

TO: CHAIR AND MEMBERS
PLANNING AND DEVELOPMENT COMMITTEE **DATE:** 2015 March 26

FROM: DIRECTOR PLANNING AND BUILDING **FILE:** 49500 20
Reference: REZ#12-23

SUBJECT: REQUEST FOR COMMUNITY BENEFIT BONUS HOUSING FUNDS
BURNABY SENIORS VILLAGE (SUNSET, KINCAID, GODWIN)
CENTRAL ADMINISTRATIVE AREA PLAN
REZONING REFERENCE #12-23

PURPOSE: To seek Committee and Council's consideration of an application for Community Benefit Bonus Housing Funds to support the Burnaby Seniors Village Non-Profit seniors' housing development.

RECOMMENDATION:

1. **THAT** the Committee give consideration to a recommendation to Council for an allocation of funds in support of the Burnaby Village non-profit seniors' housing project.

REPORT**1.0 BACKGROUND**

Retirement Concepts, on behalf of the Jubilee Multi-Generational Housing Society, has made a written submission (*attached*), dated 2014 October 17, requesting a grant from the City's Community Benefit Bonus Housing Fund. The request is to support the development of the proposed Burnaby Seniors Village non-profit seniors' housing project, which consists of 105 units of Category B Supportive Housing and a 100 room Complex Care facility on the current City-owned properties to be sold into the development located between Sunset Street, Kincaid Street and Godwin Avenue (Rezoning Reference #13-37).

The Jubilee Multi-Generational Housing Society has submitted records of its registration as a non-profit society, its application to the Canadian Revenue Agency (CRA) for tax exemption as a non-profit society, and has submitted information on the society and its operational structure. The City Solicitor has reviewed the submitted documentation to confirm that it is in order.

The society has noted that the assisted living and complex care project will be owned and operated by the non-profit Jubilee Multi-Generational Housing Society (JMGH) of British Columbia. The Jubilee Multi-Generational Housing Society of BC is a registered non-profit society established as one of four national chapters in honour of the 50th anniversary Golden Jubilee of His Highness the Aga Khan in 2008. Each chapter is financially independent and is

To: Planning and Development Committee
From: Director Planning and Building
Re: Request for Housing Funds
2015 March 26 Page 2

required to raise funds through donations with the mandate of providing affordable housing to assist the poor and elderly. The Jubilee Multi-Generational Housing Society has raised \$10,000,000 in donations to acquire the site for the development of a non-profit seniors housing complex in Burnaby.

2.0 REQUIRED COVENANTS AND ASSURANCES

Under the framework of the City's Housing Fund program, the City requires registration of a Section 219 Covenant to secure repayment of Community Benefit Bonus Housing Funds in the event that a project does not proceed within the specified timeframe. Projects approved to receive a grant of Housing Funds are eligible to receive the funds upon completion of a rezoning application or issuance of a Building Permit for the subject development. Following receipt of the grant funds, the project is expected to achieve occupancy of the development within a 5 year period, otherwise the funds must be repaid. Council has the discretion to extend this term should a project be in progress. If a project operates for a period of ten years for the approved purpose, the grant is forgiven. If a project reverts from the approved use within the first ten years, the grant repayment amount is reduced by 1/10th for each year that the project has operated.

To protect the requirement that the City land is sold for non-profit seniors' housing as approved by Council, a Section 219 Covenant will be registered on title to ensure that the use of the project is for seniors' non-profit housing and that it remains under the operation of a non-profit organization in perpetuity. Furthermore, an option to purchase will be registered against the consolidated site's title (Right of First Refusal), whereby if the shell of the first phase of development is not completed within three (3) years of development being initiated, or the property is intended to be sold undeveloped, the City will have the option to purchase the property at current market value.

3.0 HOUSING FUND REQUEST

The society has noted that it is seeking an allocation of housing funds of \$11,129,883 from the City of Burnaby to directly offset the costs of City land, services, permits and fees. The Society would like to receive a grant to offset payment of City costs in support of its non-profit operating model for the development. The estimated costs of the development are as follows:

Acquisition of City Land:	\$ 9,265,000
Consultants Fees (Architectural/Engineering):	\$ 250,000
City Permits and Fees:	\$ 326,427
Off-site Services (City):	\$ 838,457
Off-site services (Other):	\$ 450,000
Development Cost Charges	\$ 353,573
Construction Value:	\$40,000,000

The society has expressed that any cost savings achieved through an allocation of housing funds will directly reduce borrowing costs resulting in lower operating costs and lower monthly rates for seniors.

