

**PLANNING AND DEVELOPMENT COMMITTEE**

*HIS WORSHIP, THE MAYOR  
AND COUNCILLORS*

**SUBJECT: COMMUNITY BENEFIT BONUS HOUSING FUND POLICY –  
CITY LAND PROGRAM FOR NON-MARKET HOUSING PROJECTS**

**RECOMMENDATION:**

1. THAT this report be received for information.

**REPORT**

The Planning and Development Committee submitted a report to the Closed meeting of Council held on 2015 November 09, amending the Community Benefit Bonus Housing Fund policy and initiating the City Land Program for Non-Market Housing Projects.

At its Closed meeting, Council adopted the recommendations contained in the attached report - the proposed new program for the Community Housing Fund to make City lands available for non-market housing projects and approved the selection of two City-owned sites (7898 Eighteenth Avenue and 3802 Hastings Street) for non-market and/or co-op housing development under the program.

This report is provided for public information.

Respectfully submitted,

Councillor C. Jordan  
Chair

Councillor D. Johnston  
Vice Chair

Councillor S. Dhaliwal  
Member

Copied to:	City Manager Deputy City Managers Director Planning & Building Director Finance Chief Building Inspector City Solicitor
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**TO:** CHAIR AND MEMBERS  
PLANNING AND DEVELOPMENT  
COMMITTEE

**DATE:** 2015 November 16

**FROM:** DIRECTOR PLANNING AND BUILDING

**FILE:** 71000 01  
*Reference: Community Benefits From  
Density Bonuses – Housing  
Funds*

**SUBJECT: COMMUNITY BENEFIT BONUS HOUSING FUND POLICY -  
CITY LAND PROGRAM FOR NON-MARKET HOUSING PROJECTS**

**PURPOSE:** To amend the Community Benefit Bonus Housing Fund policy and to initiate the City Land Program for Non-Market Housing Projects

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**RECOMMENDATIONS:**

1. **THAT** Council approve the proposed new program for the Community Benefit Housing Fund to make City lands available for non-market housing projects.
2. **THAT** Council approve the selection of two City-owned sites (7898 Eighteenth Avenue and 3802 Hastings Street) for non-market and/or co-op housing development under the program.

**REPORT**

**1.0 BACKGROUND**

Burnaby Council established the Community Benefit Bonus Policy in 1997 which has served as a successful tool for securing community amenities through development that is occurring within Burnaby's four Town Centres. In 2006, as part of a comprehensive policy review, Council established a special Community Benefit Bonus Housing Fund to assist with affordable housing initiatives in the City. Under this new program, 20% of undesignated cash-in-lieu contributions received through the density bonus provisions of the Burnaby Zoning Bylaw are deposited into this reserve fund. Overtime, the Housing Fund has grown to serve and support the City's affordable housing objectives and has contributed to the realization of the goals of its residential framework and housing strategy.

The continued growth of the Housing Fund presents an opportunity to review the existing policies and develop additional programs to further augment and improve the fund's ability to support the City's housing objectives. The purpose of this report is to expand the use of the Community Benefit Bonus Housing Fund to make available suitable City-owned lands for non-market housing projects.

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## **2.0 POLICY FRAMEWORK**

Burnaby's affordable housing policy framework is built upon the foundation established in the residential policies of the Official Community Plan (OCP) and the Regional Context Statement (RCS). The OCP policies outline the City's direction of "seeking new methods, regulations and partnerships to encourage the development and protection of affordable and special needs housing in the City" and reflect the need for diverse housing types to meet the needs of a growing population. Under Goal 4: Develop Complete Communities, the RCS outlines Burnaby's commitment towards encouraging diverse and affordable housing choices.

Additionally, the City's Social Sustainability Strategy (SSS) provides clear direction on the community's objectives and directions related to non-market housing. The SSS includes Strategy 1: Meeting Basic Needs, which advocates for the City's continued advocacy to senior levels of government for programs and policies that support affordable housing, and the City's continued efforts to facilitate development of non-market and supportive housing. Consistent with these policies, the City has maintained an ongoing program of providing opportunities for non-profit housing proponents related to zoning considerations and grants to support the creation of affordable housing.

