

Rossland Mixed-Use Project Frequently Asked Questions – October 25, 2019

1. *What is going on?*

The City of Rossland and the Lower Columbia Affordable Housing Society have partnered to build a 4 storey mixed-use building on the western portion of the vacant site located on 3rd Avenue. With the recent announcements of Provincial funding programs for housing, the City and the Society put together an application for funding, which was accepted and is going through BC Housing approvals process.

2. *Who is the Lower Columbia Affordable Housing Society (LCAHS)?*

LCAHS is a non-profit organization formed in 2013 to provide affordable housing to low- to modest-income households. The society currently operates two sites in Trail, and one in Rossland, with a new development underway in Trail with occupancy scheduled for the summer of 2020.

3. *Why is BC Housing/CBT involved?*

BC Housing and the Columbia Basin Trust are both providing capital contributions to the project. BC Housing will also arrange financing. The project and funding are both subject to BC Housing's final approvals process.

4. *Why is the City involved?*

The City is making the land available for housing and is looking at funding options for the City Hall on the ground floor. As part of the previous planning exercises for the Emcon site, civic facilities and affordable housing were desired outcomes.

There are many benefits to receiving Provincial dollars in the community including adding more rental housing for Rossland's year-round work force, revitalizing a vacant and previously contaminated site, and providing construction job opportunities locally.

City - Corporate Strategic Planning Actions

- *Support Affordable Housing initiatives and consider implications of all decisions on affordability (both positive and negative)
- *Finalize The Strategy For Development Of The Midtown Transition Lands With A Focus On Emcon/Third Avenue
- *Rationalize City Facilities To Meet The Changing Demographics And Needs Of Our Community (Including Cost Benefit Analysis Of Moving City Hall To Other City Owned Property And Justification Of Ultimate Use Of Other City-Owned Buildings)
- *Improve City programs and services to increase community satisfaction and cost efficiencies
- *Look for opportunities to incentivize helping our community move towards a reduced carbon footprint
- *Look To Obtain Senior Government Grant Revenues Over The Next 5 Years From Senior Governments, But Keep Debt Levels To A Liability Servicing Limit To Property Tax Ratio Of 15%
- *Improve The Attractiveness Of The City And Create A Climate To Attract Investment, New Residents, Increase The Tax Base, And Ensure Sustainability (Support TR)

5. *Why are you considering moving City Hall?*

In 2018, the roof of the City Hall building on Columbia Avenue collapsed under snow pack. After initial assessments of the building, there are major structural issues that would have to be addressed. The building is also functionally obsolete, and the roof collapse event has presented the City with some options to reduce inefficiencies and provide a safer, healthier office space for staff and meeting space for Council. The new building would also target higher energy efficiency which would reduce annual operating costs and City impact on the environment.

The current City Hall space is a temporary option and not a long-term solution. Council has directed staff to prepare a business case and capital budget for relocating into a purpose-built City Hall space in the ground floor of this new building.

6. *Will my municipal taxes be used to pay for this new building?*

The proposed project is putting money back into the community by leveraging Provincial funding dollars for use on a vacant City-owned site. The residential portion of the building is funded completely through BC Housing and Columbia Basin Trust.

Municipal taxes are used to help pay for City staff and operations. The City will be leveraging some of its current reserves, future sale of City Hall and/or insurance dollars (from the old City Hall roof collapse), and possible financing to develop the first storey with purpose-built City Hall offices and multipurpose meeting rooms/Council Chambers. The ground floor design will look to include flex-spaces to allow for the community use of meeting spaces and public washrooms.

Once final design elements are completed for the project, updated cost estimates will be further reviewed. Additional consideration related to the City's financial contribution will then be reviewed. Depending on the City's financial review, a possible funding strategy could include long-term borrowing – which could take the form of either an Alternate Approval Process (AAP) or official referendum. Either process would need to be completed if the City were to look at borrowing amounts over \$500,000 and/or borrow amounts exceeding a payback over five years.

7. *Why spend municipal dollars on a new City Hall rather than updating other facilities?*

Other civic facilities currently have individual long-term capital plans that are reviewed as part of the annual City budgeting process, including City Hall. As such, The City and LCAHS will receive significant funding from both BC Housing and Columbia Basin Trust (CBT) for completion of an affordable housing project here in Rossland. By leveraging current/future City resources as noted above, the City would be in a position to provide support to the overall proposed Mixed-Use Development Project, thereby supporting both general affordable housing and civic facility improvement initiatives. BC Housing and CBT funding streams for the Mixed-Use Development project cannot be transferred and/or used by the City for improvements to other current City facilities.

A significant component of this project includes the continuation of work on Rossland's Asset Management Investment Plan (AMIP). This multi-phased, multi-year approach to sustainable service delivery is in alignment with the BC Asset Management Framework and will help the City report, monitor and measure key infrastructure metrics as a way to understand the state of their infrastructure and monitor how it changes overtime. The results of the AMIP may be influenced by additional infrastructure assessments and will be updated accordingly in order to ensure the City develops a long-term priority capital plan that is strategic, methodical and affordable. Rossland's

City Hall forms a part of the AMIP, and at this time, the City feels the proposed Midtown Mixed-use Development Project will help the City proactively manage one of our key current assets (i.e. our City Hall facility).