To: Planning and Development Committee
From: Director Planning and Building
Re: Request for Housing Funds
2015 March 26 Page 3

It is noted, however, that not all funds requested are generally considered eligible under the City's guidelines for Housing Funds, specifically those for non-city related services and fees, and those for the complex care component of the site. Only 58% (66,901 sq.ft.) of the Assisted Living area (housing component) is considered eligible and 42% (48,357 sq.ft.) of the Complex Care area (as a health facility) is considered ineligible for an allocation of housing funds. The only component which would be unaffected by this percentage allocation would be the Parkland Acquisition Charge which does not apply to complex care. Furthermore, although the value of the City land has been included by the applicant in their grant request, this was not identified as an option in the City land tender or bid. The indication of the availability of Housing Funds for the acquisition of City land may have had an effect on the number, nature and value of the bids the City could have received through Public Tender process for the lands. If it were the intent of the City to offset the land acquisition costs through the use of amenity funds, this would have been expressed as part of the Public Tender. As such, the land component is not considered to be eligible for offset by housing funds.

Therefore, in summary, of the Society's total funding request of \$11,129,883, the following has generally been considered by Committee and Council in previous applications for an allocation of Housing Funds, based on the 58% share for the assisted living (housing) component:

City Application and Permit Fees:	\$189,328
City Off-Site Servicing:	\$486,305
City Development Cost Charges (Park):	\$256,900
Total	\$932,533

It is noted that the preliminary estimate of City Off-site works for the entire site was \$571,280 as of 2013 November 12. Recently, the City's Engineering Department updated and finalized this estimate to \$838,457.15, as of 2015 March 03. Thus, the servicing component for the site is \$267,177.15 higher than first estimated. Therefore, based on the eligible City-related costs and fees for the site, a grant in the amount of **\$932,533** would be generally supported under the City's established approach.

4.0 COMMUNITY BENEFIT BONUS HOUSING FUNDS

Under the City's Community Benefit Bonus Program, funds received in-lieu of on or off-site community amenities are deposited to the Community Benefit Bonus Fund with 20% allocated to the Housing Fund. The Housing Funds are then available for allocation by Council for affordable housing initiatives. In 2008 January, Council adopted a policy framework for the use of the Housing Fund to support the delivery of affordable housing. The Community Benefit Bonus Housing Fund currently has a balance of \$24 million as of 2015 March 23.

With regard to the Housing Fund, an allocation can be supported for affordable and special needs housing projects. This proposal is considered to be eligible for consideration for Housing Funds given that the Society will provide seniors' supportive housing on a non-profit basis. As noted, a Section 219 Covenant will be registered on title to ensure that the use of the project is for seniors' non-profit housing/care and that it remains under the operation of a non-profit organization in perpetuity.

To: Planning and Development Committee
From: Director Planning and Building
Re: Request for Housing Funds
2015 March 26 Page 4

Primarily, the framework supports the use of Housing Funds to offset City-related development fees, servicing costs and development cost charges. The City-related fees and charges are eligible to be considered for an allocation of Housing Funds under the City's approach.

The purpose of these guidelines is to ensure that projects receiving funds are substantially viable, and advance to completion within a timely manner to avoid the unnecessary reservation of density bonus funds that could otherwise be made available for other projects. They also ensure that the public benefit is secured with regard to the use of the funds.

5.0 CONCLUSION

Retirement Concepts on behalf of the Jubilee Multi-Generational Housing Society of BC has requested funding through the Community Benefit Bonus Housing Fund to assist in the proposed 105 units Supportive Housing and 100 room Complex Care non-profit seniors' development between Sunset Street, Kincaid Street and Godwin Avenue (Rezoning Reference #12-23). This report has summarized the request and has concluded that it is consistent with the objectives and guidelines for use of Housing Funds. Based on detailed estimates for application and permit fees, development cost charges and, City-related off-site servicing costs, the amount eligible for consideration of City funding is **\$932,533**. Staff are supportive of the use of housing funds to this project. Any funds approved will be released upon completion of the rezoning application or issuance of the Building Permit, and the registration of the Section 219 Covenants, in accordance with the policy adopted by Council.

