

PLANNING AND DEVELOPMENT COMMITTEE

HIS WORSHIP, THE MAYOR AND COUNCILLORS

SUBJECT: CITY LANDS PROGRAM FOR NON-MARKET HOUSING PROJECTS – PRIORITIES AND GUIDELINES

RECOMMENDATION:

Copied to:

1. THAT Council approve the recommended Request for Expressions of Interest (RFEOI) guidelines and process, as outlined in Sections 4.0 and 5.0 of this report.

REPORT

The Planning and Development Committee, at its meeting held on 2016 March 29, received and adopted the <u>attached</u> report to review non-market housing priorities and recommend guidelines for a Request for Expressions of Interest (RFEOI) process for the City Lands Program for Non-Market Housing Projects.

Respectfully submitted,

Councillor C. Jordan

Chair

City Manager
Director Planning & Building

Councillor D. Johnston

Vice Chair

Councillor S. Dhaliwal

Member





TO:

CHAIR AND MEMBERS

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DATE: 2016 March 23

PLANNING AND DEVELOPMENT

COMMITTEE

FROM:

DIRECTOR PLANNING AND BUILDING

FILE:

71000 01

Reference:

Community Benefits from Density Bonuses - General

CITY LANDS PROGRAM FOR NON-MARKET HOUSING PROJECTS – PRIORITIES AND GUIDELINES

PURPOSE:

SUBJECT:

To review non-market housing priorities and recommend guidelines for a Request

for Expressions of Interest (RFEOI) process for the City Lands Program for Non-

Market Housing Projects.

RECOMMENDATION:

1. THAT Council approve the recommended Request for Expressions of Interest (RFEOI) guidelines and process, as outlined in Sections 4.0 and 5.0 of this report.

REPORT

1.0 INTRODUCTION

On 2015 November 23, Council amended the Community Benefit Bonus Housing Fund policy to include a new City Land Program for Non-Market Housing Projects. The Community Benefit Bonus Housing Fund allocates density bonus funds for affordable housing projects. The new program will allow designated City lands to be leased at nominal cost to providers of non-market affordable housing, including non-profit and/or co-op housing associations and senior levels of government.

As approved by Council, the program is to be implemented in three phases:

- Phase 1, which was completed concurrently with program adoption, and which has identified two City-owned sites suitable for non-market housing at 7898 Eighteenth Avenue and 3802 Hastings Street;
- Phase 2, which will establish program priorities and guidelines for a Request for Expressions of Interest (RFEOI) process; and
- Phase 3, which will advance each identified site through the Request for Proposals (RFP) approval process.

This report presents recommendations for Phase 2 program implementation.

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2.0 BACKGROUND

2.1 Non-Market Housing Policy

Burnaby's Official Community Plan (OCP), Regional Context Statement (RCS), and Social Sustainability Strategy (SSS) all contain policies supporting the development and protection of non-market housing. Specific policies include:

• OCP Residential Framework:

- o Goal 4 is to "help ensure that the needs of people with special and affordable housing requirements are met."
- o Section 4.3 directs the City to "seek new methods, regulations and partnerships to encourage the development and protection of affordable and special needs housing."

• Regional Context Statement:

- o Goal 4: Develop Complete Communities outlines Burnaby's commitment to encouraging diverse and affordable housing choices, including:
 - Working with senior levels of government in increasing the supply of affordable rental units for households with low or low to moderate incomes and meeting housing needs across the continuum; and
 - Encouraging and facilitating affordable housing development through measures such as below market leases of publicly owned property.

• Social Sustainability Strategy:

- o Strategy 1: Meeting Basic Needs calls for further advocacy to senior levels of government for programs and policies that support affordable housing, and continued efforts to facilitate development of non-market and supportive housing.
- o Suggested Actions 11-13, and 16 recommend:
 - Developing or clarifying criteria for the City's Housing Fund to fill gaps in the housing continuum;
 - Continuing to lease City-owned properties for non-market and supportive housing that is affordable to low and moderate income households;
 - Continuing to add to Burnaby's stock of adaptable/accessible housing through the Community Benefit Bonus Policy; and
 - Looking for opportunities to work with senior levels of government, businesses, Fraser Health, community organizations and otherwise to facilitate the development of housing that is supportive of and suitable and affordable to specific target groups such as low and moderate income households, and those experiencing mental illness, addictions, family violence, homelessness and other challenges.

