

REPORT

Planning and Development

To: Mayor Johnstone and Members of Council
Date: June 3, 2024

From: Jackie Teed, Director of Planning and Development
File: #2483726
13.2620.01

Item #: 2024-334

Subject: **Affordable Housing Acceleration Work Plan**

RECOMMENDATIONS

THAT Council direct staff to proceed with the work plan for the Affordable Housing Acceleration work plan, as outlined in Table 1 of this report.

PURPOSE

To seek Council's endorsement of the proposed Affordable Housing Acceleration (AHA) work plan, which would explore responding to the affordable housing crisis through city wide Zoning Bylaw and Official Community Plan (OCP) amendments to reduce the regulatory barriers to affordable housing projects.

EXECUTIVE SUMMARY

The region, including the City of New Westminster, continues to face an affordable housing crisis and an increase in homelessness. The City is committed to ongoing leadership through improvements to affordable housing approvals and policy, clearing the way for senior government partnership and funding to build affordable housing in New Westminster, towards addressing our community's need.

New Westminster Council has previously approved the Crisis Response Bylaw Amendments (2021), which permit affordable housing development as-of-right on government owned land. The currently proposed work will extend the scope of these rights to include projects on lands owned by non-profit housing providers. This will expand the opportunities for new development that seeks to address New Westminster's affordable housing needs.

This report is seeking endorsement of a two-phase Affordable Housing Acceleration work plan: Phase 1 (2024) – explore zoning that would permit affordable rental residential development up to six-stories on sites where this form of housing is already envisioned in the Official Community Plan (OCP), and that are owned by a non-profit housing provider; and, Phase 2 (2025) explore amendments to the OCP to further increase the opportunity for affordable housing projects throughout the city.

BACKGROUND

The Housing Crisis

The region, including the City of New Westminster, is facing a housing crisis. While the City has been exceeding approvals of needed market ownership units, and holding our own on market rental units, there are not adequate numbers of below and non-market affordable housing units in New Westminster. The increasing gap between the demand and supply of affordable housing units was a key finding of the two year review of the City’s Housing Needs Report. The Report identifies a need for 208 new below/non-market rental units per year to 2031. However, development from 2021 and 2022 did not meet annual unit goals. In future years, an additional 100 affordable housing units are required to make up for this shortage of units. Without senior government partnership and funding it is expected that the gap between the demand and supply of affordable housing units will continue to increase.

City Wide Crisis Response Bylaw Amendments

In 2021, Council amended the OCP and Zoning Bylaw to offer a way for the City to respond more quickly to crises, including the affordable housing and homelessness crisis, the toxic drug crisis, fires and heat waves, and other future identified crises.

Projects that meet the following criteria no longer require a rezoning or OCP amendment:

- 1) the property must be owned by the City or other government agency;
- 2) the project must be funded by government;
- 3) the project must be operated by a non-profit or public agency; and,
- 4) the project must address needs identified through a Provincial emergency declaration or crisis publicly recognized by multiple Metro Vancouver municipalities.

While these amendments allow more rapid response for affordable housing projects, the scope is limited to government owned land. The proposed affordable housing acceleration initiative outlined below would be the next step in this process, which broadens the opportunity for affordable housing projects on lands owned by non-profit housing providers.

In the future, staff anticipates bringing forward a work plan for social benefit zoning that would consider a range of social benefit land uses such as emergency shelter, meal programming and recovery facilities, which could be permitted as of right, subject to certain conditions being met.

An overview of other policies that support the City’s advancement of the affordable housing work is included in Attachment 1.

DISCUSSION

Proposed Affordable Housing Acceleration Initiative

Phase One – Zoning Bylaw Amendments

Most properties in New Westminster require a rezoning to allow the land use and density envisioned in the Official Community Plan (OCP). The rezoning process can be challenging for non-profit housing providers trying to deliver new affordable housing and can put senior government funding at risk if City approvals are not in place.