On this basis, it is recommended:

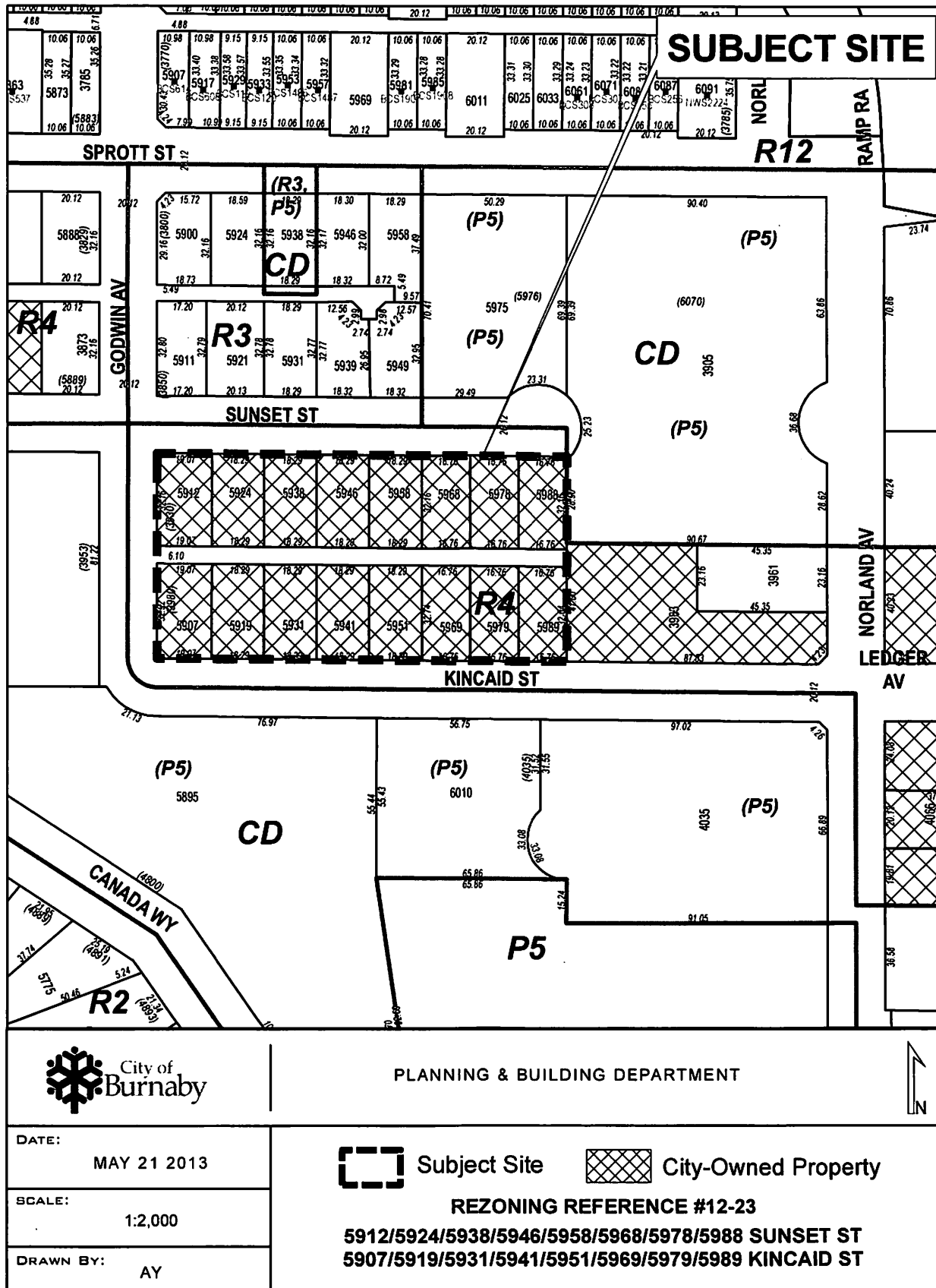
THAT Committee give consideration to a recommendation to Council for an allocation of funds in support of the Burnaby Seniors Village non-profit seniors' housing project.


