

TO: CITY MANAGER**DATE:** 2017 July 19**FROM:** DIRECTOR PLANNING AND BUILDING**FILE:** 42000 20
*Reference: Housing - General***SUBJECT: HOUSING PROFILE UPDATE****PURPOSE:** To provide an overview of the City's housing policies and initiatives.

RECOMMENDATION:

1. **THAT** Council receive this report for information.

REPORT**1.0 INTRODUCTION**

On 2016 September 19, Council received the *Burnaby Housing Profile 2016*, which provided an overview of the City's housing policies and initiatives and an inventory of housing in Burnaby. Since then, significant progress has been made on a number of housing initiatives. This report reviews key housing topics addressed in the *Burnaby Housing Profile 2016* and provides an update on Burnaby's housing programs and initiatives.

This report is also in reference to the finalized draft of the *Metrotown Downtown Plan*, which appears elsewhere on the Council agenda. Response to the plan has raised important housing issues, many of which are addressed in this report.

2.0 HOUSING FUNDAMENTALS

Burnaby's housing program plays an important, supportive role in providing a range of housing in our community. However, the most critical aspects of housing delivery, including the construction of housing, and the cost of renting or purchasing a home, are governed by market forces and senior government programs, as discussed below.

2.1 Construction of Housing

The construction of housing is generally undertaken by property owners. Property owners can be individuals, developers, non-profit agencies, for-profit agencies or companies, pension and financial companies, or government agencies.

Most housing is built by the private market (individuals, developers, and for-profit agencies or companies) and falls into the categories of market ownership or market rental. Given the intensity of the housing market, much new housing in the Lower Mainland is geared towards serving market demands.

Non-market housing is typically built by non-profit agencies, with funding from the Federal and/or Provincial governments. Some non-market housing is built directly by senior governments. Historically, most non-market housing was constructed through Federal/Provincial partnerships with non-profit societies.

Municipalities in British Columbia and other provinces do not generally build housing directly, given their legislative mandates and taxation structures.

2.2 Components of Housing Projects

Housing construction is a complex process, particularly for large projects. Apart from the “nuts and bolts” of physical construction, planning for development includes:

- finding suitable land;
- calculating costs, pricing and returns;
- arranging financing, including investment, pre-sales, and loans;
- achieving rezoning, subdivision and other municipal approvals;
- designing the development as well as private and public services;
- translating building designs into working drawings and construction layouts;
- obtaining building permits and engineering approvals;
- completing legal documentation, registration, and ownership matters;
- installing building finishing and interior design; and,
- marketing and sales/rental.

To accomplish all of this, property owners, investors, and a multitude of professions, trades, and other occupations contribute to each stage in the process. Developers, financial analysts, bank officials, marketing firms, architects, design consultants, structural, mechanical, and electrical engineers, land surveyors, interior designers, and a variety of consultants assist property owners in the development of a project. In addition, a variety of tradespeople and subcontractors are required to carry out the work, and municipal government is required to review the project and issue permits. The production, distribution, and marketing of building materials is another industry closely tied to housing construction, as is the real estate industry.

It is within this context that the housing market operates, and financial decisions regarding housing construction and demolition are made.

2.3 Role of government

Senior levels of government, which include the Provincial and Federal governments, play a fundamental role in the development of both market and non-market housing. The housing system in Canada is based on Federal and Provincial legislation and programs governing financing, construction practices, land use, and other aspects of housing delivery and distribution.

Market housing is supported by Federal policy and regulation such as mortgage and tax incentives and homeowner assistance programs. Every housing unit that is constructed in Canada relies on Federal and Provincial legislation governing mortgage lending, taxes, building regulations, and professional practices.

Most non-market housing developments rely on subsidies, grants, or low cost financing from senior levels of government and, in some cases, are operated by Provincial agencies. This is due to the greater taxation powers of senior governments and their ability to redistribute wealth more consistently and equitably to meet broad social needs than can be achieved on a city-by-city basis.

Other levels of government also address housing issues, to a more limited extent. Regional governments provide housing policy direction and may also provide non-market housing through entities such as the Metro Vancouver Housing Corporation. Metro Vancouver developed the *Regional Growth Strategy: Metro Vancouver 2040 – Shaping our Future* (RGS), which works with local governments, such as Burnaby, to accommodate estimated population growth by planning for increased housing density.

Local governments, such as Burnaby, can only exercise powers delegated to them by the Provincial government. In BC, these powers include land use planning and zoning, which affect the location, density, and amount of housing available in local communities. Local governments are also responsible for building standards through administration of the BC Building Code. Through their land use planning and zoning powers, local governments strive to provide an adequate supply of residential land to meet housing demand. Through enforcement of building code requirements, they help to ensure that housing is livable and safe. The administration of land use powers and building code regulations are the areas in which local governments can make the largest impact on the housing sector. Within these areas, Burnaby has developed a number of policies and programs to further support its housing goals, as discussed in Section 3.0.

Figure 1 below outlines major housing tasks and the responsible level of government.

Figure 1. Government roles in housing

AREA OF RESPONSIBILITY	LEVEL OF GOVERNMENT	
	PRIMARY RESPONSIBILITY	SECONDARY / DELEGATED RESPONSIBILITY
Mortgage Regulation	Federal	
Homeowner Assistance Programs	Federal	
Funding for New Social Housing	Federal / Provincial	
Administration of Existing Cooperative Housing	Federal	Provincial
Administration of Existing Public and Non-Profit Housing	Federal / Provincial	Provincial
Landlord-Tenant Relations	Provincial	
Land Use Planning	Local / Provincial	
Housing Policy	All	
Building Construction and Safety	All	
Affordability / Income Assistance / Social Programs	Federal / Provincial	

2.4 Cost of Housing

Housing is expensive for a range of interrelated reasons. In its most basic sense, housing is a product that is subject to the economic rules of supply and demand. In Burnaby, and in Metro Vancouver more broadly, the demand for housing outweighs supply. When demand rises more than supply, prices generally increase. When there is an oversupply and/or demand falls, prices generally decrease. The following factors can affect housing supply and demand:

- Population Growth:** Metro Vancouver is a desirable place to live. People come to BC for economic opportunities, educational opportunities, lifestyle, climate, and many other reasons. Metro Vancouver is estimated to accommodate an additional 1 million people by year 2041 – that’s an additional 36,000 people per year. This projected growth will require approximately half a million additional homes. Of that growth, Burnaby is forecasted to grow by 125,000 people, which would require approximately 50,000 new dwelling units (2,000 per year) by 2041. Population growth can increase housing prices if supply doesn’t keep up with demand.
- Lack of Funding:** At the Federal and Provincial levels, adequate government funding for non-market housing, incentives for new rental apartments, and other housing programs have

been insufficient for decades, making it more challenging for households to find affordable housing options.

- **Available Land:** Land is a finite resource. Within Burnaby, there are few undeveloped properties outside of parkland or farmland. The land itself is expensive – again the subject of a limited supply and a greater demand.
- **Location/Livability:** Burnaby is in a desirable location for business and trade with access or proximity to port facilities, Highway 1, major road networks, railways, and Vancouver International Airport. Burnaby's local amenities, civic facilities, and access to transit are attractive and desirable to residents and businesses.
- **Demographics:** Statistics, including population growth, age, ethnicity, gender, income, and migration patterns, play an important role in how housing is priced and what types of housing are in demand.
- **Government Policies:** Taxes, incentives (subsidies, grants, programs, etc.), and other policies related to housing can impact the demand for and price of housing, as well as the types of housing that gets built and where.
- **The Economy:** The strength of the overall economy (based on GDP, employment data, etc.) can affect the value of housing. Typically, when the economy is doing well, so is the housing market and vice versa.
- **Jobs and Incomes:** As incomes rise, and the number of jobs increase, more people can afford to participate in the housing market, which then increases demand and price. However, if incomes are lower, and/or unemployment levels are high, fewer people can afford to participate in the housing market, decreasing demand and price. This basic dynamic becomes more complex within the irregularities of most job and housing markets, and in the context of the many other internal and external factors influencing housing demand and price.
- **Foreign Investment:** In a strong market, housing is an attractive investment. Foreign investors, whose incomes are not dependent on the local economy or job market, add to the demand for housing and hence, an increase in housing prices.
- **Interest Rates:** Changes in interest rates can greatly influence a person's ability to purchase a residential property. As interest rates fall, the cost to obtain a mortgage to buy a home decreases, which enables more people to purchase a home. This increases the demand for housing, leading to higher prices. Conversely, as interest rates rise, the cost to obtain a mortgage increases, thus lowering demand and generally affecting prices.

2.5 Use of Taxation for Non-Market Housing

As noted above, different levels of government have different powers and responsibilities; they also have different sources of revenue. City tax dollars come from property taxes, provided by Burnaby homeowners and owners of commercial, industrial, institutional, and other properties. These funds are intended primarily to provide local services, such as fire protection, policing, roads and sidewalks, water and sewer, parks, libraries, community centres, and other recreational facilities. Tax dollars also support the necessary administrative functions of a City, such as land use planning, building permit approvals, business licensing, legislative activity, and community information.

The Federal and Provincial governments are responsible for income redistribution and social assistance and receive income tax revenue for those purposes, either directly or through transfers. One of the reasons income redistribution and social assistance is a senior government mandate is that these measures are more workable on a universal basis. For instance, if the provision of basic income and housing needs were the responsibility of each municipality, varying levels of service could result in inequitable access to government benefits for people in different municipalities. Moreover, when a city operates beyond its housing mandate (especially in the realm of non-market housing), a local demand can be created, which can exacerbate rather than alleviate the problem, while putting additional strain on local resources. Senior government responsibility for non-market housing is therefore a matter of principle, as well as practicality.

On a practical level, in order to construct non-market housing, Burnaby would need to increase the revenue derived from property taxes. The construction of just one housing project, which is a multi-million dollar endeavour, would require a significant increase in Burnaby's property tax revenue, and in every homeowner's property taxes. While this rate of increase could be managed by some property owners, those with fixed incomes may find it difficult to afford and would be taxed unfairly. These homeowners have already paid income taxes for the purpose of non-market housing; this additional source of taxation for housing would be unfair and regressive for property tax payers. Municipal tax dollars are a contribution from homeowners and have a direct impact on the affordability of their homes.

For these reasons, the City advocates for senior government funding for housing, instead of using property tax dollars for a purpose other than intended. City funding for non-market housing, provided through the Community Benefit Bonus Housing Fund, is derived solely from contributions made through the development process to our density bonus program. Property tax dollars are only spent on services and activities that the City has a mandate to provide.

2.6 Demolition Permits

Under the Provincial *Community Charter*, local government has no legal authority to withhold a demolition permit (or a building permit) if it complies with local requirements, the *BC Building Act*, and the *BC Building Code*.

2.7 Zoning Powers

Cities have the authority to zone land within their boundaries. However, zoning is not a tool that can be used to prevent demolition. Maintaining existing zoning or “down-zoning” a property to a lower density cannot prevent redevelopment or renovation. Zoning only determines use, density and the size and location of improvements on a property. It does not regulate cost of housing, or prevent owners from renovating or redeveloping their property.

From a community planning perspective, new development with increased density permits more housing supply and smaller unit sizes that provide greater affordability and a variety of unit types to support the community over the renewed life of the building. An increased supply of housing can also serve to moderate home prices, whereas limiting supply can decrease affordability. In this indirect way, zoning can influence housing affordability.

