial compensation to tenants is required?

As outlined in the HAS, the expectation is that financial compensation will be greater than the minimum required under the Residential Tenancy Act. The objective is to give tenants who are facing relocation additional resources to secure alternate housing in a constrained rental market, and to assist in funding tenants' costs of moving.

Proponents have used a combination of the following as methods of compensation:

- Payments equal to a number of months of rent, with length of tenancy and type of unit used as determinants of amount of compensation, i.e., a long term tenant with a family in a 3 bedroom-unit may experience more disruption and difficulty finding a similar unit in the market and would therefore be entitled to greater compensation;
- Additional support for moving costs and packing expense;
- Additional incentive for an early move out as a way to distribute the number of people searching for housing in the local market;
- The opportunity for first right of refusal to purchase, and purchase discounts on new units built on the subject site.

6. Is it necessary to hire a resident support specialist/consultant to help with the relocation process?

Some proponents may have this type of expertise on staff through their property management function, while others may need to retain outside expertise. The objective is to have a Resident Support Specialist on-site to assist tenants in the relocation process – finding alternate housing, and accessing BC Housing rent supplement assistance where appropriate. Some proponents find it helpful to have a professional facilitator lead meetings with residents. The Resident Support Specialist and Housing Consultant do not have to be the same person.

7. What are the requirements related to the new Conditional Demolition Permit?

The receipt of a Conditional Demolition Permit allows a proponent to send residential tenants a formal Notice to Vacate as per recent changes in the Residential Tenancy Act. The act requires landlords to give tenants four months' notice in order to demolish a dwelling. Depending on the negotiated Rental Housing Strategy with the tenants, this notice period may be longer than four months.

The following items need to be completed before a proponent can apply for a Conditional Demolition Permit, if the existing building is occupied residential rental:

- Application only after 3rd reading.
- Communication between the proponent and tenants should be well underway as the Rental Housing Strategy is required by Development Permit application.

For more information, or to discuss a development application, please contact the City of **Coquitlam Planning and Development Department at** planninganddevelopment@coquitlam.ca or 604-927-3400.

Date

City of Coquitlam 3000 Guildford Way Coquitlam, BC Canada V3B 7N2

Attention: General Manager, Planning and Development

Dear	ear
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RE: Rezoning applications for

RENTAL HOUSING STRATEGY

This section of the document covers the five criteria that the Housing Affordability Strategy specifies should be included in the Rental Housing Strategy. We acknowledge that relocation can be stressful for tenants and we will endeavor to treat all tenants with dignity and respect throughout the relocation process.

Criteria 1: Existing On-site Rental Housing

a) Current Unit Mix

A number of units are uninhabitable, for the following reasons:

The current unit mix is summarized below:

Unit Mix	# Units	Ave. Size (sf)	Current Rents
Studio	0	0	\$0
1 Bedroom	0	0	\$0
2 Bedroom	0	0	\$0
3 Bedroom	0	0	\$0
Occupied Units	0		
Unoccupied Units	0		
Total Unit Count	0		

Applicant staff has managed the day-to-day operations and leasing of the community since acquiring the property in _____ and therefore, have firsthand knowledge of each resident's unique circumstances.

There are a variety of residents currently living on the property. Of the occupied units: _% are seniors, __% are families with children, and __% are currently on some form of government assistance.

b) <u>Tenure Summary</u>

Resident tenure ranges in length from xx to xx years. Based on the proposed phasing strategy outlined in the following document, the below information notes length of tenure by phase of redevelopment:

c) Rental Market Conditions

Based on information gathered from Canadian Mortgage and Housing Corporation (CMHC) and ______ (Third Party) Appraisals, the market conditions at the time of the rezoning application can be outlined as follows:

 Based on information from CMHC's Rental Market Report for 2017, the rental apartment vacancy rates are low but higher in comparison to the Vancouver CMA:

Zone	October 2016	October 2017
North Burnaby	1.0%	1.0%
Tri-Cities	1.2%	1.7%
Vancouver CMA	0.8%	0.7%

Additionally, Applicant commissioned ______ Appraisals to complete a survey of (#) rental apartment buildings containing ____ # of units in the Subject neighborhood in Month and Date (most recent appraisal). The below data was collected and is shown compared to the CMHC Rental Market Report Fall 2017 for the Tri-Cities zone:

Unit Type	No. of Units	Vacancies	Survey Vacancy	Survey Turnover Rates	CMHC Vacancy Fall 2017	CMHC Turnover Fall 2017
Bachelor	21	0	0.0%	11.9%	1.1%	13.4%
1 Bedroom	445	2	0.5%	13.3%	0.8%	15.6%
2 Bedroom	364	2	0.5%	12.3%	2.4%	13.7%
3 Bedroom	55	0	0.0%	7.0%	8.3%	20.9%
Total	885	4	0.5%	12.4%	1.7%	15.8%

 Average rents for rental housing noted in Third Party Appraisal survey are compared to the CMHC Rental Market Report – Fall 2017 for the Tri-Cities zone:

Zone	Survey Rent Range	Survey Average Rent	CMHC Fall 2017
Bachelor	\$775 - \$900	\$824	\$761
1 Bedroom	\$775 - \$1,150	\$972	\$897
2 Bedroom	\$950 - \$1,400	\$1,202	\$1,112
3 Bedroom	\$1,245 - \$1,425	\$1,340	\$1,219

Note whether current rents at Subject Site are comparable to Subject neighborhood rental rates.