## **3.0 COMMUNITY BENEFIT BONUS HOUSING FUND (CBBHF)**

### **3.1 Policy Background**

In 1997, Council adopted the Community Benefit Bonus Policy to be applied to all development located in the City's four Town Centres. Through this policy, the City secures community amenities, which includes designated contributions to the City's Housing Fund. The City, through the development approval process, allows additional density in exchange for the community benefit, which may be the direct provision of community amenities. The policy was updated in 2006 to enable receipt of cash contributions-in-lieu of a direct amenity. Two reserve funds were established to receive contributions-in-lieu with 80% of received contributions directed into the Community Benefit Bonus Amenity Fund for the corresponding Town Centre and 20% directed to the city-wide Community Benefit Bonus Housing Fund.

Council's establishment of a Housing Fund and supporting policy referenced above is intended to use contributions-in-lieu to facilitate development of new affordable housing stock and to leverage contributions from senior levels of government, and other housing providers.

In 2008, Council adopted an approach for the use of the CBBHF, which enabled funds to be used city-wide and established that projects eligible for Housing Fund grants would be defined as either 'City-initiated' or 'Community-sponsored' projects.

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### **3.1.1 City-Initiated Projects**

City-initiated projects include projects directly advanced by the City constructed on a City-owned site or in conjunction with a market development proposal with the agreement of the property owner. The Housing Fund is used to cover a range of costs associated with the housing development. This policy program largely relates to city-owned units that were achieved as on-site non-market housing achieved through new development projects.

The affordable and/or Special Needs Housing secured through this component of the Community Benefit Bonus Policy include:

<b>Development</b>	<b>Address</b>	<b>Housing Secured</b>	<b>Value</b>
Madison Centre	1825 Rosser Avenue	4 units of non-profit, adaptable housing for persons with disabilities	\$600,000
Renaissance	2088 Madison Avenue	9 units of non-profit, adaptable housing for persons with disabilities	\$2,000,000
Brentwood Gate	4878 Brentwood Drive	6 units of subsidized, non-profit housing for individuals, couples and families on the B.C. Benefits Program	\$1,300,000
<b>Total:</b>		<b>19 units</b>	<b>\$3,900,000</b>

### **3.1.2 Community-Sponsored Projects**

Community-sponsored projects include community based non-market rental projects that are advanced by non-profit groups, with or without senior government funding support. The units are targeted to low income families or individuals, seniors, people with disabilities, or other groups who have particular housing needs that are not met through the private market. These projects include stand-alone developments or the provision of units by a non-profit group in cooperation with a larger private development. Under the policy, Housing Fund grants are also available to support community sponsored projects.

The Housing Fund policy establishes the Planning and Development Committee with the authority to make recommendations regarding the use of the Housing Fund for the consideration of Council. The Committee assesses potential support for community sponsored initiatives using criteria established for the use of the Housing Fund. These criteria are:

- the additional benefit to be derived from City support of any particular project;
- the non-profit status of the organization submitting the application for support;
- the nature of the proposed project and the specific community need addressed;
- the capabilities and experience of the non-profit applicant;
- the commitments and opportunities for other funding support for the project;
- the geographic location of the proposed development and its role in facilitating a balanced distribution of affordable housing throughout Burnaby;
- a sound financial or business plan for the project; and,
- the current availability of funds deposited in the CBBHF.

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When these criteria were adopted, Council established that the Committee would recommend funding that could be allocated to any one community sponsored project, within the limit of the funds available.

Under this stream in line with Council policy and practices, over \$2 million in off-setting grants have been allocated to five affordable and special needs housing projects and two housing studies. These grants have facilitated the development of 257 units of non-profit rental housing for seniors, persons with disabilities, and women and children fleeing violence. The grants were used to offset project City fees, serving and other charges.

