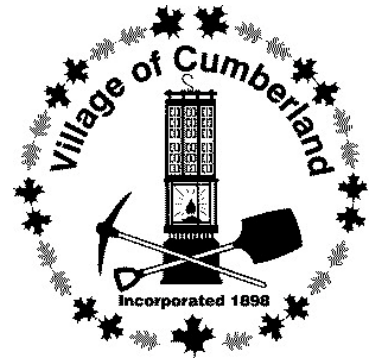


COUNCIL REPORT



REPORT DATE: October 24, 2024
MEETING DATE: October 28, 2024

File No. 890-20

TO: Mayor and Councillors
FROM: Michelle Mason, Chief Administrative Officer
SUBJECT: 3345 Second Street Affordable Housing Development - Proponent Memorandum of Understanding

RECOMMENDATION

- i. THAT Council approve a memorandum of understanding (MOU) agreement , dated October 28, 2024, between M’akola Housing Society and the Village of Cumberland for the Society to be the proponent for the affordable housing development at 3345 Second Street, and THAT Council authorize the Mayor and Chief Administrative Officer to execute the MOU.
- ii. THAT Council commits the Village to working with M’akola Housing Society on the affordable housing development at 3345 Second Street, including establishing a long term mortgageable interest for the Society to lever funding and financing, and support for funding applications.

PURPOSE

The purpose of this report is to seek Council approval for the Village to enter into a memorandum of understanding (MOU) with M’akola Housing Society to be the proponent for the affordable housing development at 3345 Second Street. The report also provides an opportunity for Council members to address any questions about the proposed services and the MOU to representatives Kaela Schramm, Executive Director M’akola Housing Society, and Jamie Bégin, Project Manager M’akola Housing Society, who will be in attendance at the Council meeting by video conference.

PREVIOUS COUNCIL DIRECTION

Date	Resolution
September 9, 2024	THAT Council direct staff to negotiate the terms of an agreement with M’akola Housing Society to act as a funding applicant and proponent for the affordable housing development at 3345 Second Street.
	THAT Council release the resolution to the public.

September 9, 2024	THAT Council direct staff to bring back a zoning amendment bylaw to allow for a fourth floor in the zone for the 3345 Second Street affordable housing development.
-------------------	---

BACKGROUND

The Village has a lease with Vancouver Island Health Authority (VIHA) for land located at 3345 Second Street for affordable housing purposes. The lease is subject to construction beginning within two years of registration of the lease which is June 28, 2025. Zoning is in place and the development permit is issued for the building. The development permit expires September 11, 2025. A new development permit application would be required if construction does not substantially begin before the permit lapses. A density bonus was given for the development because it provides affordable housing. The Zoning Bylaw defines affordable housing as being subject to a housing agreement and doesn't specify the level of affordability. Comox Valley Transition Society (CVTS) was the proponent on this affordable housing development; however, following two unsuccessful Community Housing Fund (BC Housing) application submissions and significant investment, they gave notice that they will not proceed as the proponent of this affordable development.

As the Village of Cumberland is the only organization at this point to formally have a lease with VIHA and there are no other partnership agreements in place with any other organization other than CVTS being named on the housing agreement with VIHA, staff engaged Wiser Projects to explore options for the land, owned by VIHA and leased by the Village. Following the options analysis provided by Wiser Projects, staff was directed to proceed with a zoning bylaw amendment so that a fourth storey can be added to the building design to increase the likelihood of a successful BC Housing grant application. Staff is also discussing with VIHA staff additional parking options for the property and extension of the lease with VIHA to allow time for construction to place on a delayed timeline past June 28, 2024. Staff is confident that an extension of the lease with VIHA can be worked out.

Staff was also directed to negotiate the terms of an agreement with M'akola Housing Society to act as a funding applicant and proponent for the affordable housing development at 3345 Second Street. M'akola Housing Society is interested in being the proponent of this affordable housing development and therefore staff are recommending to Council that the MOU that is attached to the report be approved as well as Council committing to working with M'akola Housing Society as the first step. Once the MOU and commitment is approved, the Village will be in a position to provide all of the information for this development and property to M'akola which will then allow the Village and M'akola to work towards M'akola submitting a BC Housing funding application. Staff is hopeful that once M'akola has worked with the Village regarding the processes for this development that M'akola will be able to submit a grant application BC Housing if a third call for this funding becomes available (expected early in 2025); however timelines will be tight.

The MOU includes a commitment that the Village will prioritize permit reviews. Council Policy 13.3 Priority Processing for Affordable Housing Developments provides this direction to staff.

FINANCIAL IMPLICATIONS

Staff are still working to understand whether there are external funds available for the project development stage. Once that information is known, staff will report back to Council regarding next steps for funding the development stage.

A planning consultant will manage the zoning amendment process at a cost of \$3,100 plus travel which will be covered through existing budgets. An architect will provide professional services for the zoning amendment at an initial cost of \$5,000. Both of these expenses are expected to be covered by the OCP budget that has provisions in it for planning consultants to provide extra capacity for other planning processes while staff work through the OCP process.

OPERATIONAL IMPLICATIONS

Currently this development spans development and facility service areas for the Village and staff in those service areas are at capacity; therefore, in the interim, the CAO will lead this affordable housing development with support from those areas. The website for BC Housing states that BC Housing intends to issue another Community Housing Fund RFP in late 2024/early 2025.

The Village would need to confirm M'akola as the proponent and move quickly towards being able to prove that construction could start as soon as funding is awarded in time to submit this third application.

CLIMATE CHANGE IMPLICATIONS

Housing density within walking distance of the services provided in the downtown core and transit is one of the key actions municipalities can take to reduce transportation-related greenhouse gas emissions.

ALTERNATIVES

1. Not proceed with any action at this time.

STRATEGIC OBJECTIVE

- Diverse & Healthy Community
- Sustainable Service Delivery & Asset Management
- Community Planning

ATTACHMENTS

1. Memorandum of Understanding – M'akola Housing Society and Village of Cumberland
2. Council Policy 13.3 Priority Processing for Affordable Housing Developments

CONCURRENCE

Courtney Simpson, Director of Development and Bylaw Services **CS**

Respectfully submitted,

M. Mason

Michelle Mason
Chief Administrative Officer