Consistent with these policies, the City maintains the Community Benefit Bonus Housing Fund (CBBHF) to facilitate development of new affordable housing stock and to leverage contributions from senior levels of government and other housing providers. To evaluate grants

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for "community-sponsored projects" advanced by non-profit housing providers, the CBBHF reviews the following criteria:

- the additional benefit to be derived from City support of any particular project;
- the non-profit status of the organization submitting the application;
- 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 project funding;
- the geographic location of the proposed development and its role in facilitating a balanced distribution of affordable housing;
- a sound financial or business plan for the project; and
- the current availability of funds deposited in the CBBHF.

As a program of the CBBHF, the City Lands Program for Non-Market Housing should include guidelines that are consistent with the above criteria.

2.2 Non-Market Housing Models

Non-market housing models include the following:

- <u>Non-Profit Housing</u> Housing developments that are owned and operated by non-profit housing providers. This housing is typically built through senior government funded housing supply programs.
- <u>Cooperative Housing ("Housing Co-ops")</u> Housing developments where residents who are members of the cooperative own and manage the building(s). Each member has one vote and members work together to keep their housing well-managed and affordable.
- <u>Public Housing</u> Housing developments that are operated directly by senior levels of government or contracted agencies.

The term "Social Housing," which refers to developments built under Federal, Provincial, Regional or joint housing programs for households with low to moderate incomes, can apply to any of the above housing models.

Affordability is the primary purpose of non-market housing. In addition, some non-market housing is designed to accommodate the special needs of seniors, persons with disabilities, persons fleeing violence or recovering from drug or alcohol addiction, and others needing supports to access housing. Assisted living, supportive housing, and long term care facilities provide a range of support to meet different levels of need, and may be provided by non-profit organizations or government agencies.

2.3 Non-Market Housing Need in Burnaby

Burnaby's current inventory of non-market housing was outlined in the *Burnaby Housing Profile* 2015, which found that:

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• Burnaby contains 7,876 non-market housing units or beds in 154 developments:

- o 42% (3,331 units) in 46 non-profit and public housing developments, including:
 - 1,808 units for seniors;
 - 769 units for families;
 - 694 units for seniors and families;
 - 40 units for adults with disabilities; and
 - 20 units for senior women.
- o 24% (1,900 units) in 26 co-op housing developments.
- o 22% (1,725 beds) in 55 community care facilities.
- o 10% (762 units) in 9 seniors' assisted living and supportive housing developments.
- o 2% (181 units/beds) in 18 special needs housing facilities.

These figures indicate that approximately 1/3 of all non-market housing units are designated for seniors, in addition to the 694 non-profit housing units in mixed senior/family developments (312 of which are studio or one-bedroom units) and the community care facility beds that accommodate seniors in care. Approximately 10% of non-profit and public housing units are allocated specifically to families. The 1,900 co-op housing units (24% of total) are available to all ages, with many units suitable for families and some units accessible to persons with disabilities. The remaining non-market housing units/beds serve individuals with specialized health or social needs.

As reported in the November 2015 update to the *Metro Vancouver Housing Data Book*, demand for non-market rental housing reflects a similar demographic. In 2015, a total of 1,199 Burnaby residents were on the BC Housing waitlist for non-market housing; these households were categorized as follows:

- 482 households (40%) were families with children or couples;
- 365 households (30%) were seniors;
- 207 households (17%) were persons with disabilities;
- 101 households (8%) were single persons other than seniors and without disabilities; and
- 44 households (4%) required a wheelchair accessible unit.

