



REPORT

Development Services

To: Mayor Coté and Members of Council **Date:** 8/27/2018

From: Emilie K. Adin, MCIP **File:** 13.2630.09
Director of Development Services

Item #: 359/2018

Subject: Rental Replacement Policy and Inclusionary Housing Policy: Next Steps and Timeline

RECOMMENDATION

THAT Council endorse the proposed next steps and timeline as outlined in this report.

EXECUTIVE SUMMARY

This report outlines the progress to date, next steps and timeline in support of the development of a City of New Westminister Rental Replacement and Policy and Inclusionary Housing Policy.

PURPOSE

The proposed Rental Replacement Policy would seek to obtain replacement of some or all of the new units as rental and/or affordable rental when an existing purpose-built rental building redevelops. The proposed Inclusionary Housing Policy would seek to leverage the market development process to gain voluntary inclusion of some affordable and/or rental or special needs housing. The purpose of this report is to provide Council with information on progress to date and request that Council endorse the next steps and timeline in the development of these policies.

POLICY AND REGULATIONS

Official Community Plan

The Official Community Plan (2017) includes the following goal:

New Westminster's neighbourhoods are great places to live and have diverse housing choices that meet the needs of the community.

Affordable Housing Strategy

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

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

Secured Market Rental Housing Policy

The Secured Market Rental Housing Policy (2013) contains strategies and actions aimed at retaining, renewing and enhancing the supply of secured market rental housing.

BACKGROUND

Previous Council Direction

On January 18, 2018, Council endorsed a work plan and consultation process in support of the development of a Rental Replacement Policy and Inclusionary Housing Policy and approved an amount of \$40,000 from the Affordable Housing Amenity Provision Capital Reserve Fund to cover the cost of a Land Economics Analysis to support this work.

DISCUSSION

The following outlines progress to date on the Rental Replacement Policy, which would seek to obtain replacement of some or all of the new units as rental and/or affordable rental when an existing purpose-built rental building redevelops, and the Inclusionary Housing Policy, which would seek to leverage the market development process to gain voluntary inclusion of some affordable and/or rental or special needs housing. The work to develop both policies has proceeded together and has focused on two inter-related elements: the economic viability of leveraging the market to secure the units; and, suitable ownership and management structures for the long-term operation of the resulting below market units.

Step 1: Guiding Principles and Gap Analysis (Winter 2017)

Staff developed guiding principles for the Rental Replacement Policy and Inclusionary Housing Policy. These guiding principles frame policy development in order to achieve desired outcomes and avoid unintended consequences. Staff also undertook a gap analysis using 2016 Census and other data to determine the existing and emerging need for affordable rental housing in New Westminster, and compiled an inventory of the existing purpose-built market rental housing stock.

Step 2: Case Study Research (Winter 2017)

Staff undertook a comparative analysis of Rental Replacement Policies and Inclusionary Housing Policies in Metro Vancouver municipalities, with the intent that the learnings from this review would inform the development of the City's Rental Replacement and Inclusionary Housing policies. This included other municipalities' approaches to both securing the units and ownership and management of the units.

Step 3: Internal Stakeholder Consultation (Winter 2017)

Staff consulted with the Development Services team (Planning, Building, and Integrated Services) on the principles and framing questions for the Land Economics Analysis, as well as land use implications of these potential policies. Staff also liaised with staff from peer municipalities and non-profit housing organizations (through the BC Non-Profit Housing Association) in a workshop in January 2018 regarding experiences and issues with long term management of these units, as well as the expectations of non-profit housing providers vis-à-vis managing non-market units gained through inclusionary policies.

Step 4: Land Economics Analysis (consultant) (Winter 2017 / Spring 2018)

A leading Urban Land Economics firm (Coriolis Land Economists) was contracted to undertake an economic analysis of: (1) one-to-one replacement of existing purpose built rental units in redevelopment situations; and, (2) securing non-market units in rental replacement and new rental and strata residential projects. Staff took the opportunity to expand the scope of work to include a review of the economics of the Secure Market Rental Policy, now in its fifth year, in order to determine if any improvements were feasible at this time.

The economic analysis considered alternate inclusionary and rental replacement scenarios with different ownership and management options on typical case study sites in New Westminster taking account of current Council policies (Official Community Plan, Family Friendly Policy, Density Bonus Policy, Tenant Relocation Policy, etc.). Staff anticipate presenting the findings from the Land Economics Analysis on October 1, 2018.

Step 5: Policy Development (Summer 2018)

Staff and the housing policy consultant presented findings from the Land Economics Analysis to the Mayors Task Force on Housing Affordability at its meeting of August 14, 2018. Work is underway to develop a draft Rental Replacement Policy and draft Inclusionary Housing Policy, grounded in the guiding principles and informed by the gap analysis, case study research, stakeholder engagement to date, and the land economics findings. Next steps include bringing a Report to Council on October 1, 2018 with draft policies for Council consideration and to request Council approval to initiate public and stakeholder consultation on the draft policies.

Step 6: Stakeholder Consultation (Fall 2018)

A consultation program with stakeholders, including residents, the development community, non-profit housing providers, and others, on the draft Rental Replacement Policy and draft Inclusionary Housing Policy, is proposed for November / December 2018. Preliminary plans are being made that include: a discussion with the Community and Social Issues Committee; a meeting with the Urban Development Institute Local Liaison Committee; inclusive of CAPREIT, which has significant rental holdings in New Westminster and other major rental property owners; a public open house for the public and non-profit housing providers; and, an online survey for residents to provide feedback on the draft policies.

Step 7: Council Consideration of the Policies (Early 2019)

The Rental Replacement Policy and Inclusionary Housing Policy would be presented to Council for review and consideration of endorsement in January or February 2019.

Next Steps and Timeline

The table below outlines the next steps and timeline to complete the work.

Task	Target Date
Regular Council Report – update on progress to date, next steps and timeline	August 27, 2018
Regular Council Report – draft policies for consideration and request for approval to initiate consultation	October 1, 2018
Public and Stakeholder Consultation	November / December 2018
Regular Council Report – Rental Replacement and Inclusionary Housing policies presented to Council for endorsement	January / February 2019

OPTIONS

There are two options for Council's consideration:

1. That Council endorse the proposed next steps and timeline as outlined in this report.
2. That Council provide staff with other direction.

Staff recommends Option 1.

This report has been prepared by:
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Approved for Presentation to Council



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