The grants provided from this component of the Housing Fund include:

Operator	Housing Secured	Grant Amount
Royal Canadian Legion	70 units of seniors' independent living market rental units.	\$ 227,066
Dixon Transition Society	9 units 2 <sup>nd</sup> stage housing for women and children.	\$ 100,000
Swedish Canadian Rest Home Association	46 non-profit subsidized seniors' rental units.	\$ 355,000
Vancouver Resource Society	11 units of accessible market rental units.	\$ 95,157
George Derby Care Society	121 non-profit seniors' supportive rental units (low end of market).	\$1,230,115
<b>Total:</b>	<b>257 units</b>	<b>\$2,007,338</b>

In summary, to date the City's Community Benefit Bonus Policy and the Housing Fund have been utilized to assist in the creation of 276 new non-market housing units through its existing policy and programs. Since 2007, cash contributions-in-lieu to the CBBHF have increased the reserve to approximately \$30 million, which provides a secure and substantial reserve for the City to continue to support non-market housing programs.

#### 4.0 CITY LAND PROGRAM FOR NON-MARKET HOUSING PROJECTS

Arising from the general review of the currently approved approach for the use of the Housing Fund, through the Planning and Development Committee, a significant new policy initiative for Council's consideration has been identified to support non-market and/or co-op housing opportunities.

It is proposed that the policy for the use of Community Benefit Bonus Housing Fund be amended to provide a new program that would off-set the acquisition costs of City-owned lands for development of non-market housing. Under this new initiative, designated City-owned lands would be made available for non-market housing projects under long-term leases through the established Council approval process for the use and allocation of civic lands. The Housing Fund

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under this policy amendment would provide the funds to reimburse the City for the cost of City lands made available for non-market housing.

Under the proposal, senior governments and/or non-profit societies would have the opportunity to develop viable city-owned housing sites at a nominal lease rate, with the land costs being off-set by the Housing Fund. This would result in City contributions to new non-market housing on selected sites that was equivalent to the land costs, with City permits, fees and servicing cost also off-set through the established housing grant program.

It is proposed that this new initiative be advanced through a phased process, to ensure the development of appropriate guidelines and approval processes. This approach would provide the Planning and Development Committee and Council sufficient opportunities to create additional guidelines that would support the prudent expenditure of Housing Funds, protect the City's land assets, and maximize the access of the program to viable projects overtime.

The proposed phases of this proposed program would include:

- **Phase 1** – Identification of City Lands for Non-Market Housing Projects.
- **Phase 2** – Review of Program Priorities & Guidelines for Expressions of Interest.
- **Phase 3** – Proposal Call Review and Selection

#### **4.1 Phase 1 – Identification & Financing of City Lands for Non-Market Housing**

##### ***4.1.1 Identification of City-Owned Lands Suitable for Non-Market Housing***

In order to advance Phase 1 of the new program at this time, staff have undertaken an initial review of the City's land holdings to identify suitable development sites that could be made immediately available under the proposed policy. The criteria for identification of City-owned lands suitable for non-market housing under the proposed program include: availability, size, location, existing zoning and land-use designations, assessed value, existing services, compatibility with adjacent land uses, and general suitability for the development of a non-market housing project.

Through this review, two initial sites that could support residential development, as envisioned by the program, are recommended at this time for approval as part of Phase 1 of the City Land Program. (See *Appendix 1 attached* for site locations, detailed property information and area maps) The City-owned lands identified for inclusion in the program at this time include:

- Site 1: 7898 Eighteenth Avenue (Sixth Street Community Plan)
- Site 2: 3802 Hastings Street (Heights Community Plan)

These two sites were originally acquired by the City over many years, and are designated for future multi-family residential development as part of an established community plan. A review

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of the sites has established that these lands are suitable for redevelopment and would require typical municipal servicing. As these initial sites meet the criteria established by the program, they would be subject to the considerations and guidelines outlined in Section 4.1.2, below.