2.8 Conversion of Existing Rental Housing

Conversion of an existing rental building into a condominium, where apartments are individually owned, requires strata titling, which is a form of subdivision. Provincial regulations grant local government the power to regulate subdivision. Since 1974, Burnaby has enforced its Rental Conversion Control Policy, prohibiting strata titling of existing purpose-built rental apartment buildings. Local government may not regulate or control the strata titling of new, previously unoccupied units.

2.9 Zoning for Rental Housing

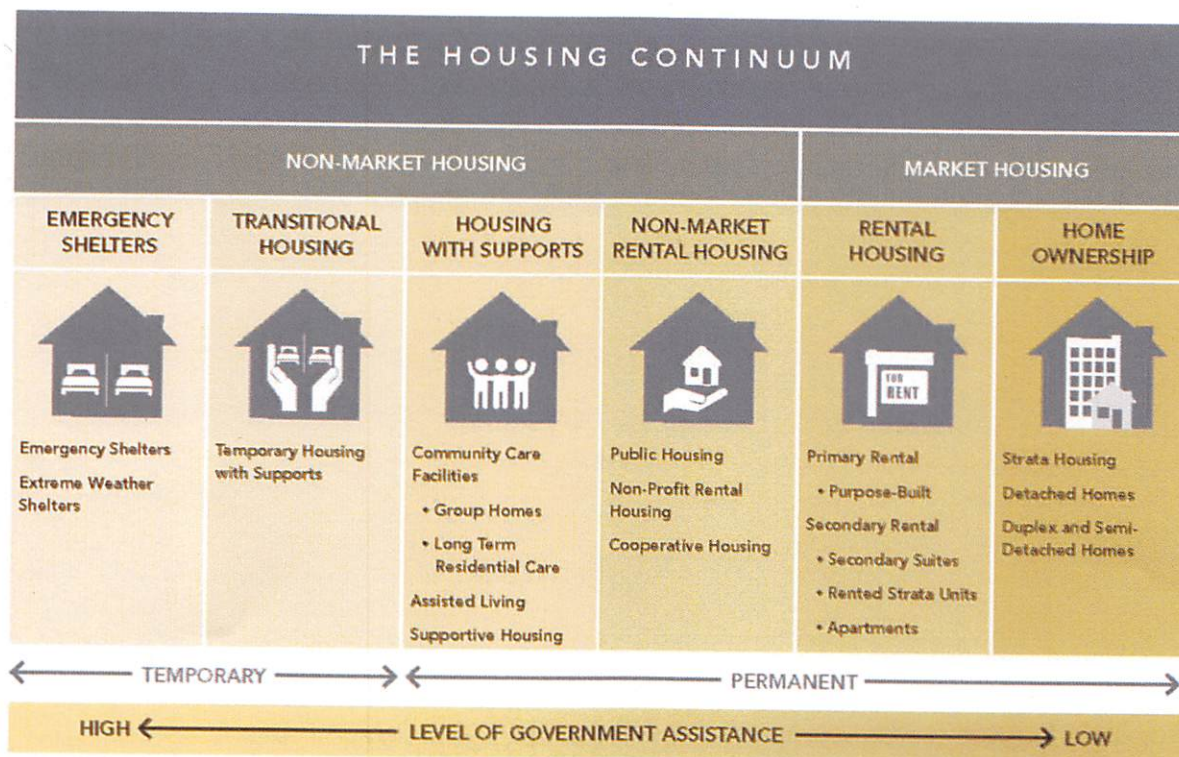
Burnaby has asked the Provincial government to grant local government the authority to zone for rental housing; however, this request has yet to be granted, even though Union of British Columbia Municipalities (UBCM) has endorsed resolutions calling for such authority. Burnaby continues to advocate for Provincial legislation that would permit rental-only zones.

The above discussion gives an overview of many factors that affect the provision of housing. Within this context, Burnaby has developed a housing program that supports the range of housing needs in our community, as discussed in Section 3.0 below. As changes to Provincial and Federal regulations and programs are enacted, the City will adjust its programs to respond to new conditions and seek new opportunities, and perhaps partnerships, to address housing affordability within the scope of its mandate.

3.0 BURNABY’S HOUSING PROGRAM

Burnaby strives for a sustainable community based on a high quality of life, a commitment to environmental conservation, and economic opportunity for all of its citizens. Housing is a key aspect of this vision. To that end, Burnaby’s goal is to support a full range of housing opportunities across the housing continuum (Figure 2).

Figure 2. Housing Continuum



Burnaby's housing program consists of three main components:

- **Growth management and development**
Burnaby regulates the location and type of housing that can be built in the City, providing a wide range of housing types.
- **Policy and programs**
Burnaby supports the provision of affordable and special needs housing through specific policy initiatives and programs.
- **Advocacy and partnerships**
Burnaby advocates to senior levels of government and works with government, non-profit and private sector partners to deliver more affordable housing.

3.1 Growth Management and Development

Burnaby's primary planning document, the *Official Community Plan (OCP)*, guides housing policy and regulates growth and development. The OCP divides the City into four quadrants, each anchored by a Town Centre and offering a range of housing choices, from residential towers to single family homes.

Rezoning proposals must be consistent with the policies of the Official Community Plan (OCP), the associated Community Plans, and all other City policies and applicable regulations. These policies have been adopted after considerable public consultation and reflect planning principles, legislation, community objectives, and other considerations. As such, they serve as a baseline for determining the appropriateness of any rezoning proposal, given the certainty they give to the overall development process and to the community in terms of what they can expect in their neighbourhood.

For Comprehensive Development (CD) District rezoning proposals, some zoning regulations can be varied, such as height limits or setbacks from property lines; however, any proposed variations must be compatible with surrounding development and all applicable policies. In addition, proposals cannot exceed the density (floor space) permitted in the proposed zoning district(s), or vary the permitted uses.