8. *What will the ownership of the building look like?*

The intent is for the City to retain ownership of the land and entire overall building (including the ground floor). The Society (LCAHS) would enter into a long-term lease for their units in the building. To secure the funding, a select number of units would also be long-term leased to BC Housing who would then enter into an operating agreement with LCAHS to operate these units seamlessly with the rest of the residential units.

BC Housing will also register a housing agreement on title to secure the affordable units on site. Leasing agreements will be signed between the City, the Society, and BC Housing. Leasing agreements / future arrangements would contain specific parameters related to taxation (See Q 13)

9. *Who would live here?*

The target population to be served is Rossland's year-round moderate-income workforce. This would be defined as people who work year-round in Rossland with total household income ranging from \$30K to \$70K. Tenants would be selected based on tenant criteria that is developed by the Society and BC Housing, and will include income testing. Rental rates will be determined by LCAHS with input from BC Housing. More information will be available to prospective tenants as the project moves into construction.

10. *Will this affect property values?*

We do not believe that this development will affect property values. It will be a positive addition to the neighbourhood, and the building will be well designed and well managed. It will provide a positive impact to 3rd Avenue with offsite improvements (sidewalks, parking) and will add further eyes-on-the-street for the neighbouring skatepark.

11. *Is this building going to shadow my building and block views?*

The new building has been designed to be located on the southern portion of the lot to minimize impact on adjacent residential areas. There is also a significant landscaped buffer between the lot and Fourth Avenue which the design team would like to retain.

The building will follow all Rossland Design Guidelines and will be a positive contribution to the neighbourhood.

12. *Will this affect parking availability and traffic in the area?*

A Transportation Study was completed by Creative Transportation Solutions, a well-known transportation consultant with local knowledge and experience. The study shows that the proposed on-site parking will meet the demand requirements for the proposed housing and civic uses. The project is proposing to upgrade Third Avenue, including a sidewalk and angle parking that would increase the number of on-street stalls available.

The report also noted that there is significant street parking available, even at the busiest times of day (school drop off). They have conducted their models taking into account both summer and winter conditions and have accounted for events at the Rossland Arena.

The consultant has also reported that the proposed uses and number of units will have minor impact on vehicle trips in the area. The forecasted maximum number of vehicles entering and

exiting the site during peak hours is less than one vehicle per minute. This is below the Province's threshold for a Traffic Impact Assessment.

13. How much will this project cost? And who is paying for the cost and ongoing operations for the project?

The estimated cost of the project is around \$15M (estimated \$3M for the ground floor and \$12M for the affordable housing floors). The project will be funded in combination with BC Housing and Columbia Basin Trust capital contributions and arrangement of financing. The City is also exploring various funding opportunities for the ground floor portion from capital reserves, possible selling of current City land and assets (i.e. old City Hall), maximizing insurance dollars available from the old City Hall roof collapse, and possible borrowing. Other funding opportunities may be available from provincial and federal sources, which are currently being investigated.

This project is an example of using government partnerships to develop an energy efficient and sustainable building in the City that also generates additional property tax revenue for the community.

Ongoing operations and financing of the residential component of the building will be funded through revenue from residential rents. Operating expenses of the ground floor space will be incorporated into future City budgets – and will replace the existing operating expenses the City sees at the current location on Columbia Avenue.

14. Will the project pay taxes?

Yes, the affordable housing component will pay property taxes. The project will be applying for a scaled permissive tax exemption which would reduce the tax burden for the first few years – this allows the Society to build up replacement reserves and offer affordable rental rates to Rossland's year-round workforce. After this time period, the building will be sustainable enough to pay full property taxes (based on the building's assessment and tax class), still offer affordable rental rates and will contribute to overall programs, services and operations of the City.

15. What work has already happened on site?

The site has been previously remediated to accommodate a commercial/residential mixed-use development, and the City has commissioned updated Environmental reports to confirm potential uses on the site. The environmental study findings indicate that residential uses are permitted on upper floors of any new buildings with commercial uses on the ground floor. A geotechnical investigation has taken place and the design team has prepared a project concept with preliminary schematic design.

16. What approvals does the project need?

The project will need rezoning, a development permit, and building permit from the City of Rossland. An application for rezoning is being made to the City for a Comprehensive Development (CD) zone for the site.

17. How long can I expect construction in the vicinity?

The project is expected to take place over approximately an 18-month period, however, will need to be confirmed when a contractor is selected. Construction is expected to begin in 2020 and completion is expected in late 2021 to early 2022.

18. How will construction affect the local neighbourhood and immediate neighbours?

The Project Committee and its consultants will follow best practices in construction planning and neighbour relations. The Project Committee has hired an experienced construction manager (Yellowridge Construction) with experience in the region and on BC Housing projects. They will develop a construction management plan to mitigate congestions and noise and will provide ongoing communication through construction to neighbours and the community. The current Emcon site has also been used in previous City capital projects as a laydown / staging area with no significant impact to neighbouring properties. We expect the same to apply for this specific project.

19. Will construction be noisy?

There will be construction noises during City-permitted construction hours. The Project Committee will be working with the contractor to mitigate noise as much as possible.

20. Will there be any excavation?

There are no underground levels associated with the development. Some excavation will be required for both the foundation and final development of a new off-street parking lot area at the rear of the property.

21. At what stage is the project, and how else can I get involved? Also, how will my input be used?

This project is entering the rezoning stage of the project. Any comments received in writing will be submitted to the Project Committee and the City. Any comments received will be taken into consideration as the project proceeds. For more information on the project, check for updates at www.rossland.ca and click the "Midtown Housing Project" link.