The first phase of the Affordable Housing Acceleration initiative would explore amending the Zoning Bylaw to permit up to six storey affordable rental housing projects as-of-right for properties that are owned by a non-profit housing provider, and where this form of housing is already envisioned in the OCP (including the Downtown and Queensborough Community Plans). The proposed Zoning Bylaw amendments would provide a streamlined approval process for sites currently designated in the OCP to allow a multi-unit residential buildings. Such sites were identified as appropriate for higher density at the time of OCP development, including thorough community consultation. The proposed amendments would also apply to new opportunities created in Transit Oriented Development (TOD) areas surrounding SkyTrain stations.

These projects would continue to be required to meet other criteria (e.g. entering into a Housing Agreement), and subject to other City approvals (e.g. Development Permit, Works and Services Agreement, Building Permit).

This work would focus on below and non-market affordable rental housing units as supportive and transitional housing projects, which are typically built on government owned lands, are captured under the City Wide Crisis Response Bylaw Amendments.

Phase Two – OCP Amendment Considerations

The second phase of the Affordable Housing Acceleration initiative would begin in 2025 to explore OCP amendments to allow affordable rental housing projects to achieve higher density than market projects in order to further increase their viability. For example, this would consider whether a site designated to allow a townhouse should be permitted to build up to a six storey affordable rental apartment building. This is an approach the City already uses to help incentivise the retention of heritage assets. Proposed amendments to the OCP would be incorporated into the OCP update set out in the new Provincial Housing Legislation, which must be completed by the end of 2025.

Work Plan

Staff is seeking Council’s endorsement on the proposed AHA Work Plan contained in Table 1 below.

Table 1: Proposed Affordable Housing Acceleration Work Plan

Milestone	Timeframe	Key Actions
<p>1. Background Analysis <i>(Conducted)</i></p>	<p>Fall 2023 to Winter 2024</p>	<ul style="list-style-type: none"> • Assessment of the New Westminster context, and consideration of innovative approaches to support affordable housing more broadly. • Review approaches taken in other municipalities that have pre-zoned to streamline approval of affordable housing (summarized in Attachment 2).
<p>2. Project Launch <i>(We are here)</i></p>	<p>Spring 2024</p>	<ul style="list-style-type: none"> • Council endorsement of work plan. • Launch of a Be Heard project page. • Retaining a qualified consultant to support the advancement of the AHA policy initiative.
<p><u>Phase 1</u> 3. Analysis & Draft Zoning Bylaw Amendment</p>	<p>Spring 2024 to Summer 2024</p>	<ul style="list-style-type: none"> • Analysis would include: <ul style="list-style-type: none"> ○ Determining the right approach for New Westminster, based on lessons learned from the approaches taken in other municipalities. ○ Assessing impacts of new provincial housing legislation. ○ Determining conditions that need to be met for a project to qualify in order to ensure successful implementation (e.g. eligible housing providers, legal agreements, oversight and accountability). • Development of draft AHA Zoning Bylaw amendment.
<p>4. Outreach</p>	<p>Summer 2024 to Fall 2024</p>	<ul style="list-style-type: none"> • Community and stakeholder outreach that includes: <ul style="list-style-type: none"> ○ Be Heard New West project page, including opportunity for questions and feedback. ○ Virtual information session to present the proposed program to the community, which would be broadly advertised. ○ Focused consultation with non-profit housing providers.
<p>5. Council Consideration and Adoption</p>	<p>Fall 2024 to Winter 2024</p>	<ul style="list-style-type: none"> • Presentation of the consultation summary to Council. • Presentation of the Zoning Bylaw amendments for consideration.

<p><u>Phase 2</u></p> <p>6. OCP Analysis and Draft Amendment Development</p>	<p>Winter 2025 Onwards</p>	<ul style="list-style-type: none"> • While the City is undertaking provincially legislated updates to the OCP, staff would explore further OCP amendments to help facilitate affordable housing in other areas of the city.
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FINANCIAL IMPLICATIONS

A new Housing Division and other interdepartmental resources are required to deliver the outcomes of Council’s Strategic Priority Plan – Homes and Housing Options. \$1.53M for nine new staff positions, four temporary to permanent position conversions, and two new temporary positions was included in the 2024 Operating Budget. This new Housing Division will be responsible for advancing the Affordable Housing Acceleration initiative.