In addition, the *Metro Vancouver Housing Data Book* has identified households facing affordability and other challenges that could benefit from non-market housing opportunities. In 2011, 9,410 renter households in Burnaby were determined to be in Core Housing Need, in that their homes failed to meet standards for adequacy, suitability, and/or affordability. Of these households, 3,455 spent more than 50% of their income on housing and are considered at risk of homelessness. In addition, 2,825 owner households also were considered at risk of homelessness for the same reasons. The distribution of these households includes the following:

• 2,870 households (45%) were families with children;

¹ Adequate dwellings are those reported by their residents as not requiring any major repairs. Suitable dwellings have enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard (NOS) requirements. Affordable dwellings are those that cost less than 30% of total before-tax household income.

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• 1,390 households (22%) were seniors; and

• 1,850 households (30%) were single persons or couples without children (age 15-64).

Regarding future demand, preliminary estimates from Metro Vancouver indicate that in Burnaby, over the next ten years:

- Rental demand will increase by 6,800 households;
- 2,890 of those households (43%) will have very low income (<\$30,000 annually);
- Of the very low income households, 800 will be families, whose space requirements and expenditures for basic needs generally exceed those of single or two-person households; and
- An additional 1,440 (21%) of those households will have low income (\$30,000 to \$50,000 annually).

In summary, the above figures indicate a distribution of housing need across the spectrum traditionally served by non-market housing, including families, seniors, and persons with disabilities, particularly those with very low or low income.

3.0 NON-MARKET HOUSING PRIORITIES

Based on existing City policy and on the assessment of community need, it is recommended that the City Lands for Non-Market Housing program seek projects that meet the following objectives:

- Provide affordable housing for very low and low income Burnaby residents.
- Provide a mix of housing types, including:
 - o Accessible and adaptable housing units;
 - o Units suitable for families with children; and
 - o Units suitable for seniors.
- Provide secure housing on a permanent, not-for profit basis.
- Provide liveable housing that enhances the lives of residents and the surrounding community.

In order to encourage a diversity of submissions, and maintain flexibility in providing assistance consistent with the core needs of the community, staff recommends that proposal guidelines be broad and inclusive, with eligibility dependent primarily on an ability to provide secure, belowmarket rental housing consistent with the above stated objectives. Specific guidelines for RFEOI submissions are outlined in Section 4.0 below.

4.0 RFEOI GUIDELINES

The following sections provide recommended guidelines for RFEOI submissions, including eligibility criteria, proposal components and site specific development standards. These guidelines are intended to ensure that projects meet the identified objectives, are sustainable over time, fit well within their local settings and prioritize the non-market housing needs of the

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community. It is recommended that these guidelines be reviewed periodically as the program expands to include new sites and as conditions affecting the need for non-market housing change in the future.

4.1 Eligibility Criteria

In order to ensure that projects meet the intent of the program, and can be effectively delivered by the project proponent, it is recommended that participation in the RFEOI program be subject to the following eligibility criteria:

a. Applicant:

- i. Not-for-profit corporation incorporated and in good standing under the BC Society Act or the Canada Not-for-profit Corporations Act; and
- ii. Charitable Organization registered and in good standing under the federal *Income*Tax Act:
- iii. Federal, Provincial, or Regional government agency; or
- iv. Development proponent representing, developing, and/or constructing housing for any of the above.

b. Owner/Operator:

- i. Not-for-profit corporation incorporated and in good standing under the BC Society Act or the Canada Not-for-profit Corporations Act; and
- ii. Charitable Organization registered and in good standing under the federal *Income Tax Act*; or
- iii. Federal, Provincial or Regional government agency.

c. Financing:

- i. Applicant must demonstrate a secured funding model that will protect affordability over the life of the project.
- ii. Funding must enable the project to be delivered in a timely manner.

d. Experience:

i. Applicant must demonstrate a record of success in non-market rental housing development and management.

e. Placement:

i. Proposals must demonstrate an ability to meet the non-market rental housing needs of Burnaby citizens.

f. Tenure:

i. Proposals must provide permanent non-market rental housing.

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If approved by Council, these criteria would provide the basis for initial screening of all RFEOI submissions.

