



PLANNING AND DEVELOPMENT COMMITTEE

NOTICE OF OPEN MEETING

DATE: TUESDAY, 2019 OCTOBER 29

TIME: 4:00 p.m.

PLACE: Council Committee Room, City Hall

A G E N D A

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|--|--------------------|
| 1. <u>CALL TO ORDER</u> | |
| 2. <u>MINUTES</u> | |
| A) Minutes of the Planning and Development Committee Open meeting held on 2019 September 17 | 1 |
| 3. <u>CORRESPONDENCE</u> | |
| A) Correspondence from the Urban Development Institute
Re: Rental Use Zoning Policy and Initial Implementation Framework | 6 |
| B) Memorandum from the Deputy City Clerk
Re: Rental Use Zoning Policy | 10 |
| C) Correspondence from the Minister of Families, Children & Social Development
Re: Phase 2 Federal Community Housing Initiative | 17 |
| 4. <u>NEW BUSINESS</u> | |
| 5. <u>INQUIRIES</u> | |
| 6. <u>CLOSED</u> | |

Public excluded according to Sections 90 and 92 of the Community Charter to discuss matters concerning negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the Council, could reasonably be expected to harm the interests of the municipality if they were held in public.

- 7. ADJOURNMENT**



PLANNING AND DEVELOPMENT COMMITTEE

Minutes

An Open meeting of the Planning and Development Committee was held in the Council Committee Room, City Hall, 4949 Canada Way, Burnaby, B.C. on Tuesday, 2019 September 17 at 4:00 p.m. followed by a Closed meeting from which the public was excluded.

1. CALL TO ORDER

PRESENT: Councillor Pietro Calendino, Chair
Councillor Sav Dhaliwal, Vice Chair
Councillor Joe Keithley, Member
Councillor Paul McDonnell, Member
Councillor James Wang, Member
His Worship, Mayor Mike Hurley, Ex-Officio Member

STAFF: Mr. Ed Kozak, Director Planning and Building
Ms. Lee-Ann Garnett, Assistant Director Long Range Planning
Mr. Johannes Schumann, Assistant Director Current Planning
Ms. Parissa Shafizadeh, Zoning Planner
Ms. Eva Prior, Administrative Officer

The Chair called the Open Committee meeting to order at 4:00 p.m.

The Chair recognized the ancestral and unceded homelands of the Skwxwú7mesh and traditional hə́nqəmínərn speaking people, and extended appreciation for the opportunity to hold a meeting on this shared territory.

2. MINUTES

A) Minutes of the Planning and Development Committee Open meeting held on 2019 June 25

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR WANG

THAT the minutes of the Open Committee meeting held on 2019 June 25 be adopted.

CARRIED UNANIMOUSLY

The Chair requested that the CLOSED agenda be brought forward for consideration at this time.

7. **CLOSED**

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR WANG

THAT the Committee, in accordance with Sections 90 and 92 of the Community Charter, do now resolve itself into a Closed meeting at this time, from which the public is excluded to consider matters concerning negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the Council, could reasonably be expected to harm the interests of the municipality if they were held in public.

CARRIED UNANIMOUSLY

MOVED BY COUNCILLOR DHALIWAL
SECONDED BY COUNCILLOR KEITHLEY

THAT the Open Committee meeting do now recess.

CARRIED UNANIMOUSLY

The Open Committee meeting recessed at 4:02 p.m.

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR WANG

THAT the Open Committee meeting do now reconvene.

CARRIED UNANIMOUSLY

The Open Committee meeting reconvened at 4:58 p.m.

The normal order of the agenda resumed.

3. **CORRESPONDENCE**

A) Correspondence from Metro Vancouver
Re: Amending "Metro Vancouver 2040: Shaping our Future to
Reflect Accepted Regional Context Statements

Correspondence was received from Metro Vancouver regarding a proposed amendment to *Metro Vancouver 2040: Shaping our Future*, the regional growth strategy and to provide affected local governments with an opportunity to comment on the proposed amendment.