Criteria 2 & 3: Proposed Relocation Options and Process

Applicant proposes a number of measures to assist residents in their relocation from Subject Site to new suites, as follows:

a) Resident Relocation Assistance Team

- Applicant has recently hired a dedicated Resident Support Specialist having a job description focused specifically on tenant consultation and relocation. The office will is located on-site to be easily accessible by residents. The work hours are flexible to match the needs of the residents (i.e., meetings in the evenings after residents return from work). This staff person brings deep experience in the rental management industry and will be meeting with other local rental managers who may offer vacancies to tenants who are being relocated.
- The Resident Support Specialist's first task is to initiate one-on-one meetings with each tenant to discuss and develop a relocation approach tailored to each tenant.
- The Resident Support Specialist will also coordinate resources to assist in the search for new homes as well as potentially assist the most vulnerable residents with coordination of existing government programs such as BC Housing and other not-for-profit groups, letters of reference, and moving logistics. These services may also include working with a transition specialist.
- Applicant has the ability with approximately _____(#) rental suites under management across the Lower Mainland to provide relocation options as those suites become available.
- Other relocation options would include existing rental housing, secondary suites, and leasing of new strata condominiums in Coquitlam.

b) On-site Relocation

 For residents required to relocate on-site, Applicant will make vacant suites in future phases available should they wish to relocate on-site based on need and tenure. Should residents choose to relocate on-site the Resident Relocation Assistance Funds will be deferred until their ultimate relocation off-site.

c) Purpose-Built Rental Building

 Residents will be provided first right of refusal in new purpose-built rental building at Subject Site. If below-market rental suites are offered in that building, existing residents who qualify will be given first consideration.

Criteria 4: Proposed Financial Assistance

Applicant proposes a financial assistance package to displaced residents that is equivalent to two to seven months of free rent, depending on the following criteria:

a) Relocation Tenant Assistance Funds

 To assist with the costs of relocation, all residents to receive ____ months' of their then-current rent to be paid upon move-out of their current units. These funds are available to all residents regardless of length of tenure.

b) Early Relocation Incentive

- To encourage residents to relocate in advance of end date of notice period, a
 further ____ month's rent will be provided if residents move within the first
 months of the notice period.
- One of the benefits to residents relocating earlier in the notice period is to spread out the quantity of residents relocating into the market at the time.

c) Three-Bedroom Suites

• Residents of three bedroom suites will receive a further ____ month of free rent recognizing the limited availably of 3-bedroom suites in the market.

d) Tenure Acknowledgement

- As a significant portion of residents are long standing residents of Subject Site, an acknowledgement of tenure is proposed in addition to the Relocation Tenant Assistance funds and Early Relocation Incentive. Tenure Acknowledgement will be paid upon move-out, as follows:
 - Residents who have a tenure of <u>over five years</u> will receive a further month's rent.
 - Residents who have a tenure of <u>over 10 years</u> will receive a further <u>month's rent.</u>
 - Residents who have a tenure of <u>over 20 years</u> will a further <u>month</u>'s rent.

e) Purchase Discount

 Several residents have inquired about purchasing strata condominiums from Applicant. Applicant will offer existing residents the opportunity to credit the last _____ months of their then-current rent towards the purchase of a condominium at Subject Project.

The above program will be offered to residents at the time their move-out notice is delivered.

Many residents have signed fixed-term leases and/or have moved in after the date of Applicant's rezoning application for Subject Site. Industry practice suggests that these residents would not be eligible for the financial compensation described above. Instead, they would be governed on the basis of the Residential Tenancy Act (British Columbia). Nevertheless, Applicant will be offering the same package and assistance to all residents as a sign of goodwill.

Criteria 5: Communications Strategy

a) Resident Communication to Date

At the time of acquisition of Subject Site, Applicant provided written communication to residents to inform them that Applicant had purchased the property for the purpose of future redevelopment and that future relocation of residents would be necessary. In addition, the following practices were put in place:

- All new residents (residents who moved in after Applicant purchased the Subject Site) were informed of Applicant redevelopment intentions through a countersigned letter of acknowledgement at the time of move-in.
- More recently, new residents have entered into fixed-term leases in addition to being provided notification and acknowledgment of future redevelopment at the time of move-in.
- On-site relocation of residents from less desirable suites to more desirable suites and where possible to buildings located in later phases of redevelopment.
- A Resident Open House was held in (DATE) to communicate with residents and listen to questions and concerns regarding future redevelopment.
- Since the Open House in (DATE), multiple update letters have been distributed to residents informing them of the current status of redevelopment plans and possible timing for future development application, including, at the time of Applicant's rezoning application for Subject Site in (DATE).
- A special Resident Open House was held in (DATE) in advance of the Public Open Houses with respect to the rezoning application for Subject Site. This meeting was for residents of units at Subject Site only and provided details of the support Applicant will provide through the relocation process.