The 2024 budget includes \$115,000 for this project, which will be used to retain a consultant to manage this project, support the community outreach component, and draft the Zoning Bylaw amendments.

INTERDEPARTMENTAL LIAISON

The Planning and Development Department works in close collaboration with other City departments to advance housing policy, including: Electrical, Engineering, Finance, Office of the CAO, Intergovernmental Relations, and Parks and Recreation. Interdepartmental representatives would be engaged on the development of the AHA initiative.

OPTIONS

The following options are presented for Council’s consideration:

1. That Council direct staff to proceed with the work plan for the Affordable Housing Acceleration work plan, as outlined in Table 1 of this report.
2. That Council provide staff with alternative feedback.

Staff recommends Option 1.

ATTACHMENTS

- Attachment 1: Policy Context
- Attachment 2: Summary of Approaches Implemented by Other Municipalities

APPROVALS

This report was prepared by:

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This report was reviewed by:

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This report was approved by:

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Lisa Spitale, Chief Administrative Officer

Attachment 1

Policy Context

POLICY CONTEXT

Council Strategic Priorities Plan: 2023-2026

The *Council Strategic Plan: 2023-2026*, under the Homes and Housing Options focus area, includes the following key objectives:

- Implement policies and procedures to further support the delivery and maintenance of homes that meet our community's diverse needs.
- Focus inter-governmental collaboration on the creation of homes and providing supports to keep people housed.

The Homes and Housing Options focus area also includes the following key objectives:

- *Affordable Housing*: Collaborate with senior government to facilitate the construction of new affordable housing units.
- *Build More Homes Faster*: Implement a simplified and streamlined development approvals process to get more homes built across the entire housing spectrum, from apartment buildings to laneway homes, while also facilitating amenities and infrastructure to support growth.
- *Policy Alignment*: Update housing policy to protect existing rental housing and maximize delivery of new housing that meets identified needs.

Official Community Plan (2017)

The City's Official Community Plan (OCP) includes the following policy under Section 8, Housing:

- Policy 8.1 - Facilitate the creation and maintenance of housing that offers options to people who are homeless or at risk of homelessness.
- Policy 8.2 - Facilitate access to affordable and non-market housing for low-to moderate-income households.

Specifically, this project aligns with Actions 8.2b and 8.2c

- Action 8.2b - The City should continue to implement the Affordable Housing Strategy.
- Action 8.2c - The City should continue to partner with seniors governments, charitable foundations, faith groups and non-profit organizations in the development of affordable and non-market housing.

Zoning Bylaw

The Zoning Bylaw allows affordable housing (below and non-market) wherever residential use is permitted; however, some properties in the City require a rezoning to allow the land use and density envisioned in the OCP. Supportive and transitional housing are specific uses that are currently only permitted through a rezoning process; however, these units are typically captured under the City-Wide Crisis Response Bylaw Amendments, as their current senior government partnership and funding model requires them to be built on government owned lands.

Housing Needs Report

In July 2021, Council endorsed “Understanding Housing and Housing Needs in New Westminster: Housing Needs Report 2021-2031”.

In June 2023, staff provided an update to Council on progress towards achieving annual goals. Based on analysis of development data from 2021 and 2022 for planning approvals, building permit issuances and final inspection approvals, development during this period exceeded targets for market ownership housing, market rental housing and shelter spaces. However, development during this period did not meet unit goals for affordable rental, and supportive/transitional housing units. In future years, an additional 100 affordable housing units, and 20 supportive/transitional housing units are required to make up for this shortage of units.

In November 2023, the provincial government introduced new a requirement that all local governments in BC complete an Interim Housing Needs Report in 2024. Following the new legislation changes made by the Province, the City is seeking to retain a qualified consultant to prepare an Interim Housing Needs Report for New Westminster.