At its May 24, 2019 regular meeting, the Board of Directors of the Metro Vancouver Regional District adopted the following resolution:

That the Metro Vancouver Regional District Board:

- a. initiate the *Metro Vancouver 2040: Shaping our Future* amendment process for a Type 3 Minor Amendment to the regional growth strategy to incorporate regional land use designation changes, the expansion of the Urban Containment Boundary, and the addition of Frequent Transit Development Areas stemming from accepted regional context statements;
- b. give first, second, and third readings to “Metro Vancouver Regional District Regional Growth Strategy Amendment Bylaw No. 1285. 2019”; and
- c. direct staff to notify affected local governments and appropriate agencies as per Section 6.4.2 of *Metro Vancouver 2040: Shaping our Future*.

Staff advised that the amendment to the Regional Growth Strategy is a minor housekeeping amendment to incorporate land use designation changes, Urban Containment Boundary adjustments and the addition of Frequent Transit Development Areas resulting from the Metro Vancouver Board’s acceptance of Regional Context Statements. As such, no further submission or response from the City of Burnaby is required.

B) Correspondence from Metro Vancouver
Re: Transit-Oriented Affordable Housing Study Phase 2
- Key Findings

Correspondence was received from Metro Vancouver advising that the Metro Vancouver Regional District Board of Directors received a report with key findings from the *Transit-Oriented Affordable Housing Study Phase 2*.

The *Transit-Oriented Affordable Housing Study* is intended to provide guidance to the public, private, and non-profit sectors in addressing barriers of high land costs; making better use of under-utilized or surplus lands owned by the public sector or non-profits to support affordable rental housing development; and, the roles of housing agreements, residential rental tenure zoning, and inclusionary housing requirements.

4. REPORTS

A) Report from the Director Planning and Building
Re: Proposed Zoning Bylaw Text Amendments
- 2019 September

The Director Planning and Building submitted a report proposing text amendments to the Burnaby Zoning Bylaw, specifically in relation to child care facilities.

The report presents four Zoning Bylaw amendments regarding:

- outdoor play areas in childcare establishments;
- child care facilities in the P2 Administration and Assembly, P3 Park and Public Use, and P6 Regional Institutional Districts;
- prohibition of certain uses on properties containing home-based child care facilities; and
- lot area requirements for child care facilities in the P1 Neighbourhood Institutional, and P5 Community Institutional Districts.

The Director Planning and Building recommended:

1. **THAT** Council be requested to authorize the preparation of a bylaw amending the Burnaby Zoning Bylaw, as outlined in Section 3.0 of this report, for advancement to a Public Hearing on 2019 October 29.
2. **THAT** a copy of this report be sent to the Fraser Health Authority, Licencing Office, 4946 Canada Way, Burnaby, BC V5G 4H7, and the Burnaby New Westminster YMCA Child Care Resource and Referral, 4460 Beresford Street, Burnaby, BC V5H 2Y8.
3. **THAT** a copy of this report be sent to the Environment and Social Planning Committee for their information.

MOVED BY COUNCILLOR DHALI WAL
SECONDED BY MAYOR HURLEY

THAT the recommendations of the Director Planning and Building be adopted.

CARRIED UNANIMOUSLY

5. **NEW BUSINESS**

Councillor Dhaliwal – Rental Use Zoning Implementation Policy

With unanimous consent, the following motion was introduced for consideration at this time:

MOVED BY COUNCILLOR DHALI WAL
SECONDED BY MAYOR HURLEY

THAT staff amend the conditions of the Rental Use Zoning Implementation Policy to require that the equivalent of 20% of the proposed units under RM, or RMs Districts be provided as affordable rental housing at or below Canada Mortgage and Housing Corporation market averages and that additional RMr Density for rental uses not be subject to vacancy control.