Lou Pelletier, Director
PLANNING AND BUILDING

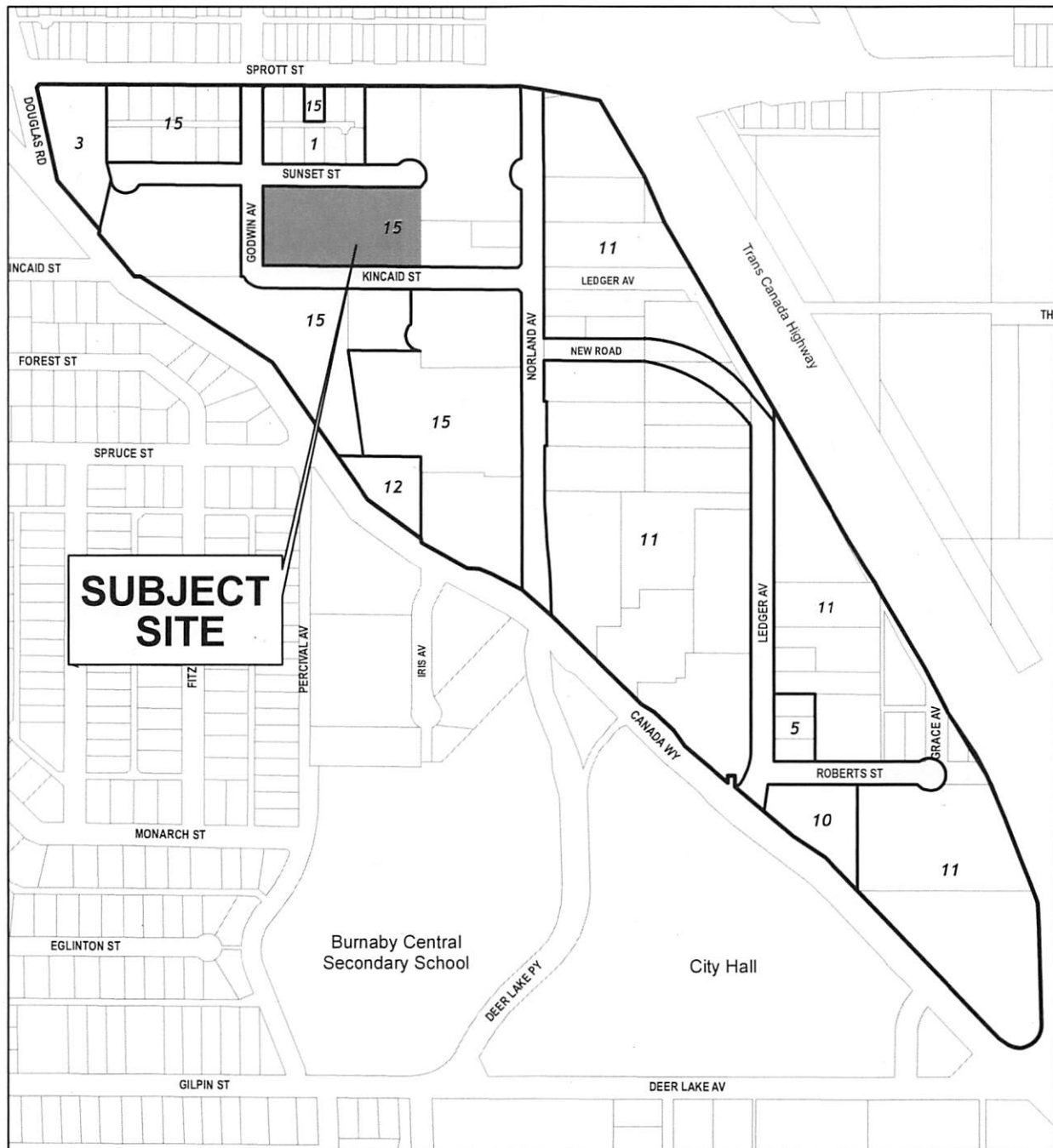
JBS:tn

Attachments

cc: City Manager
Director Finance
City Solicitor
City Clerk



Sketch #1

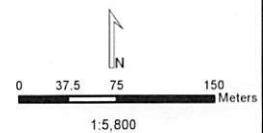


Central Administrative Area Community Plan



PLANNING & BUILDING DEPARTMENT

- 1 Single and Two Family Residential
- 3 Medium Density Multiple Family Residential
- 5 Commercial
- 10 Administration and Public Assembly
- 11 Business Centre Districts
- 12 Park and Public Use
- 15 Community Institutional





Retirement Concepts

October 17th, 2014

Mr. L. Pelletier
Director, Planning and Building Department
City of Burnaby
4949 Canada Way, Burnaby BC V5G 1M2

Dear Mr. Pelletier

Re: Rezoning Application # 12-23
Burnaby Seniors Village - Jubilee Multi-Generational Housing Society

The purpose of this letter is to request that the Community Development Committee and Council consider a grant request to support the non-profit seniors housing project proposed under Rezoning #12-23.

Jubilee Multi-Generational Housing Society was formed by The Ismaili Community when it celebrated The Golden Jubilee, 50th years of leadership accession of His Highness the Aga Khan in 2008. Under the society which has been established under one name but under separate registration in various provinces of Canada, BC chapter is interested in establishing this campus of care called Burnaby Seniors Village. The objective is to meet one of the goals identified in The Golden Jubilee directives, to look after elderly and aged in the community. Retirement Concepts represents the society as the applicant for this proposed rezoning application.