3.2 Policy and Programs

It is within this development framework that Burnaby has defined a host of housing policies and programs to meet the community's diverse housing needs and address, within the confines of its mandate and resources, the issues of housing supply and affordability. These policies and programs include the following:

- **Community Benefit Bonus Policy and Housing Fund**

The Community Benefit Bonus Policy is a density bonus program that generates funding for community amenities and affordable and/or special needs housing units through on-site construction and/or cash-in-lieu funds. At least 20% of all cash-in-lieu funds are contributed to the Community Benefit Bonus Housing Fund ("Housing Fund"). This program has secured over \$58 million for non-market housing projects, as well as 19 units constructed in-kind for tenants with special needs and/or low incomes.

- **City Land Leases/City Lands Program for Non-Market Housing**

The City leases land that it owns to non-profit societies and housing corporations seeking to build non-market housing. The City offers these leases at reduced or nominal rates, offsetting leasing costs through contributions from the Community Benefit Bonus Housing Fund. In addition to the current leases, which support 302 non-market units on seven properties, the City has recently partnered with two non-profit societies to build approximately 200 units on sites at 3802 Hastings Street and 7898 Eighteenth Avenue.

- **Affordable Units Policy**

This policy applies to newly developing communities on publicly-owned land, and seeks to obtain 20% of the new units for non-market rental housing. To date, the program has resulted in the development of 390 non-market housing units at Oaklands, George Derby,

Cariboo Heights, and the former Burnaby South Secondary School site in the Edmonds Town Centre.

- **Deferral of Development Cost Charges and Permit Fees**

This policy allows for the deferral of applicable City development cost charges and permit fees for non-market housing projects for a period of up to 24 months commencing from the time of final development approval. This policy helps defer costs early in the development schedule, during the difficult period prior to the generation of cash flow.

- **Fast-Track Approvals Policy**

This policy ensures that priority is given to processing applications for non-market housing during the development application review process.

- **Rental Conversion Control Policy**

This policy prohibits strata conversion of purpose-built multiple-family rental housing. Active since 1974, this policy has helped to preserve much of the purpose built rental housing stock that was built with federal subsidies between the 1950s and 1980s.

- **Tenant Assistance Policy**

This policy requires submittal of a Tenant Assistance Plan, as a condition of rezoning approval, for proposals affecting tenanted buildings with six or more units that will be demolished through the development process. Plan guidelines include a minimum of three months' notice; a minimum of three months rental payment compensation; and assistance to tenants in seeking alternative accommodation. Tenant Assistance Plans are a prerequisite to rezoning approval for all qualifying redevelopment proposals. This policy is under review, as discussed in Section 5.0 below.

- **Secondary Suites Program**

The Secondary Suites Program allows secondary rental housing within a single family residence. Secondary suites offer a range of affordability, with many units priced below other types of market rental. They also offer renters the opportunity to live in single family neighbourhoods without renting an entire house. Approximately 550 new or renovated suites have been constructed since 2014.

- **Flex-Suites Policy**

The Burnaby Zoning Bylaw permits secondary suites in multiple family dwelling units in the P11 zone at UniverCity, a new urban village located adjacent to Simon Fraser University

(SFU). Sometimes known as “lock-off units,” these suites provide affordable housing for both university students and others wishing to live near campus.

3.3 Housing Advocacy

While the City’s land use powers provide some tools for encouraging housing affordability, local governments have neither the resources nor authority to address this difficult issue. As such, Burnaby continues to urge senior levels of government to fulfill their constitutional mandates to:

- provide non-market affordable housing;
- address the affordability of market housing;
- provide for social and income supports; and,
- find solutions to homelessness.

The following tables outline many of the City’s ongoing advocacy efforts, including Union of BC Municipalities (UBCM) resolutions, Federation of Canadian Municipalities (FCM) resolutions, letters, reports and motions.

Table 1 - UBCM Resolutions

DATE	SUBJECT	TO	DESCRIPTION	OUTCOME
1988	Property maintenance standards for residential rental buildings	Ministry of Municipal Affairs, Recreation and Culture	A request to amend the Municipal Act to authorize municipalities to enact bylaws establishing the regulation of minimum standards of property maintenance for residential rental buildings occupied by tenants.	Not Endorsed by UBCM
1990	Standards of maintenance and occupancy for buildings and sites	Provincial Government	A petition to amend the Municipal Act to provide municipalities with the authority to enact a Standards of Maintenance Bylaw similar to what the City of Vancouver is enabled to do under the Vancouver Charter.	Endorsed by UBCM
1990	Development of rental housing	Ministry of Municipal Affairs, Recreation and Culture	A request to amend the Municipal Act to authorize municipalities to enact land use legislation to regulate residential rental tenure through zoning and other measures.	Endorsed by UBCM

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DATE	SUBJECT	TO	DESCRIPTION	OUTCOME
1992	Community care facilities and database of established facilities	Provincial Government	Request for appropriate ministries to consult with local governments on plans to establish group homes and other community based residential facilities; and assistance from provincial government to develop and maintain a comprehensive database on group homes, foster homes, and other community based residential developments throughout B.C.	Endorsed by UBCM
2000	Replacement of affordable housing	Provincial Government	Request to amend the Local Government Act to authorize municipalities to levy a development cost charge for replacement affordable housing as deemed necessary by local governments.	Endorsed by UBCM
2007	Development of new rental housing	Provincial Government	Request to amend the Local Government Act to authorize local governments to enact land use regulations that would regulate residential rental tenure through zoning and other measures.	Endorsed by UBCM
2008	Development of new rental housing	Provincial and Federal Governments	Urge federal and provincial governments to work together to prepare National and Provincial Housing Strategies and address housing and homelessness issues over the long term through the provision of an adequate continuum of housing, income and support; to allocate funding to support the development and maintenance of affordable housing, including non-market housing units; and to establish incentives for the private sector construction of new rental housing.	Endorsed by UBCM
2009	Payment of development cost charges for non-profit housing	Provincial Government	Recommend amendment to the Local Government Act to permit the deferral of development cost charges for non-profit housing projects.	Endorsed by UBCM
2013	Subsidies, rent supplements and other supports for social housing operating agreements	Federal Government	Call to assess, examine, and renew the subsidy, rent supplements, or other supports for operating agreements set to expire; and collaborate with provincial, territorial and municipal governments, and non-profit housing providers and other housing stakeholders to ensure the viability and sustainability of all social housing stock through a national action plan on housing for Canada.	Endorsed by UBCM