CARRIED UNANIMOUSLY

The Committee advised that clarification regarding the Rental Use Zoning Implementation Policy is required in reference to the 20% rental housing component. The proposed amendment is intended to stipulate that the 20% rental component must be provided as affordable rental housing at or below Canada Mortgage and Housing Corporation (CMHC) market averages.

Staff advised that the proposed amendment to the Stream 2 component of the Rental Use Zoning Implementation Policy is to clarify that the units not be subject to vacancy control. The proposed amendment would require that the 20% inclusionary component must be 100% affordable, at or below CMHC market average rents.

Arising from further discussion, the following motion was introduced:

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR WANG

THAT the Rental Use Zoning Implementation Policy amendment be **REFERRED** to staff for report.

CARRIED UNANIMOUSLY

6. **INQUIRIES**

There were no inquiries brought forward at this time.

7. **CLOSED**

This item of the agenda was dealt with previously in the meeting.

8. **ADJOURNMENT**

MOVED BY COUNCILLOR DHALIWAL
SECONDED BY COUNCILLOR WANG

THAT this Open Committee meeting do now adjourn.

CARRIED UNANIMOUSLY

The Open Committee meeting adjourned at 5:42 p.m.

Eva Prior
ADMINISTRATIVE OFFICER

Councillor Pietro Calendino
CHAIR

**URBAN DEVELOPMENT INSTITUTE – PACIFIC REGION**

#1100 – 1050 West Pender Street
 Vancouver, British Columbia V6E 3S7 Canada
 T. 604.669.9585 F. 604.689.8691
www.udi.bc.ca

June 25, 2019

Mayor Mike Hurley and Council
 City of Burnaby
 4949 Canada Way
 Burnaby BC, V5G 1M2

Dear Mayor and Council:

Re: Rental Use Zoning Policy and Initial Implementation Framework

The Urban Development Institute (UDI) appreciates and supports Council's efforts to protect displaced tenants and increase the number of rental and affordable housing units throughout the City of Burnaby. We are pleased that the City has now moved forward with a rental housing policy, so some applications can proceed. While we endorse many elements in the policy, our members are encountering several issues that we respectfully ask Council to address.

UDI endorses the attempt to offset the costs of the new rental and affordable housing requirements in Streams 1 (Rental Replacement) and 2 (Inclusionary Zoning) through density bonuses. This is critical as the City is changing its requirements after many of our members have purchased sites and made financial commitments. Without an offsetting mechanism, the costs of projects will increase or they may become unviable – both of which undermine affordability. At the same time, future investments in projects will be undermined because builders and financial institutions, who need stable and predictable regulatory regimes, will view the new requirements as a downzoning. This is particularly important for rental projects given the time horizons for investments are several decades.

We are also particularly supportive of the opportunity to build voluntary rental housing in underutilized Commercial Districts (Stream 3). We urge other local governments will adopt this approach. Not only will this lead to more rental housing being built, it may also encourage the construction of commercial spaces. This approach will also create vibrant, mixed-use neighbourhoods in Burnaby.

Despite the offsetting density increases, several projects may not be able to proceed if changes to the policy are not made. We surveyed our Burnaby members, and they have several comments and suggestions.

Referred to:

Planning and Development Committee (2019.09.17)

Copied to:

City Manager, Dir. Corporate Services, Dir. Planning and Building

Vacancy Control

Vacancy control for the RMr “market” rental units is the most critical issue. For the “market” rental units, the initial rents are at market rates, with vacancy control applied when occupancy changes. These units should not be considered market rental units because of the restrictions on rent increases when tenants leave. In fact, over time they may be closer to be defined as below-market rental units. This is made worse for the the affordable rental units in Stream 1 and 2 as the rents start below market when the units are first occupied.