In the future, advancement of any other identified City-owned lands for lease financing, under the City Land Program of the Housing Fund, would require a similar evaluation of their suitability for the Housing Fund program.

For these two selected sites, it is proposed that the lands be made available to senior government, non-profit and/or co-op housing providers on the basis of a long-term lease at a nominal pre-paid rental rate, with associated conditions related to any renewals and/or concluding provisions. Through retaining title to the subject properties, the City would ensure that the lands would remain protected for their intended use as an affordable housing site to benefit the community in perpetuity, regardless of the specific proposal for development and management of non-market housing on the site.

The subject lands would also be reviewed on an individual basis to establish their market value through in-house appraisal reports by the Legal and Lands Department at the time of any contemplated long-term lease. This established market value of the lands would be the basis on which the Housing Fund would be utilized to reimburse the Land Assembly and Development Program, following Committee and Council approval for the release of the lands to any specific government, non-market and/or co-op housing proposal.

The use of funds from the Housing Fund to off-set the land value would be transacted in concert with the execution of a lease agreement with the viable and selected non-market housing provider. Following established civic practices, any property sale and/or lease revenues transferred to the Land Assembly and Development Program reserve would be utilized for future civic land acquisitions and development projects.

## **4.2 Phase 2 – Review of Program Priorities & Guidelines for Expressions of Interest**

Prior to advancing Phase 3 of the program, a future report to the Planning and Development Committee and Council would be prepared to further outline the City's non-market housing needs and priorities in order to establish guidelines for Expressions of Interest that would benefit and support Burnaby's citizens.

### **4.2.1 Review of Non-Market Housing Priorities**

Burnaby staff have identified the need to review non-market housing priorities that would build on the 'Burnaby Housing Profile – 2015', and would assess local housing market conditions by tenure, including assessing housing supply, demand and the income threshold for need. Planning staff are currently advancing detailed assessments of Burnaby's housing and demographics.

Through these actions and studies, it is anticipated that staff would advance a review to the Planning and Development Committee that would identify housing priorities with consideration

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of changing demographics, characteristics and needs across the City. Burnaby's review of the community's housing needs would be reviewed against the established housing goals and policies of Council with a view to ensure that the needs of people with special and affordable housing requirements are met within the jurisdiction and financial capacity of municipal government. As an initial priority, the provision of non-market family housing with a mix of below market rental rates is envisioned as a starting basis for program criteria.

The review of community housing needs would directly inform the establishment of program guidelines for Expressions of Interest concerning the City Lands Program for Non-Market Housing Projects. Ensuring strong criteria, based on the identified needs of the community, will provide a basis for supporting and advancing the use of civic funds for any selected and approved project.

#### **4.2.2 Guidelines for Expressions of Interest**

In general terms, the review of program guidelines for Expressions of Interest is expected to encompass the following issues which would need to be address by any project proponent:

- the proposal's contribution to the non-market housing priorities of Burnaby;
- the number of units and family housing need (i.e. composition of tenants) being addressed;
- the rental rates of units and how the proposed rents would address the income level of potential tenants;
- how the proposal would complement and enhance the objective of the established community plan designation for the subject site;
- the experience and track record of the applicant in the delivery of housing;
- the overall business plan for the project; and,
- the financial resources that have been secured for the project's development, through government subsidies and programs, and other community avenues.

#### **4.3 Phase 3 – Proposal Call Review and Selection**

Once site specific criteria have been established by Council, under the program, the City would advance each non-market housing site through an Expression of Interest (EOI) approval process through the Planning and Development Committee and Council. As part of the EOI process, staff would actively inform and engage with senior government staff, the non-profit housing and cooperative housing sector, and others involved, to refine potential non-market housing proposals.

In summary, the overall Expression of Interest review would include the following required Council approvals and staff \proponent actions:

**Step 1** – Council approval to initiate each Expression of Interest process for the selected City owned site based on approved program criteria.



