



THE CORPORATION OF THE CITY OF COURTENAY
STAFF REPORT

To: Mayor and Council
From: Chief Administrative Officer
Subject: Braidwood Housing Project Update

File No.: 5040-20
Date: May 12, 2014

PURPOSE:

The purpose of this report is to update Council on the Braidwood Supportive Housing Project, and seek direction on next steps, specifically:

1. Results of the Neighbourhood Consultation process;
2. Progress on the EOI / RFP process;
3. Recent changes to BC Housing funding opportunities; and
4. Recommended next steps

POLICY ANALYSIS:

The Braidwood Supportive Housing Project is Council's number one Strategic Priority for 2014, and is intended to assist in addressing the significant impacts related to homeless people, and those with social issues and challenges.

CAO RECOMMENDATIONS:

That based on the May 12th 2014 Staff report "Braidwood Housing Project Update", and the attached report from the Braidwood Social Planning consultant, Council DIRECT staff to work with the Braidwood Social Planning Consultant to proceed with the EOI/RFP selection process as quickly as possible, and

That it be made clear to potential proponents that traditional PHI supportive housing subsidies are not available, and

Furthermore, that the City's approach emphasizes the use of rent supplements and modest capital grants, as well as partnerships with other public and private agencies to ensure that supportive housing can be provided on a long term financially viable basis.

Respectfully submitted,

David Allen, BES, CLGEM, SCLGM
Chief Administrative Officer

BACKGROUND:

At a Regular Open Council meeting held on March 3rd 2014, Council passed the following resolution.

- a. That Council authorize the Social Planning Consultant under direction of the CAO to establish the Working Group described in this report to issue an EOI/RFP for development of the City-owned 810 Braidwood Road site as a supportive housing for homeless project for adult men and women;
- b. That the Social Planning Consultant immediately begin neighbourhood consultation on the basis that the site will be developed as a planned 30-unit supportive housing for homeless project;
- c. That Council instruct the Social Planning Consultant to work under direction of the CAO to enter into negotiations with BC Housing towards execution of an MOU between the City and BC Housing outlining municipal contributions to the project and committing BC Housing to a unit allocation to the project;
- d. That prior to entering into negotiations with BC Housing, the City of Courtenay undertake a preliminary geotechnical survey, a phase 1 environmental assessment, a hazardous materials survey of the existing building on the site, and a civil engineering review of the capacity of existing underground water, sanitary and storm infrastructure serving the 810 Braidwood Road site, to determine the extent of the City liabilities in regards to these issues for inclusion in the MOU;
- e. That the Social Planning Consultant under direction of the CAO enter into discussion with the Director of Development Services, the Director of Financial Services, and any other appropriate City staff to explore how the development fees and charges to be forgiven as part of the MOU with BC Housing for development the Braidwood site will be recovered by the City; and
- f. That the Mayor on behalf of City Council support the services of the City's Social Planning Consultant on a pro bono basis to assist in the securing of a site for the Comox Valley Transition Society and enter into negotiations with BC Housing to secure a unit allocation for the 2nd Stage Housing for women fleeing violence project proposed there.

DISCUSSION:

Attached to this report is an update from the Braidwood Social Planning Consultant, Mr. John Jessup on progress to date on items "a" and "b" in the Council resolution above. The consultant report includes the results of the neighbourhood consultation, additional analysis, and recommendations.

Of particular concern is the indication from BC Housing staff that there will be no operating subsidies available through BC Housing, and further that, beyond the \$50,000 PDF funding that the City has already received; no other capital funding for the project should be expected. If this is the case, then funding for the Braidwood project will need to be obtained from other sources.

FINANCIAL IMPLICATIONS:

In July 2013, BC Housing confirmed that they made \$50,000 available to the City, in a proposal development loan, to assist in the planning and development of a supportive housing proposal for this site. A portion of the funds committed by BC Housing can be used towards the development of the RFP and the process of selection of the non-profit operator. The remainder can be used by the successful proponent in further developing the project. Additional funding options are outlined in the attached report from the Social Housing consultant.