4.2 Submission Requirements

In addition to meeting eligibility criteria, it is recommended that all RFEOI submissions be required to address the following submission requirements:

- Level of affordability: What household income levels would be served by the proposal and what would be the rent structure on a per unit and aggregate basis?
- Family friendliness: Does the proposal include two and three bedroom units affordable to very low income families and/or family friendly amenities?
- Accessibility: Does the proposal include adaptable and/or fully accessible housing units?
- Mix of housing units: Does the proposal provide a mix of unit sizes and types (e.g., senior and family housing)?
- Liveability: Does the proposed project include features and amenities that would enhance the lives of residents and the surrounding neighbourhood?
- Timeliness: What is the proposed project timeline?
- Consistency Does the proposed project meet the objectives of the City's Official Community Plan, Social Sustainability Strategy and other City policies and land use guidelines? How does the proposed project meet the site specific development guidelines outlined in Section 4.3 below?

Responses to these issues will provide a basis for Council to evaluate the potential of any proposal to meet the program's objectives.

4.3 Site Specific Development Guidelines

In addition to the eligibility criteria and submission requirements outlined in Sections 4.1 and 4.2 above, specific development guidelines are recommended for the two City-owned sites selected by Council for the City Lands Program. These development guidelines are intended to ensure that all proposals are consistent with Council's adopted area plan designations and standards, and can be successfully integrated into the surrounding community. Proposed guidelines for each site, as well as the required development approvals, are outlined in *Appendix A and B*. The proposed guidelines include the following:

3804 Hastings Street (Appendix A)

- Site options:
 - o entire site, with all non-market housing
 - o entire site, with a mix of market rental and non-market housing
 - o eastern portion of the site only, with all non-market housing
- Medium density multiple family residential development
- Potential unit count range of 135 150 units

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From: Director Planning and Building

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- C8a District densities (maximum 3.0 FAR)
- CD(C8a) District zoning
- Stacked townhouse or apartment form
- Ground floor commercial storefronts
- Maximum height between four and six storeys
- Enhanced pedestrian environment and streetscape
- Underground parking and vehicular access off the rear lane

7898 Eighteenth Avenue (Appendix B)

- Medium density multiple family residential development
- Potential unit count range of 20 23 units
- RM3 District densities (maximum 1.1 FAR)
- CD(RM3) District zoning
- Stacked townhouse or apartment form
- Maximum height between two and four storeys
- Enhanced pedestrian environment and streetscape
- Underground parking and vehicular access off of Eighteenth Avenue

5.0 RFEOI PROCESS AND FEES

The RFEOI process is intended to generate and evaluate interest in the development of non-market housing on the two selected City-owned sites. This section outlines the recommended steps in the RFEOI process, including an ensuing Request for Proposal process to obtain more detailed project information from proponents. It also discusses the development process for selected projects and associated fees and City contributions.

5.1 RFEOI/RFP Process

The recommended process would include the following steps:

- Step 1 Development of the RFEOI package.
- Step 2 Advertising through newspapers, online media (including BC Bid) and direct mail/outreach.
- Step 3 Screening of proposals to determine eligibility.
- Step 4 Planning and Development Committee review of eligible project proposals.
- Step 5 Initiation of a Request for Proposal (RFP) process, including:
 - Invitation to short-listed projects to submit more detailed proposals; and
 - Consideration for 50/50 funding for proposal preparation (e.g., architectural plans, pro forma).

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Step 6 - Project selection through advancement of a report to the Planning and Development Committee with a recommendation to Council.

Upon selection of a project, the applicant would pursue the necessary development approvals and all required legal agreements would be executed according to established policies and practices.

5.2 Development Process and Fees

The lease of each City-owned site would be subject to the successful completion of a rezoning application to the CD Comprehensive Development District (based on the appropriate site specific zone districts and development guidelines noted in Section 4.3 above). Necessary servicing of each site would be required as a condition of rezoning approval. Preliminary Plan Approval and Building Permits would also be required prior to construction. Rezoning, permit, and servicing fees may be offset through the Community Benefit Bonus Housing Grant program, subject to Planning and Development Committee and Council approval.