New Westminster Homelessness Action Strategy (2022)

The 2022 Homelessness Action Strategy provides a five-year vision and plan for addressing homelessness in New Westminster, which incorporates a vision where all residents can locate affordable and secure housing. Specifically, actions under the Shelter, Housing and Tenant Support section specify:

- That the City continue to advance “social benefit” zoning, such that social benefit land uses are permitted “as of right,” either across the city, in certain geographic areas, or within specific zones, and that it include lands leased or owned by faith-based and non-profit organizations.

Affordable housing is considered an example of a social benefit land use.

Community Poverty Reduction Strategy (2016)

This initiative aligns with section 7.3 (Housing and Shelter) of the City’s Community Poverty Reduction Strategy, including:

- That the City continue to work with BC Housing to address the needs of low and moderate income households, as well as vulnerable populations such as Indigenous peoples, new immigrants and refugees.
- That the City explore partnerships and additional sites for affordable housing.

New Provincial Housing Legislation

In an effort to address the housing crisis in BC, the Province has made a number of significant changes to the legislation under which local governments operate. Key elements of the new legislative requirements are related to:

- Small Scale Multi-Unit Housing
- Transit Oriented Areas for Development
- Development Financing: including Amenity and Development Cost Charges
- Long Range Planning: Housing Needs Reports, Official Community Plans, Zoning, and Public Hearings (begins mid-way down the page)

The City is working towards implementing the new legislation now. Some elements are already in place, such as removing Public Hearings for residential rezonings. Some elements will be adopted by the City this year, such as transit oriented area designations. Other elements, such as updates to our Official Community Plan, will happen in 2025. Staff is currently creating work plans and will be updating this page to share the progress of these projects.

Attachment 2

Summary of Approaches Implemented by Other Municipalities

SUMMARY OF APPROACHES IMPLEMENTED BY OTHER MUNICIPALITIES

City of Victoria

Council adopted [*Rapid Deployment of Affordable Housing*](#) (RDAH) bylaw amendments in April 2022. The initiative aims to avoid a lengthy rezoning process, increase density, reduce risk, and offer certainty for affordable housing providers. The approach is anticipated to provide time savings of three to nine months in processing time.

Amendments:

- Allow maximum density as identified in Official Community Plan (OCP), without a rezoning, for affordable housing and co-op projects when residential use is already permitted.
- Delegate development permits to staff where the projects meet affordability criteria. The applications must be consistent with Design Guidelines and still go an Advisory Design Panel for additional insight and feedback.

The City of Victoria reports that it has seen limited uptake on “rapid deployment” as non-market housing providers typically own sites where residential use is already permitted but the allowable density identified in the OCP is too low for redevelopment potential.

District of Saanich

Council directed staff to draft a [*Rapid Deployment of Non-Market Housing*](#) policy in September 2023. The policy is intended to align with the City of Victoria’s approach.

Recommended amendments:

- Permit non-market housing providers to build to the upper limit of the OCP on parcels owned or leased by non-market housing providers (within the Urban Containment Boundary), regardless of current zoning.
- Delegate development permits to staff, with or without variances.

Policy effectiveness cannot be evaluated as it has not yet been adopted.

District of Squamish

Council adopted [*Affordable Housing and Public Service*](#) bylaw amendments in November 2023. The amendments are intended to remove barriers and facilitate affordable housing in any zone where residential is a principal use. The aim also is to reduce the development process by six months to a year. The community’s Housing Needs Report was a key component of the rationale for revising approvals in order to increase affordable housing supply.

Amendments:

- 100% of the units in a building have to be secured as affordable rental to secure all of the following relaxations:
 - Allow affordable housing in any zone where residential is a principal use (outside of hazard areas).
 - Allow the height of a principal building to increase to 23 metres (six stories).
 - Exemptions from lot coverage maximums in zoning.
 - Reduce parking requirements to one space per dwelling unit.
 - Allow greater exemptions to gross floor area calculations.
 - Apply a maximum building height of 26.5 metres (eight storeys) in any zone that may permit a taller building height, as this is currently the tallest building height that the District's Fire Department can safely fight a fire in.

The District of Squamish has not received any development applications submitted under these bylaw amendments as of April 2024.