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DATE	SUBJECT	TO	DESCRIPTION	OUTCOME
2014	Subsidies, rent supplements and other supports for social housing operating agreements	Federal Government	Endorse the FCM housing campaign "Fixing Canada's Housing Crunch," and urge the minister of employment and social development to develop a long-term plan for housing that puts core investments on solid ground, increases predictability, protects Canadians from the planned expiry of \$1.7 billion in social housing agreements and ensures a healthy stock of affordable rental housing for Canadians.	Endorsed by UBCM
2016	National Housing Strategy	Federal Government	Urge the federal government to expedite the development of a National Housing Strategy.	Endorsed by UBCM
2016	Tenant Assistance	Provincial Government	Urge the Provincial government to amend the Residential Tenancy Act to include an improved and standardized approach to tenant assistance, particularly in relation to tenancy dissolution and/ or relocation.	Endorsed by UBCM

Table 2 - FCM Resolutions

DATE	SUBJECT	TO	DESCRIPTION	OUTCOME
2014	Subsidies, rent supplements and other supports for operating agreements with non-profits	Federal Government	Call on the federal government, through the Federation of Canadian Municipalities and other avenues as appropriate, to assess, examine, and renew the subsidy, rent supplements, or other supports for operating agreements set to expire; and to collaborate with provincial, territorial and municipal governments, and non-profit housing providers and other housing stakeholders to ensure the viability and sustainability of all social housing stock through a national action plan on housing for Canada.	Adopted
2015	Rental assistance for housing cooperatives	Provincial and Federal Governments	Urge the federal and provincial governments to work together to reduce the uncertainty for vulnerable members of housing cooperatives by ensuring that long-term, cost-shared rental assistance programs are in place as federal cooperative housing agreements expire.	Adopted

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Table 3 - Letters

DATE	SUBJECT	TO	DESCRIPTION
2004	Continued Funding for National Homelessness Initiative	Federal Minister of Labour and Housing	Request to continue funding for the National Homeless Initiative beyond its 2006 end date.
2006 May 16	Condition and maintenance of purpose built rental building and review of Residential Tenancy Branch processes	Provincial Government	Request, on behalf of the tenants of a purpose built rental building, that the Residential Tenancy Branch provide prompt attention to the concerns of tenants regarding the condition and maintenance of the building and that the accessibility, effectiveness and efficiency of the Residential Tenancy Branch's process for assessing and resolving complaints be reviewed and enhanced.
2006 July 26	Rent Supplements and Housing Allowances	Provincial Government (and forwarded to UBCM member municipalities)	Expressing opposition to the Province's introduction of rent supplements and requesting that its budget be reallocated towards the development of new social housing units.
2006 July 26	Provincial Funding for Safe Houses	Provincial Government	Request that Provincial funding for safe houses in Burnaby and on the North Shore be restored.
2007 October 10	204 Alpha and 205 Beta – Response to Delegation Request	Provincial Government	Request that BC Housing maintain the housing in said development as family housing despite its purchase under the Provincial Homelessness Initiative.
2008 December 16	Support for Social Housing Projects in Burnaby	Provincial Government	Request that BC Housing reverse its decision to revoke funding for two social housing projects, which included transitional and supportive housing for women in two existing apartment buildings on Hastings Street, which had successfully completed the Public Hearing process. The Elizabeth Fry Society's proposed projects could not proceed without provincial funding.
2009 July 10	Application of Property Transfer Tax to Non-Market Housing	Provincial Government	Support for a non-profit society's request for an exemption from the Provincial Property Transfer Tax. The tax was proving to be a financial barrier for the advancement of a seniors' housing development.
2009 October 22	City Housing Initiatives/Property Transfer Tax Issue	Provincial Government	Request once again that the Province address the financial barrier to the advancement of a seniors' housing development in Burnaby caused by the Provincial Property Transfer Tax.

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Table 4 – Reports and Motions

DATE	SUBJECT	TO	DESCRIPTION
2002 December 09	Information Guide for Tenants	Provincial Government (Residential Tenancy Office); the Tenants' Rights Action Coalition; the Fraser Health Authority, Environmental Health Services (Burnaby Office); and the Society for the Prevention of Cruelty to Animals (Burnaby Shelter)	Council adopted a recommendation that the City forward an Information Guide for Tenants developed by the Metrotown Interagency Council to relevant government and non-government agencies for information. The Information Guide for Tenants includes contacts for tenants to call for information or assistance with a range of tenancy related problems.
2006 October 16	Homelessness	Burnaby and BC Members of Parliament and Members of the Legislative Assembly, as well as UBCM member municipalities and Federation of Canadian Municipalities	Council adopted a motion urging a meeting between Council and Burnaby's MPs and MLAs to demand that provincial and federal governments provide meaningful funding and programs to establish affordable housing initiatives, provide rehab and treatment centres for addiction, provide supportive permanent housing for those suffering mental illness, and provide adequate income support for the poor.
2006 October 30	Site Review – Transitional and Supportive Housing	Provincial Government	Council adopted a recommendation to send a letter to BC Housing indicating support for the partnership amongst Progressive Housing Society, Lookout Emergency Aid Society, and BC Housing in planning for transitional and supportive housing and that the City will assist the partnership by reviewing potential sites that may be appropriate for the proposed development.
2007 February 20	Affordable Housing and Homelessness – A Response to Issues and Proposals	Provincial and Federal Governments, and Burnaby Members of Parliament and Members of the Legislative Assembly	Council adopted recommendations to forward the comprehensive report to the above mentioned senior government politicians requesting that the proposed federal and provincial initiatives outlined in the report be addressed.