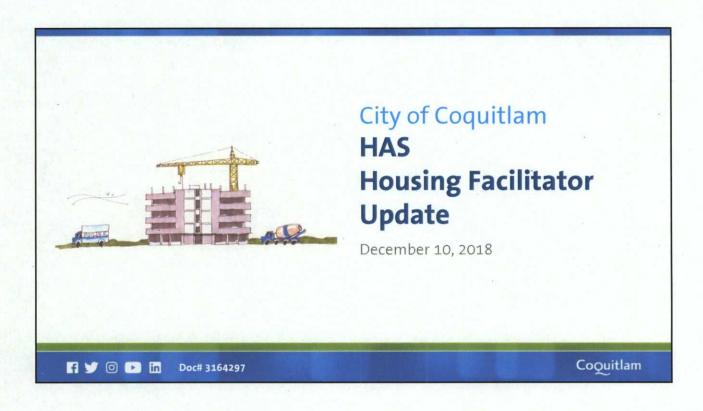
b) Future Resident Communication and Advance Notice

- The Resident Assistance Coordinator will be located on-site with flexible hours to meet the needs of residents.
- A one-on-one meeting will be held with residents of each unit at Subject Site.
- Translation services will be provided, as required.
- Further updates are planned pending review of this proposed Rental Housing Strategy with City staff.
- Applicant will continue with frequent and ongoing communication with residents from time to time throughout the rezoning process for Subject Site to keep residents up to date on timing of approvals and potential notice period.
- Applicant has engaged professional communications and planning firms to help manage public relations and the media.
- Notices will be delivered by Applicant to tenants at the time of rezoning approval for Subject Site (i.e., Council approval and post-Public Hearing) or sooner based on feedback from City Housing Staff.
- Applicant endeavors to provide as much notice to residents as possible.
 However, the minimum notice period proposed is six months, which is in excess of the legally required notice period of two months.
- This extended notice period will assist residents with relocating over an extended move-out period and preventing saturation of what is currently a challenged rental market.

We trust the Rental Housing Strategy discussed above meets the City's objectives. Please don't hesitate to contact us if you have any questions.

Sincerely

NAME



HAS Facilitator Goals

- Promote HAS incentives
- Facilitate developer / operator partnerships
- Facilitate purpose built rental units
- Position Coquitlam for senior government funding

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Coquitlam

Senior Government Programs

- Rapid Response to Homelessness evaluation
- Positioning Coquitlam for Provincial funding for Affordable Housing
- Federal government response

Hoy Creek	131 Co-op units	\$13 million
Affordable Housing Society	70 family units	\$7 Million
Concert Properties	100 shelter/ non- market units	\$10 Million

Encouraging Developer Participation

Affordable Housing Facilitators are currently working with:

Ledingham MacAllister	Amacon
VanCity	Onni
Redefine / Intergulf	Concert
Beadie	Townline
Anthem	Marcon



Coquitlam

Encouraging Operator Involvement

Affordable Housing Facilitators are currently working with:

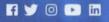
Vancouver Resource Society	Tri-cities Transitions
YWCA	Kinsight
New View Society	Affordable Housing Society
Community Land Trust	Share / 43 Housing



Coquitlam

Potential Projects Underway

- Anthem adding 54 non-market units in partnership with Affordable Housing Societies
- Hoy Creek: restore 97 Co-op units, 34 new co-op units, construct 250 non-market units
- Concert Properties: approx. 100 below market and 1,000 market rental units



Coquitlam

Potential Rental Projects Underway

BC Housing / developer / City agreement

- Utilizing City HAS incentives
- · Developer retains ownership
- BC Housing long term lease
- BC Housing solely responsible (e.g. tenant selection, income testing, addressing tenancy issues)

Low risk for City to help stimulate the development of 100s of non-market rental units via density incentive



Coquitlam

Promising Results

2007-2015	2016-2018
67 purpose built market rental units built	475 market rental units built or approved
95 non-market rental built	102 non-market rental units built or approved
	2,800 market rental units in application
	255 non-market rental units in application
	Additional 1,200 market and 400 non-market rental units in early discussions
Total 145	Total 5,232

Doc# 2866922

Conclusion/ Next Steps

- Significant success in promoting HAS incentives, enabling market rental and facilitating partnerships
- Continue to bring to Council non-market partnerships for consideration
- Re-evaluate/update AHRF criteria
- Position Coquitlam to continue to create housing choices



Coquitlam

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