ADMINISTRATIVE IMPLICATIONS: *(work plan, etc.)*

The CAO is the project lead, and works directly with the consultant. Additional support is received from the Development Services staff and is included in the 2014 corporate work plan.

STRATEGIC PLAN REFERENCE:

The Braidwood Supportive Housing Project is Council's number one strategic priority for 2014.

OFFICIAL COMMUNITY PLAN REFERENCE:

- ✓ The provision of non-profit housing as a means of increasing the supply of rental housing is strongly encouraged. Preference is for affordable and social housing to be dispersed throughout the City and not concentrated in one area.
- ✓ Ensure the provision and integration of special needs and affordable housing.
- ✓ Encourage housing opportunities and convenient community services for individuals having special housing requirements.

REGIONAL GROWTH STRATEGY REFERENCE:

- ✓ Ensure a diversity of housing options to meet evolving demographics and needs.
- ✓ Encourage residential multi-unit or multi-lot developments to contribute to affordable housing options including, but not limited to a range of unit sizes and types, lot sizes, multifamily or attached-unit buildings, rental units and secondary suites. These contributions could take the form of land, cash, buildings or other such items as supported by the local governments.

CITIZEN/PUBLIC ENGAGEMENT:

Two Braidwood neighbourhood Open Houses were held on April 23rd and 24th. The results of this public engagement process are outlined in the attached report from the project consultant.

Prepared by:



David Allen, BES, CLGEM, SCLGM
Chief Administrative Officer

Attachment: Social Housing Program Report, Jessup & Associates, May 8th 2014

CITY OF COURTENAY
Social Housing Progress Report to Council

TO: CITY COUNCIL

FROM: SOCIAL PLANNING CONSULTANT

SUBJECT: SOCIAL HOUSING PROGRESS REPORT

STATUS: CONSIDERATION

DATE: MAY 8, 2014

INTRODUCTION

This is a Progress Report from the Social Planning Consultant hired by the City. The report:

1. Reviews results of the Neighborhood Consultation program,
2. Outlines the steps which have been taken to begin the EOI/RFP process,
3. Describes recent changes to BC Housing funding opportunities, and
4. Recommends steps for moving forward with the social housing development strategy.

BACKGROUND

At their meeting of the whole, March 3, 2014, Council accepted the report from the Social Planning Consultant and approved unanimously the recommendations contained in the report which in part included:

“A. That Council authorize the Social Planning Consultant under direction of the CAO to establish the Working Group described in this report to issue an EOI/RFP for development of the City-owned 810 Braidwood Road site as a supportive housing for homeless project for adult men and women; and,

“B. That the Social Planning Consultant immediately begin neighbourhood consultation on the basis that the site will be developed as a planned 30-unit supportive housing for homeless project.”

This report reports on the work completed to date on these two matters and recommends next steps including timelines for proceeding with this work.

NEIGHBOURHOOD CONSULTATION

A letter to neighbors was drafted by the Consultant, and with the assistance of City staff was transformed into an attractive brochure on the proposed project. The brochure included: background on City Council actions, an invitation to an open house, and additional project information. The brochure is included in Appendix 1 – Neighbourhood Consultation, attached to this report.

City staff defined the area to be included in the consultation. This included residences and properties on either side of Braidwood and Back Roads, as well as a few properties across the Island Highway. In total, 1,000 residences and property owners were identified for consultation.

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Because of the large number of potential attendees to the open house, two open houses were scheduled. One for the morning of Wednesday, April 23rd, between 10AM and 2PM, and the second for the afternoon and evening of Thursday, April 24th, between 4PM and 8PM. The Wednesday session was to be convenient for lunch hour attendees and the Thursday session was to be convenient for after work and after dinner attendees.