The Society's desire is to provide affordable housing to seniors at below market rates, as its mandate is to operate the facility on Non-Profit basis with significant contribution from volunteers. The Society has harnessed significant voluntary time to bring the project to this stage. The Society is continuously working with Fraser Health, BC Housing and other levels of government to secure long term operating funding for the project that will allow the society to meet the City's non-profit objectives for this site.

In this vein, we are requesting a grant from the City's amenity bonus housing fund to assist in off-setting the costs of off-site requirements, and other municipal fees and charges, to further assist in the affordability of housing to low and moderate-income seniors.

In the minutes of its meeting on May 27th, 2013, City Council authorized that the Planning and Building Department to work with the Applicant toward the preparation of suitable plan of development for the proposed site for presentation to a Public Hearing. On June 25th, 2013 the Council approved the second

CORPORATE OFFICE

SUITE 1160-1090 WEST GEORGIA STREET VANCOUVER, B.C. V6E 3V7
PHONE:(604) 662.4969 FAX: (604) 662.4939



Retirement Concepts

and on August 25th, 2014, Council approved the Third Reading of the rezoning bylaw. The grant request is now being advanced as the final costs associated with servicing and permits have been determined.

Based on discussion and the feedback from various departments at the City Hall, our consultants have provided a detailed cost impact analysis of City of Burnaby requirements, plus municipal fees and charges, related to the affordability of senior housing units in the proposed development.

A. PURCHASE PRICE OF THE LAND FROM CITY OF BURNABY:

- a. **Total Price of the land procurement: \$9,265,000 + tax – Payable to City of Burnaby**
 - b. Legal Documentation and Survey etc. \$35,000 + tax – Payable to various vendors
- Total Estimated Amount: \$9,300,000 plus applicable taxes**

B. MUNICIPAL FEES AND OFF-SITE COST:

A Summary of the anticipated costs associated with this application area as follows:

a. Municipal Fees and Charges

- 1. Park Acquisition Fund: \$256,900 (3.84/sq.ft.))
- 2. GVS&DD Charges: \$96,673 (\$0.811/sq.ft.)
- 3. Rezoning Application: \$7,140
- 4. Subdivision Application: \$10,558
- 5. PPA Approval \$58,750 (\$2.35/\$1K@@\$25M est. value)
- 6. Legal Documentation \$5,000 (Estimated)
- 7. Building Permit Fee: \$244,979 (\$9.85/\$1k @\$25M est. value)

Sub-Total: \$680,000 + tax – Payable to City of Burnaby

b. Off-Site Requirement: As outlined in the Subdivision Tentative Approval Letter Dated: November 12, 2013.

- 1. Roads: \$260,000
- 2. Drainage: \$75,000
- 3. Sanitary: \$50,000
- 4. Water: \$55,000
- 5. Miscellaneous: \$20,000
- 6. Contingency: \$50,000
- 7. Other Works*: \$60,000 *Partial – Balance Info Requested.

Sub-Total to City: \$570,000 – Payable to City of Burnaby

- c. Telus and Fortis: \$100,000
- d. Power (BC Hydro): \$350,000

Total Municipal Fees & Off-Site Servicing Cost=\$1,700,000 + applicable taxes

<u>Total City Associated Costs: \$11,000,000 (plus actual taxes wherever applicable)</u>



Retirement Concepts

Total Payable to City of Burnaby: \$10,515,000 (plus actual taxes wherever applicable)

Grant Request:

The estimated construction cost of the two initial phases of the project, minus the above noted land acquisition costs and municipal fee is in the range of \$40,000,000. The Society is requesting that the City of Burnaby assist in reducing the capital costs of the project to protect affordability and accessibility to this senior housing development for low to moderate income seniors. Specifically, the Society is requesting that the City of Burnaby provide a grant of up to \$11,000,000 to offset the estimated land procurement, municipal fees and other charges as listed above that are payable to the City of Burnaby related to this development.

We thank you for your consideration of this request, and we look forward to working with the City of Burnaby to make this wonderful non-profit seniors project a reality.

Sincerely

**Shehzad
Somji**

Digitally signed by Shehzad Somji
DN: cn=Shehzad Somji,
o=Retirement Concepts,
ou=Development,
email=ssomji@retirementconcepts.
com, c=CA
Date: 2014.10.17 22:42:41 -07'00'

Shehzad Somji, Applicant
Manager, Planning and Development
Retirement Concepts Developments on behalf of
Jubilee Multi-Generational Housing Society