



THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Council
From: Director of Development Services
Subject: 1375 Piercy Avenue – Affordable Housing Reserve Fund

File No.: 3060-20-2011
Date: 14th June 2023

PURPOSE:

To provide financial options to Council for their consideration to provide a financial contribution from the City of Courtenay Affordable Housing Amenity Contribution Fund to Habitat for Humanity to offset the required works and services cost associated with the proposed 12 unit multifamily residential development located at 1375 Piercy Avenue.

BACKGROUND:

On 20th July 2020 a staff report (Attachment 1) was brought forward to Council to consider a Development Variance Permit to waive the requirements to provide works and services as part of the proposed 12 unit affordable housing multifamily residential development located at 1375 Piercy Avenue (Figure 1). The following resolution was adopted by Council:

“That based on the July 20th, 2020 staff report, "Development Variance Permit No. 2011 - 1375 Piercy Avenue", Council approve OPTION 2 and defeat the variance and provide Habitat for Humanity financial support through the Affordable Housing Reserve Fund, in an amount to be determined at a future meeting as specified by Council, to assist in offsetting the cost of providing the required works and services”.

Figure 1: Subject Property



The lane way upgrades are necessary to allow two way traffic as the laneway is the principle entrance for the resident's offsite parking, pedestrian access and waste management truck access for garbage pickup and recycling. The cost associated to the development could be considered to the centre line of the road in accordance with the Subdivision and Development Servicing Bylaw.

Works and Services vary considerably throughout the City based on the existing infrastructure, condition and if it meets required standards to support the proposed development. The City assesses the project in accordance with the Subdivision and Development Services Bylaw and determines what improvements are required to be completed. A significant amount of the works and services costs are associated with the lane.

DISCUSSION:

To determine an amount of financial contribution to assist Habitat for Humanity from the Affordable Housing Admenity Reserve Fund (AHARF), Staff requested updated cost estimates for the works and Services from the applicant's consultant. Wedler Engineering has provided updated cost estimates for both Piercy Avenue (Attachment 2) and the Lane (Attachment 3).

There is currently \$1,424,562.56 available in the AHARF where the financial assistance can be allocated from to assist Habitat for Humanity in the works and services costs associated with the proposed affordable housing multifamily residential development.

There are several potential options available to assist in the financial support and are detailed below for Council's consideration.

1. Fund the complete offsite works that total \$211,340 (Piercy Avenue and the Lane)
2. Fund Piercy Avenue offsite works \$45,470 (Storm and Sanitary Sewer, waterworks and Road works)
3. Fund the Lane offsite works \$165,870 (Road works and storm sewer)

Currently there is no policy framework in place to consider this request for a financial contribution to offsite improvements. In reviewing the proposal and history of the project, the requirement for the provision of offsite works and improvements was consistent to that of a private developer. Habitat for Humanity is a not for profit organization and in other jurisdictions that have developed policies, they may be exempt or have a reduced cost/responsibility for offsite works. When considering the provision of AHARF funds, staff note that the development of the property has a direct impact on the works and services related to Piercy Avenue. With respect to the offsite improvements for the Lane, the improvements for access and drainage has positive implications for the adjacent properties and are not necessarily strictly related to this development. Given these circumstances, staff support the option to fund the Lane offsite works.

It is noted that the development of policy to consider the offsite works and servicing requirements as well as Development Cost Charges for not for profit affordable housing projects is underway and a deliverable for the implementation of the Official Community Plan. Updated policy and bylaw amendments will be provided to Council for consideration in 2023.

POLICY ANALYSIS:

The Local Government Act provides municipalities the ability to require works and services when stipulated through bylaw. "Works and Services" is the legal term used to identify infrastructure more commonly referred to as "off-sites" or "frontage improvements". This includes a wide range of elements such as road

surfacing, sidewalks, and street lighting which is all detailed within the City's Subdivision and Development Servicing Bylaw No. 2919 (SDS).

The Community Charter provides municipalities the ability to establish a reserve fund by bylaw for the purposes of Affordable Housing and the monies received allocated by the City for this purpose. The City of Courtenay Affordable Housing Amenity Reserve Fund Bylaw No. 2610, 2010 provides this authority.

FINANCIAL IMPLICATIONS:

Should Council select one of the options included in this report, this amount will reduce the current balance of the City of Courtenay Affordable Housing Amenity Reserve Fund from the current value of \$1,424,562.56.

OPTIONS:

1. THAT Council provide financial assistance through the Affordable Housing Amenity Reserve Fund for the off Site Works and Services associated with the Habitat for Humanity project located at 1375 Piercy Avenue in the amount of \$165,870 to address Lane offsite works. (Recommended)
2. THAT Council provide financial assistance through the Affordable Housing Amenity Reserve Fund for the off Site Works and Services associated with the Habitat for Humanity project located at 1375 Piercy Avenue in the amount of \$45,470 to address offsite works on Piercy Avenue.
3. THAT Council provide financial assistance through the Affordable Housing Amenity Reserve Fund for the off Site Works and Services associated with the Habitat for Humanity project located at 1375 Piercy Avenue in the amount of \$211,340 to address both Lane and Piercy Avenue offsite works.
4. THAT Council not provide financial assistance through the Affordable Housing Amenity Reserve Fund for the off Site Works and Services associated with the Habitat for Humanity project located at 1375 Piercy Avenue.

ATTACHMENTS:

1. Staff report Development Variance Permit for 1375 Piercy Avenue
2. Piercy Avenue offsite works construction cost estimate summary
3. Lane offsite works construction cost estimate summary

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