The Consultant prepared 5 presentation boards on easels. These included a copy of the brochure, a map of the consultation area, and three pictures of similar projects completed under the BC Housing PHI (Provincial Homelessness Initiative) program: Rose Harbour, in Campbell River, and Wesley Street and Salish Lelum projects in Nanaimo. All 5 boards are included in Appendix 1 – Neighbourhood Consultation, attached to this report.

About 30 property owners and residents in total attended the open houses. Twenty-four (24) people including 4 couples, signed in. This totaled 20 households.

Twelve (12) households lived on Braidwood Road. Seven (7) households lived on Back Road. And, one (1) household lived on Old Island Highway, outside the notification area.

Along Braidwood Road, one (1) household was from 791 Braidwood, five (5) households were from 840 Braidwood, four (4) households were from 950 Braidwood, and two (2) households were from 1050 Braidwood. Most households came from 840 Braidwood, a four-story condominium apartment building immediately adjacent to the development site.

The open houses were hosted by the City in Craft Room "A" at the Lewis Centre. It was staffed by the Consultant and usually one City staff member. Ian Buck, Manager of Planning, attended most of the Wednesday session. Peter Crawford, Director of Development Services, attended most of the Thursday session. David Allen, CAO, dropped in over his Noon hour break at the Wednesday session.

In spite of the seriousness of the topic and the perceived impact on their neighbourhood, all of the property owners and residents attending were civil and polite. This, in some cases, in spite of concern and anxiety on their part about the proposed project. A sincere thank you from the Consultant and City staff for the fair and reasonable treatment from property owners and residents to the hosts of the open houses.

A total of 12 open house attendees left written comments and one followed up with an extensive email.

A summary of the themes of the written comments follows:

- I am a retired senior and afraid of homeless people living in my neighborhood
- I must now sell my unit and go back to work to purchase somewhere else
- this project will lower the market value of my property
- Seniors and young families live here, is this the right place for a project like this?
- Good single earner family neighborhood, problems with some drug use, but trying to clean it up
- Already plenty of low income housing in this area

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- City should spread out low income housing in several neighbourhoods rather than creating a slum in one area
- More thought should be given to where we are putting housing for homeless because of the high incidence of mental health and substance use in this population
- Why were we not consulted before this property was purchased?
- What were the City's reasons in choosing this site
- I was told this was going to be a project for the working poor not the homeless
- Not easily accessible to downtown by walking or cycling
- Not good for the downtown, so the City puts it in a family neighborhood?

The actual text of individual comments is on file at the City and with the Consultant.

Some suggestions about what the City could do to manage the homeless population in the written comments were:

- Put homeless in a rental unit in every condo building in Courtenay
- Why not put the homeless project in Crown Isle?
- Not in a family area, how about where the old Re-store was?

Consultant and Staff Reflections

In retrospect, this is not a bad choice of site. It is in a mixed use area. It is a low to moderate household income area, whether we are talking about retired seniors or young single earner families just starting out. If we do it right as supportive housing for homeless, it could work out quite well. But we must do an exemplary job.

If Council wants to soften the project around the edges of concern, it could do some of the following things in response to neighborhood concerns:

- reduce project size from 30 to 24 units
- restrict occupancy to mature homeless people over 40 years
- provide community space as part of the amenities on the ground floor
- include a passenger van to shuttle tenants to and from the downtown
- establish Braidwood Neighborhood Advisory Committee with an ex-officio representative on the chosen non-profit housing operator board

Reduction in the number of units is not recommended as it will increase the capital and operating costs per unit and reduce total rental revenue. Community space in the project would have to be leased back to the City on a market rental basis. A passenger van could be donated by a local service club.

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PROGRESS ON THE RFP TO CHOOSE A NON-PROFIT HOUSING OPERATOR

Progress on this final stage of the work has been delayed about a month because it took longer than anticipated to arrange for and hold the open houses. However, not all time was lost.