5.3 City of Burnaby Contributions

The City's contributions to the project would be provided by the Community Benefit Bonus Housing Fund and would include:

- Support for development of selected proposal(s);
- Off-setting of land costs to support a nominal lease rate over a term of 60 years; and
- Offsetting of development costs, including:
 - o rezoning application fees;
 - o Preliminary Plan Approval and building permit application fees;
 - o civil servicing costs; and
 - o City development cost charges.

These contributions would require review through the established Housing Fund process, including Planning and Development Committee and Council approval.

6.0 CONCLUSION

The City Land Program for Non-Market Housing provides an opportunity to further increase non-market affordable rental housing opportunities in Burnaby, and respond to the demonstrated demand for lower income housing in our community. This report implements Phase 2 of the City Land Program by recommending program priorities and guidelines for a Request for Expressions of Interest (RFEOI) process intended to generate proposals from non-profit and/or co-operative housing organizations and senior levels of government.

Based on existing City policy and on the assessment of community need, it is recommended that the program seek projects that provide a mix of affordable housing types for very low and low income Burnaby residents, including families with children and seniors, on a permanent, not-for

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profit basis. Recommended guidelines reflect these priorities and provide eligibility criteria and specific development standards for each of the two City-owned sites selected for the program.

Should Council choose to adopt the guidelines, staff will begin Phase 2 of the program, which will advance each non-market housing site through an RFEOI process with Planning and Development Committee and Council review of submissions received.

Lou Pelletier, Director

TLANNING AND BUILDING

LF:sa

Attachments

cc:

City Manager

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3802 Hastings Street Development Guidelines Heights Area Plan

Property Characteristics

Site Area: One lot measuring approximately 4,744 m² (51,064 sf)

- The eastern portion of the site is approximately 1,981 m² (21,323 sf)

Current Zoning: CD Comprehensive Development District (utilizing the C8 Urban Village

Commercial District (Hastings) and the Heights Area Plan as guidelines).

Planned Zoning: CD Comprehensive Development District (utilizing the C8a Urban Village

Commercial District (Hastings) and the Heights Area Plan as guidelines).

Development Guidelines

The subject City-owned property is being offered for lease through an RFEOI/RFP process to advance the development of affordable multiple family residential development under the Council adopted City Lands Program for Non-Profit Housing. Guidelines for development are as follows:

Rezoning:

The lease of the City lands is subject to the successful completion of a CD Comprehensive Development Rezoning Application (using the C8a Urban Village District (Hastings) and Heights Area Plan as guidelines).

Preliminary Plan Approval:

The lease of the City lands is subject to the submission of a Preliminary Plan Approval Application in line with the proposed zoning, in advance of submitting a Building Permit Application for the site.

Servicing:

The site has not been serviced to its final standard and will require detailed site servicing including, but not limited to:

- The provision of separated sidewalks, complete with concrete curb and gutter and street lighting, as necessary, along the Hastings Street and Esmond Avenue frontages.
- The undergrounding of all adjacent overhead utility lines on any fronting road and on-site to the point of connection.
- Standard requirements for water main, sanitary sewers and storm sewers.
- Provision of a bus shelter on Hastings Street.
- Provision of lane improvements, including pedestrian lighting.

Site Options:

The site consists of an approximately 2,773 m² (29,848 sf) western portion and an approximately 1,981 m² (21,323 sf) eastern portion. Development on the site could occur under any of the following models:

- Development of the entire site with all non-market housing.
- Development of the entire site with a mix of market rental and non-market housing to achieve maximum aggregate affordability.
- Development of the eastern portion of the site with all non-market housing.