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DATE	SUBJECT	TO	DESCRIPTION
2008 April 18	Recommended City Initiatives – Affordable Housing and Homelessness	Federal and Provincial Governments	Council adopted recommendations to pursue: <ul style="list-style-type: none"> a tri-party agreement with the federal and provincial governments for development of non-market supportive housing in the eastern portion of 3800 block of Hastings Street; and discussions with the provincial government in support of developing an emergency shelter and transitional housing development on provincial lands at Willingdon Avenue and Canada Way, as part of comprehensive land use plan for the site.
2011 July 11	Urban Renewal Site – 3802 Hastings Street: Advancement of Proposals for Non-Market Housing	Provincial and Federal Governments, and Burnaby Members of Parliament and Members of the Legislative Assembly	Council adopted recommendations to further pursue provincial and federal support for the development of non-market housing on the jointly held urban renewal site at 3802 Hastings Street. The request specifically addressed a cost share arrangement for the preparation of a pro-forma for the project.
2014 February 03	Development of a Long-Term Plan to Fix Canada's Housing Crunch	Federal and Provincial Governments and Burnaby Members of Parliament	Council adopted a resolution endorsing the Federation of Canadian Municipalities' housing campaign, "Fixing Canada's Housing Crunch" and urging the federal government to develop a long-term plan for housing that puts core investments on solid ground, increases predictability, protects Canadians from the planned expiry of social housing agreements and ensures a healthy stock of affordable rental housing for Canadians.
2015 May 04	BC Housing Non-Profit Asset Transfer Program	Premier, Provincial Government, and Burnaby Ministers of Legislative Assembly	Council adopted recommendations requesting that the Premier and Minister Responsible for Housing provide a long-term plan to maintain public ownership of lands and buildings for non-market housing to meet current and future community needs in the province.

Although endorsed by fellow local governments, most of the above efforts still await a response from the Province and Federal government. Nonetheless, the City remains committed in pursuing them, and will continue to advocate for affordable housing programs and funding.

One exception is the 2014 call for a long-term Federal plan for housing, which was made by the Federation of Canadian Municipalities (FCM) with Burnaby's endorsement. Last year, the Federal government launched the National Housing Strategy process, which is intended to provide a long-term vision for housing in Canada that addresses fundamental housing challenges. In 2016 October, the City provided its input on proposed preliminary elements of this strategy,

calling for a broad range of funding, incentives, partnerships, and other supports for provision of affordable housing.

4.0 HOUSING UPDATE – JULY 2017

Since last year's *Burnaby Housing Profile 2016*, progress has been made on a number of housing initiatives and housing-related policies. Additional housing data has also been compiled. The following is an update on recent housing-related activity.

Policy work:

- **Official Community Plan (OCP) Update:** Work has begun on the OCP update, which will include a review of the Residential Policy Framework, as well as other policies that will determine the location and types of housing to be built in Burnaby. The OCP update will also incorporate a Housing Action Plan outlining City commitments for addressing housing supply, diversity, and affordability. Current work on the OCP update includes data collection, analysis of population and development patterns, and mapping adjustments, which will establish baseline conditions upon which housing decisions can be made.
- **Tenant Assistance Policy Review:** Staff are reviewing the provisions of its Tenant Assistance Policy to identify opportunities to further enhance the assistance offered to tenants facing relocation.

Funding programs:

- **Community Benefit Bonus Housing Fund:**
 - Since 2016 August, the Housing Fund has gained approximately \$18.3 million, all of which will be used to support construction of new non-market housing. These funds were paid through the development process for new residential towers in the Metrotown and Brentwood town centres, in exchange for density bonuses. In total, the Housing Fund has secured over \$58 million for non-market housing development.
 - In 2017 April, Burnaby pledged \$1.6 million of Housing Fund dollars to help Burnaby Association for Community Inclusion (BACI) replace aging facilities and build new non-market housing at Filby Court. The funding will support development of 15 new non-market housing units along with a new 36-unit childcare centre.
- **City Lands Program for Non-Market Housing:**
 - In 2017 March, Burnaby completed the preliminary selection process for construction of approximately 200 units of non-market housing at two City-owned sites (3802 Hastings Street and 7898 Eighteenth Avenue). The selected non-profit societies,

SUCCESS and New Vista Society, are preparing more detailed proposals for Council review.

Rezoning and Development:

- 678 units of non-market housing at seven sites are under construction or being reviewed through the rezoning process. Two other non-market housing projects are also undergoing rezoning, with the number of units as yet to be determined.
- 1,607 units of purpose-built rental housing at seven sites are under construction or being reviewed through the rezoning process.
- 496 secondary suites are under construction (or have building permits pending), with 123 constructed so far this year.
- 22,679 apartment and townhouse units are under construction or being reviewed through the rezoning process. Based on regional rates of strata unit rentals, an estimated 25% of those (or 5,670 units) will be offered as rental units once constructed.
- A full update on rental housing projects is included as Appendix A.

Advocacy:

- On 2016 February 22, Council approved a resolution to the Union of British Columbia Municipalities (UBCM) urging the Province to amend the *Residential Tenancy Act* to include an improved and standardized approach to tenant assistance. This resolution was endorsed by the Lower Mainland Local Government Association (LMLGA) in 2016 May and by the UBCM in 2016 September. A response from the Province is still forthcoming.
- Following the City's 2016 October submission to the National Housing Strategy, staff continue to monitor the development of the strategy and opportunities for further input.

Partnerships:

- The City continues its partnership with BC Housing on new non-market housing at Cedar Place and is engaged in discussions regarding construction and/or renewal of non-market housing on other sites, with further information to come forward as viable and supportable projects are developed.