UDI is significantly concerned that affordable rental units and “market” rental units would be subject to vacancy control as it will significantly compromise builder’s ability to invest in future rental housing projects. We note that vacancy control was opposed by the Province’s Rental Housing Task Force recommendations due to the risk of undermining new investment in rental housing. It states to, “Maintain rent tied to the renter, NOT THE UNIT.” Capping market rental units on change in tenancy is in conflict with this recommendation and will ultimately be detrimental to the value of the new units which are required to be included in Stream 2. Further, UDI conducted a survey of 30 rental builders and found that 12,631 rental homes which are currently planned for communities across B.C. will be at significant risk if restrictive vacancy control policies are imposed. This number represents nearly two thirds of the 19,972 rental homes that respondents reported are currently in development.

The policy understandably includes maintenance requirements for the RMr units. However, this coupled with the vacancy control and recent changes to the *Residential Tenancy Act (RTA)* that limit annual rent increases to the Consumer Price Index (CPI) will make many projects unviable. Operating costs, without maintenance, are already outstripping inflation, making it difficult to fund significant upgrades as buildings age. This will discourage institutional partners and long-term holders of rental housing assets from purchasing these units. This also significantly degrades their value. This is problematic for many projects and could be considered a downzoning– despite the proposed density offsets.

UDI recommends an alternative approach to vacancy control which would allow owners of affordable rental units in Stream 1 and 2 (i.e. 20% below CMHC Market Average) at occupancy turnover to set the rent at 20% below the CMHC Market Average in the local zone. This approach is being used within the current policy to establish the initial rents (with the exception in cases when displaced tenants accept occupancy in new buildings in Stream 1).

For Stream 2 “market” rental units, UDI notes that flexibility in rent rates needs to be addressed in order to ensure that owners have enough resources to adequately fund maintenance of buildings. Two potential solutions that could be discussed is:

- At turnover, if the CMHC Market Average is higher than market rate set at initial occupancy plus CPI increases, owners of the units would be able to use the CMHC rates. Likely this will occur at a time when significant building/unit upgrades may be needed. This would allow the rents to keep up with the average CMHC rate over time. It would allow owners to offset their rising operating and maintenance costs while ensuring that the RMr units remain affordable and below market.

- At turn over, rents could be pegged between the current rental rate of the unit and the true market rent.

UDI would be willing to work with City staff to explore these and potentially other solutions.

UDI would like to note that if a builder voluntarily goes beyond the minimum requirements for Streams 1 and 2, the units should be set at market rental rates that adhere to all regulations under the RTA, including when occupancy changes, they could be rented at market rates.

Density Offset Challenges

Additional density for below market rental, market rental and the density offset is the key method used to make this policy work. However, in many cases, fitting the density on a site in an efficient form is a significant challenge. Specifically, with additional units and height potentially comes increased mechanical requirements and new elevators. Supplemental parking may be needed, which would escalate the costs of some projects – especially if more than one level of parking is required. This issue is exacerbated because of the City's changing groundwater requirements.

Proponents with wood-frame projects may not be able to achieve the added density, unless they move from wood to much more expensive concrete construction. This is critical given that the proposed rent rates will not be adjusted whether a building is wood-frame or concrete.

The downturn in the current housing market is also an issue for some builders. The base density plus the existing bonus system for some may already be sufficient at 5.0 FSR because there is less confidence in high-rise strata density. Adding more density to their projects could make them too large, with longer timelines, costs, inefficiencies, and market risk. Financial institutions may also require higher presale targets, which may not be met within the maximum 12-month marketing period that is limited by provincial regulations.

UDI has several recommendations to address these challenges:

- For projects where densities can be increased, the City could mitigate additional construction costs by allowing FAR exemptions for areas to support the added rental and strata density (i.e. a thicker core, larger mechanical systems, larger common areas, exclusions for added elevator shafts, additional amenities etc.). If the City acknowledges that a density offset is needed, then servicing offsets should be recognized as well.
- The City should consider additional parking reductions for residents and visitors – especially when it can eliminate a parking level.
- Where a concrete form is the only possible solution for rental replacement, additional funding from the density bonus fund could be made available regardless of the ownership of the units.
- A reduced density bonus payment should be an alternative to free additional density (in any case), for all the reasons mentioned.
- At least, any additional costs associated with the added density should be considered when the City calculates the density bonuses that builders have to pay.