The members of the Working Group to administer and evaluate the results of the RFP have been confirmed as follows:

- VIHA Mental Health and Substance Use: Mr. John Fitzgerald, Manager for Comox Valley Branch
- BC Non-Profit Housing Association (BCNPHA): Mr. Jim Spinelli, BCNPHA Board Member
- City of Courtenay: Mr. Ian Buck, Manager of Planning, and
- City Social Planning Consultant: Mr. John Jessup (Chair)

BC Housing has declined to be a member of the Working Group because it may imply BC Housing financial support for the project. However, BC Housing has requested that they be allowed to review the final draft RFP prepared by the Working Group before it is issued, to ensure that any references to BC Housing are accurate. Further, BC Housing has also offered to participate in the evaluation of the proposals. This would probably involve BC Housing operations staff in Victoria.

Mr. Spinelli, BCNPHA board, is Executive Director of Nanaimo Affordable Housing Society in Nanaimo (NAHS). NAHS currently operates four (4) projects containing over 80 units. NAHS is currently developing a fifth site in Nanaimo, a supportive housing for homeless project on a City-owned site near the Nanaimo Regional General Hospital. He is an excellent choice to represent the interests of the non-profit housing sector on the Island.

The Consultant has retrieved an archived RFP template from a previous project in Nanaimo. This will be used as the basis for the Working Group in preparing a customized RFP for the City-owned Braidwood Road site in Courtenay.

It is proposed that the first meeting of the Working Group occur at Courtenay City Hall to establish the ground rules for the RFP in the latter part of May. Subsequent meetings will be through conference call. It is hoped the RFP will be released in middle to late June. There will be a 3 week period to allow respondents to prepare their submissions. A further 2 weeks will be required for evaluation of results by the Working Group and BC Housing operations staff. A final week will be needed to prepare the Council report recommending the chosen non-profit housing provider. This likely means a report back on the selected non-profit housing operator sometime in July.

BC HOUSING FUNDING OPPORTUNITIES

On March 4th, the day after Council approved the Interim Report on the Social Housing Strategy, there was a joint press release from BC Housing and CMHC on a 5 year extension to the Investment in

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Social Housing Progress Report to Council

Affordable Housing (IAH) program. This resulted in my calling Ms. Money at BC Housing to discuss funding opportunities for this and other projects on the Island generally.

Ms. Money made it clear to the Consultant that neither in the current budget nor in the extension of the IAH program would any operating subsidies be available not just to the Braidwood Road site project but to any housing projects approaching BC Housing for funding. And, further that beyond the \$50,000 PDF currently approved, no other capital funding beyond this initial allocation for project planning or development should be expected. I met with City staff on Tuesday, March 11th, and conveyed to them the situation.

However, my professional colleagues in the non-profit housing sector speculate that the IAH program, while not yet configured by BC Housing staff, may include rent supplements as well as modest capital grants to assist with affordable housing projects. And, these financial components would be allocated to the most cost-effective affordable housing proposals responding to a late Summer or early Fall Province-wide proposal call. Of course, this is entirely guesswork on our part. No one really knows at this time, how the IAH funding will be rolled out by BC Housing at some time hopefully later this year.

As you may appreciate, without substantial operating subsidies, supportive housing for the homeless is a real challenge. Even if the building were free, the cost of support workers to supervise, support and coordinate specialized outside resources for homeless people on site 24/7 is costly. Partnerships with other public and private service agencies, like VIHA Mental Health and Substance Use, if available and possible, may partially address this concern with less vulnerable and less needy tenants.

RECOMMENDATION

It is recommended that the City staff team lead by the Consultant proceed with the RFP selection process as quickly as possible. And, further that it be made clear to potential proponents that traditional PHI supportive housing subsidies are not available. The City's approach must emphasize the use of rent supplements and modest capital grants, as well as partnerships with other public and private agencies to ensure that supportive housing can be provided on a long term financially viable basis.