6.0 CONCLUSION

Burnaby facilitates and supports the work of housing providers, including senior levels of government, non-profit organizations, and the private market. Burnaby's wide range of housing policies and initiatives use available tools to encourage the development and protection of all

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types of market and non-market housing. To support housing options at below market rates, Burnaby generates funding through its density bonus program and advocates to senior levels of government for policy changes and increased funding for non-market housing. It also seeks partnerships with BC Housing, non-profit housing providers, and private developers to increase Burnaby's inventory of low-cost housing. This report summarizes those efforts, as an update to the *Burnaby Housing Profile 2016*, and provides an overview of the primary issues concerning housing affordability. This report is presented for Council's information, as a companion to the Metrotown Downtown Plan also appearing elsewhere on tonight's agenda.


Lou Pelletier, Director
PLANNING AND BUILDING

LF

Attachments

cc: Deputy City Manager
City Clerk

RENTAL HOUSING SUMMARY – UPDATED TO 2017 JULY 12

This summary provides an update on key data for three categories of rental housing: non-market housing developments, purpose-built market rental developments, and secondary rental units. A list of projects and a statistical table are included for each category.

1. Purpose-built Non-Market Rental Housing

Purpose-built non-market rental housing is owned and operated by non-profit or government housing providers for the sole purpose of providing rental housing. Units are generally rented at below market rates.

Table 1 below lists the number of projects and housing units according to development status – rezoning, construction, or completion.¹ The name, location, and number of units² for each project are also provided.

Projects include:

- **Cedar Place** – This redevelopment project, with 90 units of non-market family housing and 91 units of non-market seniors housing, is a partnership between the City, BC Housing and the developer, Ledingham McAllister. The City contribution includes approximately \$8.5 million through the density bonus program and approximately \$28.5 million in indirect funding through the value created by the proposed rezoning. The 90-unit family housing component received **Final Adoption on 2017 March 06**; the 91-unit seniors housing component was given **Third Reading on 2017 March 20** and is proceeding through the rezoning process.
- **Beresford and Sussex** – This new proposal for a low-rise non-market rental housing building, as part of the redevelopment of 6525, 6559, and 6585 Sussex Avenue, is proceeding through the rezoning process. Upon review of an **initial report on 2016 October 03**, Council authorized staff to work further with the applicants on a plan of development. Project partners may include a non-profit society, BC Housing and the developer, Thind Properties. The project has the potential for approximately 125 non-market housing units.

¹ In Tables 1 - 3, “Rezoning Application” means an application that has been submitted but has not yet received Final Adoption; “Pending Construction” means the rezoning bylaw has received Final Adoption (if applicable), site preparation may be underway, and a building permit is pending; “Under Construction” means a building permit has been issued. In Table 3, the latter two categories have been combined.

² In Tables 1 – 2, the number of units indicates net new units, unless otherwise indicated. In Table 3, due to the volume of projects, unit loss has not been calculated.

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- **Fair Haven** – This seniors housing redevelopment proposal received **Second Reading on 2016 December 05** and is proceeding through the rezoning process. The proposal will replace 16 seniors housing units with 145 new units. This project has received BC Housing funding through a Provincial Investment Affordable Housing (PIAH) Fund equity grant.
- **New Vista Campus** – A new proposal for redevelopment of a non-market seniors care facility at 7210 Mary Avenue, including the consolidation and re-subdivision of the site in order to permit future development of new non-market seniors apartment building on the New Vista campus. Upon review of an **initial report on 2016 May 30**, Council authorized staff to work further with the applicants on a plan of development.
- **UniverCity Passivhaus** – This new proposal for a 90-unit, below-market rental building featuring the rigorous energy efficiency standards of the *Passivhaus* model is the subject of a recently submitted **rezoning application**.
- **BACI** – This organization, which serves people with developmental disabilities, has submitted a **rezoning application** for redevelopment of its existing site at 3755 Banff Avenue, including the addition of 15 new non-market housing units. The City is supporting this proposal through renewal of the existing lease and provision of a \$1.6 million Housing Fund grant to offset land and servicing costs.
- **L'Arche** – This organization also serves people with developmental disabilities, and has submitted a **rezoning application** for redevelopment of its site at 7401 Sussex Avenue, including the residential component.
- **George Derby** – This new supportive housing development in Cariboo Heights is currently **under construction**. This development will create 122 new non-market housing units for seniors adjacent to an existing residential care facility also operated by the George Derby Care Society. The land is owned by the Province and leased to the Society at a nominal rate. BC Housing has also assisted with construction and mortgage financing. The City provided a Housing Fund Grant of \$1,018,492 to offset development costs.

Table 1: Purpose-built Non-Market Rental Housing, 2017 July 12

<u>Status</u>	<u># of projects</u>	<u>#of units</u>	<u>Project List</u>		
			<u>Name</u>	<u>Location</u>	<u># of units</u>
Rezoning Application	7	466+	Cedar Place	7121 Fourteenth Avenue	91
			Beresford & Sussex	6500 blk Sussex Avenue	125
			Fair Haven Seniors Housing	Rumble Street & Sussex Avenue	145*
			New Vista Campus	7210 Mary Avenue	TBD
			UniverCity Passivhaus	8650 University Crescent	90
			BACI	3755 Banff Avenue	15
			L' Arche	7401 Sussex Avenue	TBD
Under Construction/ Pending	2	212	Cedar Place	7201 Eleventh Avenue	90**
			George Derby	7550 Cumberland Street	122
TOTAL	9	678+			

* 16 of the 145 new units are replacement units.

** All 90 new units are replacement units.

Anticipated Projects

The City anticipates receiving rezoning applications for the following non-market rental housing projects:

- **3460 Kalyk Avenue** – Jubilee Multi-Generational Housing Society/Finnish Manor has received funding under the BC Investment in Housing Innovation (IHI) fund to construct 48 units of seniors housing.
- **3802 Hastings Street** – On 2017 March 06, Council approved preliminary selection of a proposal from SUCCESS to construct up to 190 non-market housing units on this City-owned property, through the City Lands Program for Non-Market Housing Projects (“City Lands Program”).