- Alternatively, for the below and non-market rental housing units, the City could look at waiving the fees for for-profit builders as is currently practice for non-profit builders.
- For sites in which market conditions are an issue, allow builders to choose the amount of additional strata/ RMr density their projects can accept. The amount of RMr units a builder provides would then be linked to how much increased strata density is incorporated in their projects.
- Allow builders to transfer rental and/or strata densities to other projects. Some builders may be able to accommodate more density on another one of their sites in Burnaby. If a proponent has no other sites, they could work with other builders, or the City could consider allowing them to work with a non-profit to increase the number of units in a below market, non-market or mixed income project.

Displaced Tenants

The current proposal allows tenants displaced by a redevelopment first right of refusal to return after the new building is complete and is ready for occupancy and at the same rent they paid originally. However, this still requires them to move twice.

UDI recommends that the City explore establishing an inventory of affordable housing units being built within each Town Centres. Lower income tenants being displaced by new projects could then be given the first right of refusal to move into new affordable housing units that match their rent rate, which will be built in their Town Centre. They would then only have to move once. At the same time, the City would not lose affordable rental units because of the requirement in Stream 1 to make either 20% of the base density of a project's affordable rental units or replace each lost rental unit during redevelopment – whichever is the highest.

Pro-forma Analysis

We understand that the City conducted an extensive pro-forma analysis of various project types to test the viability of the policy. However, many of our members are still finding it difficult to move forward with their projects. UDI requests that Burnaby provide this information to our members, so we can assess the assumptions that were made by the City during their review of the policy. This would certainly assist our members in their negotiations with staff, and assist UDI with its discussions with the City.

UDI and its members would welcome the opportunity to discuss this policy, our concerns and solutions with the City. We look forward to working with Burnaby on the ongoing implementation of this important policy.

Yours sincerely,



Anne McMullin
President & CEO



Office of the City Clerk

K. O'Connell, City Clerk
B. Zeinabova, Deputy City Clerk

INTER-OFFICE MEMORANDUM

TO: CHAIR AND MEMBERS
PLANNING AND DEVELOPMENT
COMMITTEE

DATE: 2019 SEPTEMBER 10

FROM: DEPUTY CITY CLERK

FILE: 02410-20

SUBJECT: RENTAL USE ZONING POLICY
NEW BUSINESS, COUNCIL 2019 SEPTEMBER 09

Under the New Business portion of the Open Council meeting held on 2019 September 09, Council referred to Items B, C, and D of the Council Correspondence Package received up to 2019 August 15 from Ledingham McAllister, ONNI Group, and Solterra regarding rental use zoning policy.

Arising from discussion, Council **REFERRED** the items to the Planning and Development Committee.

A handwritten signature in blue ink, appearing to read "Blanka Zeinabova", written over the printed name.

Blanka Zeinabova
Deputy City Clerk

Copied to: Director Planning and Building

**LEDINGHAM McALLISTER**

3rd Floor, 1285 West Pender Street, Vancouver, BC, V6E 4B1 t: (604) 662-3700 f: (604) 684-9004

July 29, 2019

Mayor Hurley and Members of Council
City of Burnaby
4949 Canada Way
Burnaby BC, V5G 1M2

Note from Director Planning and Building:

A core principle for granting the rental density to which the noted vacancy controls apply, was securing a public benefit by way of some level of affordability being obtained over time. The policy has a feedback mechanism built into it, and should the vacancy controls prove problematic in two years, staff can recommend changes at that time. Finally, it is noted that alternatives to the vacancy control that meet the intent of the policy could also be considered on an individual basis.