Land Use and Density:

- The subject site is to be developed to a maximum Floor Area Ratio of 3.0 FAR with underground parking, with a maximum height of between four and six storeys and 16.0 m, and with a potential unit count range of 135 – 150 units.
- Uses on the subject site are limited to C8a District commercial uses at grade level and Non-Profit Rental Housing on the upper floors.
- Development setbacks and massing are to be determined through the Comprehensive Development Rezoning process.
- At least 20% of all units, and 100% of units for seniors, shall be adaptable housing units.
- Parking ratios for the development are to be determined by use as part of the Comprehensive Development Rezoning process.
- Site access from the rear lane to be determined through the Comprehensive Development Rezoning process.
- Development design should integrate Crime Prevention through Environmental Design (CPTED) and Universal Accessibility Standards.
- The development application will require the provision of a comprehensive stormwater management plan for the site.

Development Cost Charges:

Development Charges attributable to this development may include:

- Greater Vancouver Sewerage and Drainage District Charge
- Burnaby School Site Acquisition Charge
- Burnaby Parkland Acquisition Charge

Potential CBBHF Grants:

City related rezoning, permit, and servicing fees and development cost charges may be offset through the Community Benefit Bonus Housing Fund (CBBHF) Grant program, subject to Planning and Development Committee and Council approval.

7898 Eighteenth Avenue Development Guidelines Sixth Street Area Plan

Property Characteristics

Site Area:

One lot measuring approximately 1,740 m² (18,729 sf)

Current Zoning:

CD Comprehensive Development District (utilizing the RM2 Multiple

Family Residential District and the Sixth Street Area Plan as guidelines).

Planned Zoning:

CD Comprehensive Development District (utilizing the RM3 Multiple Family Residential District and the Sixth Street Area Plan as guidelines).

Development Guidelines

The subject City-owned property is being offered for lease through an RFEOI/RFP process to advance the development of affordable multiple family residential development under the Council adopted City Lands Program for Non-Profit Housing. Guidelines for development are as follows:

Rezoning:

The lease of the City lands is subject to the successful completion of a CD Comprehensive Development Rezoning Application (using the RM3 Multiple Family Residential District and Sixth Street Area Plan as guidelines).

Preliminary Plan Approval:

The lease of the City lands is subject to the submission of a Preliminary Plan Approval Application in line with the proposed zoning, in advance of submitting a Building Permit Application for the site.

Servicing:

The site has not been serviced to its final standard and will require detailed site servicing including, but not limited to:

- The provision of separated sidewalks, complete with concrete curb and gutter, 1.8m tree and grass boulevard, 1.5m concrete sidewalks, 1.2m grassed rear boulevard and street lighting, as necessary, along the site's Eighteenth Street frontage.
- The undergrounding of all adjacent overhead utility lines within road rights-of-way and on-site to the point of connection.
- Standard requirements for water main, sanitary sewers, and storm sewers.

Land Use and Density:

- The subject site is to be developed to a maximum Floor Area Ratio of 1.1 FAR with underground parking, with a maximum height of two to four storeys, and with a potential unit count range of 20 23 units.
- Uses on the subject site are limited to Non-Profit Rental Housing.
- Stacked townhouse or apartment building forms are supported.
- Development setbacks and massing are to be determined through the Comprehensive Development Rezoning process.
- At least 20% of all single-level units, and 100% of single-level units for seniors, shall be adaptable housing units.
- Parking ratios for the development are to be determined by use as part of the Comprehensive Development Rezoning process.
- Site access to be provided from Eighteenth Avenue as determined through the Comprehensive Development Rezoning process.
- An enhanced pedestrian environment and streetscape, with appropriate landscaping and lighting, is to be provided.
- Development design should integrate Crime Prevention through Environmental Design (CPTED) and Universal Accessibility Standards.
- The development application will require the provision of a comprehensive stormwater management plan for the site.

Development Cost Charges:

Development Charges attributable to this development may include:

- Greater Vancouver Sewerage and Drainage District Charge
- Burnaby School Site Acquisition Charge
- Burnaby Parkland Acquisition Charge

Potential CBBHF Grants:

City related rezoning, permit, and servicing fees and development cost charges may be offset through the Community Benefit Bonus Housing Fund (CBBHF) Grant program, subject to Planning and Development Committee and Council approval.