- **7898 Eighteenth Avenue** – Also on 2017 March 06, Council approved preliminary selection of a proposal from New Vista Society to construct up to 26 non-market housing units on this City Lands Program site.

2. Purpose-built Market Rental Housing

Purpose-built market rental housing is privately owned housing that is constructed for the sole purpose of renting. Units are rented at market rates. The units are typically provided in multi-family buildings under single ownership. This type of housing is considered to be secured rental for the lifetime of the building, as the individual units are not strata titled and cannot be sold individually. Purpose-built rental housing may be secured by covenant.

Table 2 below lists the number of projects and total number of units in each category. The name, location, and number of units for each of the projects are also provided.

Projects include:

- **Lougheed Village** – This infill proposal adds 645 new rental apartment units to an existing high-rise rental apartment complex in the Lougheed Town Centre. Following Council review of an **initial report on 2016 November 21**, the project is proceeding through the rezoning process.
- **Lougheed Core Area – Phase 1, Tower 4** – Part of the redevelopment of the Lougheed Mall site, this proposal adds 203 rental apartment units in a high-rise residential tower. Following Council review of an **initial report on 2016 November 21**, the project is proceeding through the rezoning process.
- **Parkview Towers/Sussex** – This infill proposal adds a third high-rise rental apartment building, with 238 new rental units, on a site with two existing rental apartment towers. The proposal received **Third Reading on 2017 February 06** and appears elsewhere **on tonight's agenda for Final Adoption**.
- **Comor** – A new mixed-use project on Hastings Street, this proposal includes 21 rental apartment units above ground floor commercial storefronts. This project received **Second Reading on 2016 June 13** and is proceeding through the rezoning process.
- **10th & Kingsway** – This proposal for a three-storey mixed-use development on the northwest corner of Kingsway and 10th Avenue was the subject of an **initial report** reviewed by Council on **2015 May 25**. Although inactive in recent months, this rezoning application remains pending.
- **Brentwood – Tower 1** – The first residential tower to be constructed as part of the redevelopment of the Brentwood Mall site, this project includes 300 rental apartment units. The tower is currently **under construction**.

- **Carleton Gardens** – This market-rate seniors housing development by Chartwell includes 105 supportive and assisted living rental apartment units in the Broadview neighbourhood. It is currently **under construction**.
- **Hastings & Madison** – This proposal for two rental units above ground-floor commercial space is the subject of recently submitted Preliminary Plan Approval (PPA) and building permit applications.

Table 2: Purpose-built Market Rental Housing, 2017 July 12

<u>Status</u>	<u># of projects</u>	<u>#of units</u>	<u>Project List</u>		
			<u>Name</u>	<u>Location</u>	<u># of units</u>
Rezoning Application	5	1,200	Lougheed Village	9500 Erickson	645
			Lougheed Core Area – Phase 1 – Tower 4	9855 Austin Road	203
			Parkview Towers/Sussex	6050 Sussex Avenue	238
			Comor	3700 Hastings Street	21
			10 th & Kingsway	7855 Kingsway	93
Under Construction/ Pending	3	407	Brentwood – Tower 1	4567 Lougheed Hwy	300
			Carleton Gardens (seniors housing)	4110 Norfolk Street	105
			Hastings & Madison	4270 Hastings Street	2
TOTAL	8	1,607			

Related Projects

- **Montage** – This strata mixed-use commercial/residential building, located at Hastings Street and Gamma Avenue, was sold to CIBT Education Group, who intends to rent the 30 residential units. The project is currently **under construction**.

3. Secondary Rental Housing

Secondary rental housing is market housing that is individually owned but rented to others. This category can apply to detached houses (single or two-family homes) or strata titled townhouse or apartment units. It can also apply to accessory rental units such as secondary suites and flex-suites.

Table 3 lists the number of units in each of the following categories: secondary suites; single family homes or duplex units; and multi-family residential units. The number of units in the latter two

categories is estimated, based on regional averages, at 25% of the total new multi-family residential units and 10% of the total new single and two family dwelling units.

Based on the above, additions to Burnaby's secondary rental housing inventory include:

- 496 secondary suites that are under construction or have building permits pending and 123 new suites that have been completed this year.
- An estimated 2,863 rental units from the approximately 11,451 multi-family residential units currently in the rezoning process.
- An estimated 2,807 rental units from the 11,228 multi-family residential units currently under construction or with permits pending.
- An estimated 78 rented single family homes or duplex units from the 775 single or two family homes currently under construction or with permits pending.
- An estimated 19 rented single family homes or duplex units from the 193 single or two family homes that have been completed so far this year.

Table 3: Secondary Rental Housing, 2017 July 12

<u>Status</u>	<u>Estimated rental units</u>	<u>Units by Housing Type</u>			
		Secondary Suite or Flex-Suite	Single or Two-Family ³	Multi-family residential ⁴	
				Estimated rental units	# projects
Rezoning Application	2,863	N/A	N/A	2,863 (11,451 x 25%)	64
Under Construction/ Pending	3,381	496	78 (775 x 10%)	2,807 (11,228 x 25%)	48
Completed in 2017*	149	123	19 (193 x 10%)	7 (29 x 25%)	1
TOTAL	6,393				

*Completed since 2016 December 01

In addition, six major multi-family residential projects are in the early stages of the rezoning process, with no proposed unit counts yet available. These projects are expected to contribute at least 800 additional units, with approximately 80 of those as secondary rental housing.

³ 10% of total new single or two-family dwellings

⁴ 25% of total new multi-family residential units

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Additional projects of similar scope are anticipated under the adopted Master Plans for Loughheed Mall, Brentwood Mall, Woodlands, and Southgate. Proposed Master Plans for Gilmore Station, the Willingdon Lands, Sears Metrotown, and Loughheed/Springer are currently proceeding through the rezoning process. Combined, these projects have the potential to add thousands of new rental units to the current inventory.