Dear Mayor Hurley and Members of Council:

Re: Rental Use Zoning Policy and Vacancy Control

Ledingham McAllister supports the need for more affordable and market rental housing in the City of Burnaby. We appreciate all of the hard work the Task Force on Community Housing, the Mayor's Office, Council, and City staff has put into producing the Rental Use Zoning Policy and Initial Implementation Framework (April 25, 2019).

This new policy encourages new rental housing in Burnaby, with the slowing of the condominium market and access to government programs, we believe this could be an ideal time pursue the construction of rental projects.

We support the immediate increase in affordable rental stock as a result of the density offset provided. However, we have concerns that vacancy control measures placed upon the market rental provisions within the RMr zoning will lead to a lack of market rentals being built in Burnaby and a lost opportunity for the City.

Ledingham McAllister supports the BC Residential Tenancy Act. It provides fair and equitable rental guidelines for tenants. However, under the new policy it states ***"additional permitted market rental should be limited to RTA increases regardless of tenancy"***. We support the existing RTA policy however, the new City requirements of ***"regardless to tenancy"*** we respectfully suggest should be removed from the new City policy for market rental projects to be viable. The immediate challenge projects will face is securing standard underwriting from financial institutions as they will not see projects as financially viable long-term. This is due to the long-term challenges of keeping up with the increases in operating and maintenance costs, along with the ability to provide basic unit improvements. Operating costs are already outstripping inflation, making it difficult to provide standard upgrades as buildings get older.

We currently have a number of projects in Burnaby impacted by this new policy. We are pleased to be one of the first applicants to implement your new City policy at our project 'The Bennett' at 4960 Bennett Street in Metrotown where we are replacing the existing rental stock with a 1:1 ratio of affordable rental units however, our application does not include any additional market rental units.

Copied to:

City Manager
Dir. Corporate Services
Dir. Planning and Building

In Edmonds, our approved Master Plan for Southgate City includes approximately 6,000 residential units in 20 towers and 25 low-rise residential buildings. The development aims to revamp South Burnaby over the next 20 years into a vibrant new community. We have been in discussions with Burnaby Planning staff on the new rental use policy and its application to our master planned site.

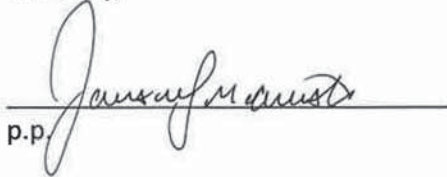
Through the application of this new policy, we envision providing 20% of our current unit estimates as affordable rental housing, which equates to approximately 800 units. We also intend to include the associated Density Offset. Our recently occupied BC Housing Family project and under construction BC Housing Seniors project at Southgate are two recent examples of our commitment to building affordable rental housing in Burnaby.

We have explored the option of adding market rental housing at Southgate City. An additional 2,800 market rental units could be provided to South Burnaby if Southgate used the RMr zone to its full capacity. In our analysis, implementing a vacancy control indicated in the new City policy would negatively impact the long-term economic feasibility of these market rental units. As a result, it is unlikely that we would utilize any of the potential market density at Southgate.

As an aside, we are currently underway with six large developments in the City of Coquitlam. In these projects we are currently including some 600 units of market rental due in large part to the City of Coquitlam's unrestricted policy for including these types of units.

We look forward to working with the City of Burnaby on the implementation of this important new policy. However, we request the removal of the vacancy control from the RMr zoning in order to generate thousands of new rental units for the citizens of Burnaby. We are able to discuss this at your convenience.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ward S. McAllister", is written over a horizontal line. The signature is fluid and cursive.

p.p.