Appendix 1 – Neighborhood Consultation

Appendix 2 – BC Housing Funding Opportunities

- End of Report -

APPENDIX 1 – NEIGHBOURHOOD CONSULTATION



Supportive Housing Development Plan Neighbourhood Open House

As you may already be aware, in 2013 the City of Courtenay purchased property at 810 Braidwood Road. At the March 3, 2014 Council meeting, City Council approved the eventual development of this property as a 30 unit supportive housing apartment for single homeless or homeless-at-risk adult men and women.

You are invited to drop-in on a Neighbourhood Open House to find out more about this project, and to speak with the City's Social Planning Consultant and a representative from the Planning Department.

Wednesday, April 23 OR Thursday, April 24
10:00 am to 2:00 pm 4:00 pm to 8:00 pm

Courtenay Recreation Lewis Centre
Craft Room "A" (at north entrance, near parking lot)
489 Old Island Highway, Courtenay

Additional Project Information

What will the facility look like?

The building will be a three-storey apartment containing 30 studio dwelling units - six units on the ground floor and twelve units on each of the 2nd and 3rd floors. The remaining half of the ground floor will contain offices and tenant amenities. The proposed uses (multi residential dwellings and facility for adults with a disability) are permitted within the current R-4 zoning. The intent is to create an attractive facility that is a good fit for the neighbourhood.

Who will run the facility?

This hasn't been determined yet. The City will be issuing a Request-for-Proposals (RFP) shortly, to non-profit housing providers in the Comox Valley as well as the rest of Vancouver Island. A technical working group has been struck to draft and issue the RFP, evaluate the results, and report back to City Council.

Neighbourhood Participation

The City will establish a "Neighbourhood Advisory Committee" to keep property owners and tenants informed, and to ensure that issues important to the neighbourhood are addressed.

Next Steps

1. Request for Proposals issued by the City;
2. City selects non-profit housing provider;
3. Selected non-profit operator completes detailed design;
4. City and non-profit operator seek Provincial funding opportunities;
5. Construction of building.

More Information

To view the interim report on the City's Social Housing Strategy, visit www.courtenay.ca and click on *Supportive Housing Project*.

If you have additional questions or comments, please leave your name and number at Courtenay City Hall, 250-334-4441, and the consultant will return your call; or email info@courtenay.ca



City of Courtenay • 250-334-4441 • info@courtenay.ca

APPENDIX 2 – BC HOUSING FUNDING OPPORTUNITIES



BC Housing

Home Office
1701 - 4555 Kingsway
Burnaby, BC V5H 4V8

Tel 604-433-1711
Fax 604-439-4722
www.bchousing.org

July 10, 2013

Mr. David Allen
Chief Administrative Officer
City of Courtenay
830 Cliffe Avenue
Courtenay, B.C.
V9N 2J7

Dear Mr. Allen

This is to confirm that BC Housing will make available \$50,000 in a proposal development loan to assist in the planning and development of a supportive housing proposal in the City of Courtenay.

A portion of the funds may be used by the City to prepare a Request for Proposals (RFP) for a non profit operator to lead the development of the proposal. The remainder can be used by the successful operator to develop the business case and will be secured by a promissory note. The funds cannot be used by any potential operators to prepare a response to the RFP.

Copies of all expenses must be submitted to Donna Money, Senior Project Officer, for reimbursement.

We are pleased to be able to support this initiative.

Yours truly,

Armin Amrolia
Acting Vice President, Development Services

Cc: Danna Locke, Director Regional Development
Roger Butcher, Regional Director, Operations





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Canada and B.C. extend affordable housing funding



March 4th, 2014

VICTORIA – The Governments of Canada and British Columbia are committing an additional investment of more than \$300 million over five years, to help more individuals and families in housing need access affordable housing. The joint-funding will be delivered through an extension to the Investment in Affordable Housing (IAH) agreement.