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- Advertise the approved non-market housing site through newspapers and online media (including B.C. Bid) and direct mailing.

**Step 2 – Planning and Development Committee review of project proposals.**

- Advance submitted proposals that meet the approved program criteria, to the Planning and Development Committee for review and approval of short-listed projects.
- Request ‘short-listed’ project proponents to submit a detailed project proposal for further review.

**Step 3 – Council approval of a selected project and proponent.**

- Advancement of a report to the Planning and Development Committee with recommendation to Council.

**Step 4 – Final project approval and construction.**

- Advancement of the project by the proponent through the required development approval process, including required Public Hearing and Council approval.
- Final execution of all required legal agreements including the lease of City-owned lands.

Consideration of each approved proposal for selected City-owned sites would be subject to review and standard reporting by City staff, including but not limited to, any subdivision and rezoning reports. In its regulatory capacity, Council would review every project’s individual rezoning application within the context of the required public hearing process and the standard consideration of the community’s input and review of all aspects of a project proposal. The advancement for project construction and all necessary requirements, including building and any required development permits, would remain the responsibility of the applicant.

Upon adoption of this report, and prior to advancing any project as part of a Phase 3 review, staff would develop the requisite detailed administrative guidelines and procedures required to advance the program with the Planning and Development Committee for Council approval.

## **5.0 CONCLUSION**

In the absence of senior governments programs to fully address the issues related to the needs for affordable non-market housing, there will continue to be a demand for quality housing to serve the needs of Burnaby’s citizens. Supporting provisions of non-market housing remains an ongoing goal of the City’s Official Community Plan and was reconfirmed as part of the Social Sustainability Strategy. The Community Benefit Bonus Housing Fund has served the City’s needs to provide direct grants to non-profit societies to support the development of new non-profit rental housing in Burnaby.

The proposal outlined in this report is to advance a policy amendment for the use of the Housing Fund to make available City-owned lands for non-market housing projects. This program would build upon the City’s established housing policy framework and expand the use of Housing Fund

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to better serve the community's housing needs. This approach by the City in addressing this issue will create a significant incentive to support development of non-market housing on the selected sites by senior levels of government or the non-profit and co-op communities. This will further supplement and grow the City's diverse range of available housing stock.

The proposed financial incentive program would also supplement the needs of local non-profit/co-op housing providers and assist in leveraging available funding programs through the Provincial and Federal governments. It is recognized that the City cannot assume the full role or meet all the demand for housing that is regarded as a pressing national issue for all cities. However, it can assist the non-profit sector by using its designated Housing Fund resources to support the viability of proposed projects on selected City lands.

As outlined, the program will require further reports and subsequent adjustments and actions through Committee and Council approvals, to call on and leverage any Provincial and/or Federal housing programs and/or opportunities identified by proponents through the EOI process.

As such, staff would advance further reports regarding the administration of the program through the Planning and Development Committee for Council's review and consideration. In summary, this enhancement to the City's housing programs and the Community Benefit Bonus Program will serve to support community initiatives for non-market/co-op family housing on the two selected sites by:

- off-setting land acquisition costs;
- making suitable sites available; and
- continuing the grant programs to off-set City fees, changes and servicing costs.

The intent is to be able to both support and leverage senior government and non-market sector contributions and participation in building new non-market, co-op family housing in Burnaby.