Ward S. McAllister
President & CEO

A core principle for granting the rental density to which the noted vacancy controls apply, was securing a public benefit by way of some level of affordability being obtained over time. The policy has a feedback mechanism built into it, and should the vacancy controls prove problematic in two years, staff can recommend changes at that time. Finally, it is noted that alternatives to the vacancy control that meet the intent of the policy could also be considered on an individual basis.

From: Eric Hughes [<mailto:ehughes@onni.com>]
Sent: July-26-19 9:56 AM
To: Mayor; McDonell, Paul; Calendino, Attilio Pietro; Dhaliwal, Satvinder; cjordan@comsavings.com; Wang, James; Johnston, Dan; joe.keithlery@burnaby.ca; Volkow, Nick
Subject: City of Burnaby Rental Use Zoning Policy

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Mayor and Council,

Onni has reviewed the new rental use zoning policy, generally we are supportive, but we do have some concerns with the rent restrictions for the Stream 2 market rental density that is permitted via the RMR zonings. Please find a letter attached, which outlines our concerns.

Thank you for considering our feedback.

Yours truly,

Eric Hughes
VP of Development
ONNI GROUP
200 - 1010 Seymour Street
Vancouver, BC, V6B 3M6
D: (604) 488-8987
ONNI.COM



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Copied to:
City Manager
Dir. Corporate Services
Dir. Planning and Building

July 25, 2019

Mayor and Members of Council
City of Burnaby
4949 Canada Way
Burnaby, BC
V5G 1M2

Dear Mayor and Members of Council,

Re: Rental Use Zoning Policy – Stream 2

City staff, Mayor and Council have drafted a very comprehensive rental use zoning policy that will ensure a significant amount of new affordable housing will be constructed in the City's Town Centres. Onni is generally supportive of the new policy and looks forward to working with the City to deliver affordable housing. Onni is also interested in exploring the opportunity to develop market rental density permitted via the proposed RMR zonings. However, we do have concerns with the economics of building market rental density as permitted in Stream 2 of the rental use zoning policy.

We understand, the policy currently considers a provision where rents can't be adjusted to market rates for new tenants. When a tenant vacates their dwelling, the rent that is permitted to be charged will be required to be the same as the rent charged to the previous tenant. The inability to adjust rents to market rates results in a depreciating asset for the developer. Operating costs in the Lower Mainland have traditionally outpaced CPI. Furthermore, discounted rents for market rental units creates an inequitable situation where some residents can secure discounted rents despite not having to qualify for the lower rents based on income thresholds.

Based on the new policy Onni could deliver approximately 500 Stream 2 market rental units at our Gilmore Place development and North Road project. Additional market rental units could also be delivered via Stream 3. For Onni to proceed we need to ensure the market rental units will be viable based on a long-term horizon.

Onni appreciates the thoughtful rental use zoning policy that has been drafted, but requests the move-out provision prohibiting rents can be adjusted to market rates be removed.

Yours truly,

A handwritten signature in black ink, appearing to read "E. Hughes", is written over a light gray grid background.

Eric Hughes
VP of Development
ONNI Group
200-1010 Seymour Street
Vancouver, BC
V6B 3M6

Section 1 Council Correspondence 2019.08.15

July 29, 2019

Mayor Mike Hurley and Members of Council
City of Burnaby
4949 Canada Way
Burnaby, BC V5G 1M2

Dear Mayor Hurley,

Note from Director Planning and Bldg: A core principle for granting the rental density to which the noted vacancy controls apply, was securing a public benefit by way of some level of affordability being obtained over time. The policy has a feedback mechanism built into it, and should the vacancy controls prove problematic in two years, staff can recommend changes at that time. Finally, it is noted that alternatives to the vacancy control that meet the intent of the policy could also be considered on an individual basis.

460 Fraser View Place
Delta, British Columbia
Canada V3M 6H4

T. 604.528.6010
F. 604.522.1604

www.solterradev.com


It has been and continues to be a great honour to be part of the Mayor's Task Force on Community Housing, helping to support the realization of 1:1 rental replacement and to encourage a proliferation of new rental homes through density bonusing while taking care of the needs of existing tenants. These are programs that I believe will bring tangible benefits to the citizenry of Burnaby.