"Our Government remains committed to smart investments in housing to create better economic outcomes for the Canadian families who benefit from these programs," said the Honourable Candice Bergen, Minister of State for Social Development. "By partnering with the provinces and territories we want to ensure that this investment improves the quality of life of low-income Canadians, and creates needed jobs and opportunities for apprentices."

"The extension of this agreement will help us to create more housing options for British Columbians," said Rich Coleman, Deputy Premier and Minister Responsible for Housing. "Over the next five years, this funding will help build new affordable housing, enhance our rental assistance programs and support partnerships that will contribute to stronger, more sustainable communities."

The federal portion of this funding comes from Economic Action Plan 2013, which announced the Government of Canada's commitment to investing more than \$1.25 billion nationally over five years to extend the Investment in Affordable Housing and to creating opportunities for apprentices, which will support the training of skilled labour in residential housing. Governments will report annually to the public regarding the investments and progress toward achieving the intended outcomes of the IAH.

The Province of B.C. and the federal government will each contribute \$150 million under the IAH extension agreement (April 1, 2014, to March 31, 2019). The Province of British Columbia will commit the joint annual funding as follows:

- \$30 million to support and enhance existing programs; and
- \$30 million towards new construction or renovations.

On July 25, 2011, the Governments of Canada and British Columbia announced an IAH agreement with a combined investment of some \$180 million for the 2011-2014 period. This new agreement extends the original agreement for the 2014-2019 period with an additional combined investment of more than \$300 million. From April 2011 to December 2013, the IAH had already helped more than 177,500 households nationally, and close to 2,220 in B.C.

Since 2001, the Government of B.C. has invested \$3.6 billion to provide affordable housing for low-income individuals, seniors and families. This year, more than 98,000 B.C. households will benefit from provincial social housing programs and services.

To find out more about affordable housing in British Columbia visit: www.bchousing.org

Since 2006, the Government of Canada has invested more than \$16.5 billion in housing. For B.C., this represents an investment of some \$1.8 billion. By working with its partners, the federal government has helped some 880,000 Canadians individuals and families including low-income seniors, persons with disabilities, recent immigrants and Aboriginal people.

To find out more about how the Government of Canada, through CMHC, is working to build stronger homes and communities for all Canadians, call CMHC at 1 800 668-2642 or visit: www.cmhc.ca/affordablehousing

For more information on Canada's Economic Action Plan, call 1 800-O Canada or visit: www.actionplan.gc.ca

BACKGROUND

On March 4, 2014, the Federal and Provincial governments renewed their Investment in Affordable Housing (IAH) agreement for the next five years (2014-2019). The \$300 million agreement includes \$150 million each in federal and provincial government contributions. The Province will commit the joint annual funding as follows:

- \$30 million to support and enhance existing programs; and
- \$30 million towards new construction or renovations.

The overall goal of the IAH is to reduce the number of Canadians in housing need by improving access to affordable housing that is

sound, suitable and sustainable through:

- Increasing the supply of affordable housing, through new construction or conversions and homeownership or rentals;
- Improving housing affordability, through rent supplements, shelter allowances, or homeownership assistance;
- Improving and preserving the quality of affordable housing: renovation of existing affordable housing
- Fostering safe independent living, including new housing construction, housing modifications and renovations that extend independent living for seniors and persons with disabilities, and victims of family violence.

Programs funded under the IAH between 2011 and 2014 include:

Home Adaptations for Independent Living (HAFL), which provides financial assistance of up to \$20,000 per home to finance accessibility modifications in their home.

The Aboriginal Housing Initiative (AHI), which creates affordable housing for Aboriginal households in need in British Columbia.

Capital funding of more than \$155 million to build more than 600 new units of affordable rental housing for families, seniors and individuals across the province.

For information on the Investment in Affordable Housing: <http://www.cmhc.ca/en/inpr/afhocl/fualhc/iah/index.cfm>

Media Contact:
Fergus McCann
BC Housing
778 452-6445

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