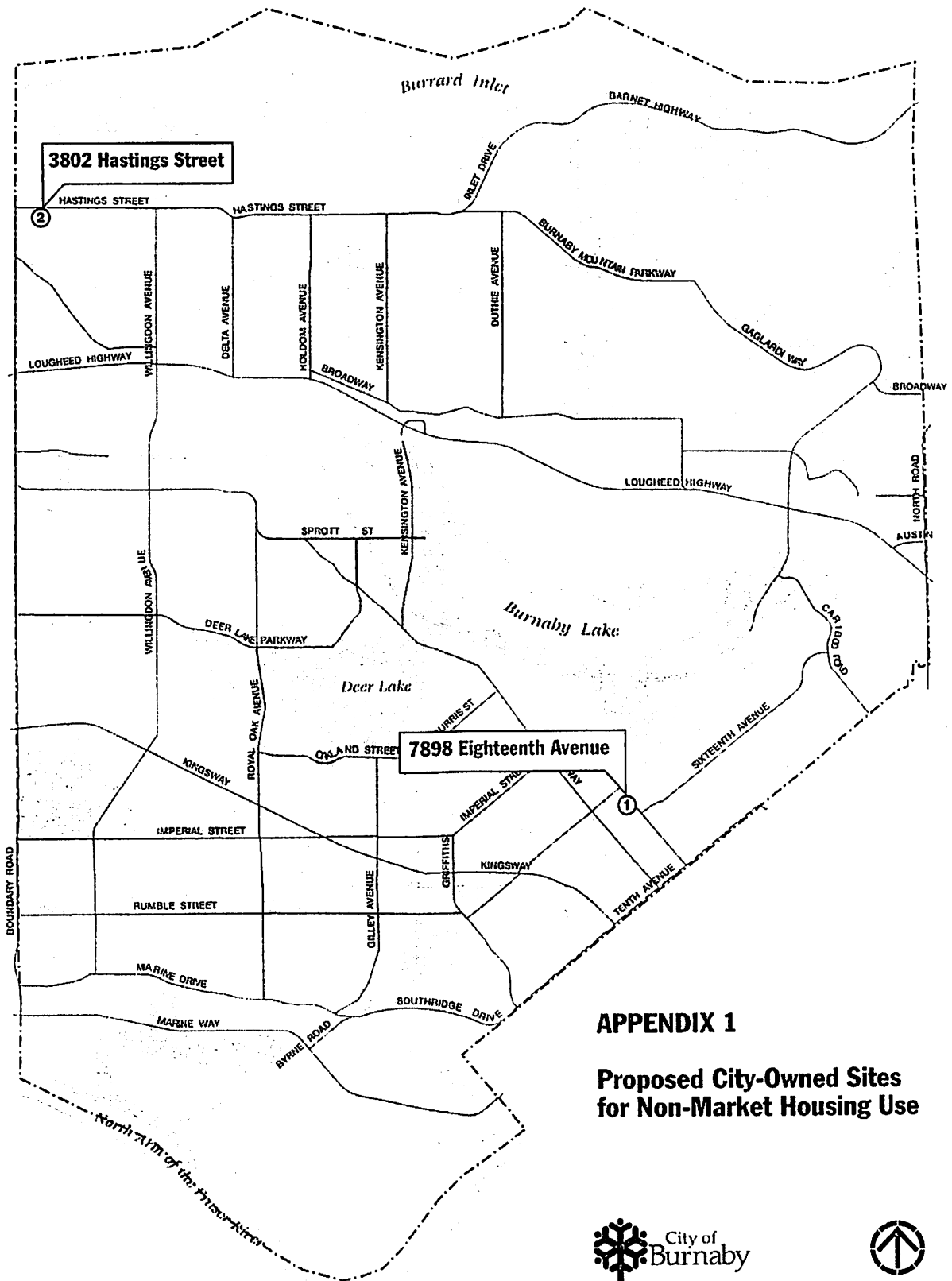


Lou Pelletier, Director  
PLANNING AND BUILDING

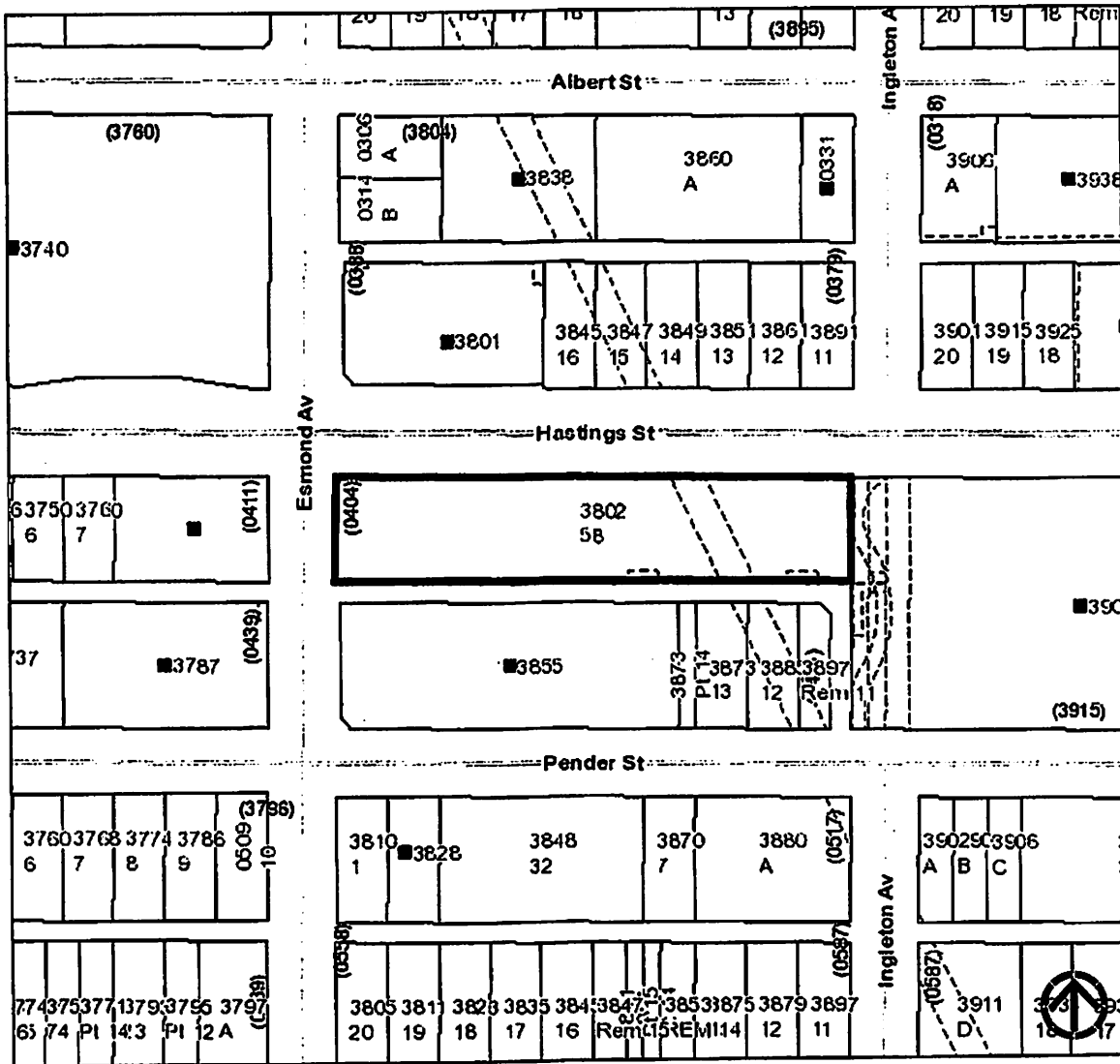
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**Attachments**

cc: City Manager                      Deputy City Managers  
Director Finance                  City Solicitor  
City Clerk







## Proposed City-Owned Sites for Non-Market Housing Use - Site 2

SITE NO.	ADDRESS	P.L.D.	LOT AREA (M <sup>2</sup> )	LOT AREA (FT <sup>2</sup> )	ZONING	AREA PLAN NAME	NOTES
2	3802 Hastings Street	001-632-311	4,743.88	51,063.56	CD(C8)	Heights	Proposed medium density mixed use