And having been directly involved in the envisioning and the crystallization of ideas behind these initiatives, naturally, I look forward to putting them in place for our upcoming developments. At the same time, however, I believe it is vital that the section in the new policy pertaining to vacancy rent control be revisited, and this is why:

1. The proposed rent controls on "market rental" housing is a disincentive to developers to provide this much-needed type of accommodations. Since the value of rental property is derived solely from its income potential, artificially restricting its ability to find its own equilibrium unfairly penalizes the owner of such property.
2. It is inevitable that developers will want to take advantage of the good-intentioned density bonusing program, and with the expected growth in rental stock, there is no need to legislate a ceiling on the rental rate as such a ceiling would likely defeat the great benefits of having such a program in the first place.
3. A landlord of a true "market rental" home, normally, is willing and financially able to upkeep and make improvements to such a property, over time, as there is an incentive to do so. When that incentive is removed, these properties tend to fall into disrepair, thereby reducing the quality of life for would-be renters.

The vacancy rent control effectively converts the "market rental" component of any new building into another form of "non-market rental". As a life-long Burnaby resident, I see first-hand the challenges facing our residents and families in meeting their diverse housing needs. While I believe we are moving in the right direction, I would ask that the proposed vacancy rent control of the RMr density be removed in order to encourage maximum utilization of the new policies.

Sincerely yours,
Solterra Development Corp.



Mike Bosa

Copied to:
City Manager
Dir. Corporate Services
Dir. Planning and Building

Section 3 Council Correspondence 2019.09.12

Minister of
Families, Children and
Social Development



Ministre de
la Famille, des Enfants et
du Développement social

Ottawa, Canada K1A 0J9

His Worship Mike Hurley
Mayor of Burnaby
4949 Canada Way
Burnaby BC V5G 1M2

AUG 19 2019

Dear Mr. Mayor:

Thank you for your letter received on June 29, 2019, sharing Burnaby City Council's concerns and your support of the Federation of Canadian Municipalities' (FCM) letter about Phase 2 of the Federal Community Housing Initiative (FCHI). It was also a pleasure discussing these issues with you in person during our last meeting. I would like to assure you that our Government listened to all feedback and that the implementation of Phase 2 will facilitate a seamless and timely transition from expiring agreements.

The Federal Community Housing Initiative (FCHI) will put in place new operating agreements as old social housing operating agreements expire. Under these new agreements, community housing providers will continue to receive funding to subsidize rents for tenants in need. In the development of Phase 2, we too are recognizing the risks associated with the transition from legacy operating agreements to the new application-based program. We agree that it is essential that community housing providers receive continuous support without interruption. To this end, Phase 2 will not include any unrealistic requirements that must be met in order to access the program. Instead, the FCHI will include an Action Plan approach that accounts for the varying starting points of different housing providers. Canada Mortgage and Housing Corporation (CMHC) will work with applicants to ensure providers successfully access the program. The inclusion of Action Plans will aim to help providers improve their operations as is necessary.

On June 26, 2019, I was pleased to announce \$462 million in funding over eight years for Phase 2 of the FCHI, and can confirm that under Phase 2, housing providers will transition seamlessly to a new rental support program, which will start on April 1, 2020.

Our Government believes that the FCHI approach will support the seamless transition and continued operations of federally administered community housing, meeting not only the needs of our vulnerable populations, but also those of the middle class and those working hard to join.

Thank you for your continued support of the National Housing Strategy. I hope that this information is helpful and eases your concerns.

Yours sincerely,

The Honourable Jean-Yves Duclos, P.C., M.P.

Copied to:
City Manager
Dir. Corporate Services
Dir. Planning & Building

Referred to:
Planning and Development Committee
(2019.10.29)

