

TO: CITY MANAGER **DATE:** 2019 May 22

FROM: DIRECTOR PLANNING AND BUILDING **FILE:** 42000 20
Reference: Text Amendment

**SUBJECT: PROPOSED ZONING BYLAW TEXT AMENDMENT –
AFFORDABILITY OFFSET DENSITY**

PURPOSE: To propose text amendments to the Burnaby Zoning Bylaw regarding a density offset to the RM3, RM4 and RM5 Districts for the provision of affordable rental housing.

RECOMMENDATION:

1. **THAT** Council authorize the preparation of a bylaw amending the Burnaby Zoning Bylaw, as outlined in Section 4.0 of this report, for advancement to a Public Hearing on 2019 June 25.

REPORT

1.0 BACKGROUND INFORMATION

Appearing elsewhere on Council's agenda is a report on the proposed Rental Zoning Implementation Policy. The purpose of that report is to require and encourage the provision of rental housing through new development, and to protect existing purpose built rental uses within buildings throughout Burnaby. The policy proposes four distinct streams including:

- Stream 1 - Rental Replacement
- Stream 2 – Inclusionary Rental
- Stream 3 – Rental in Commercial Districts
- Stream 4 – Rezoning of Existing Rental Sites

As noted in the policy report, a mechanism to achieve affordable rental housing involves a density offset for new developments under the replacement and inclusionary rental streams. In order to enable the density offset to be utilized, an amendment to the RM3, RM4 and RM5 Multiple Family Residential Districts of the Burnaby Zoning Bylaw is required. The provision of affordable rental housing through new development will help to make available a broad range of housing options for Burnaby residents over the long-term.

2.0 POLICY CONTEXT

For context, the proposed rental use zoning implementation framework, and the text amendment to support it proposed in this report, are supported by the following Council-adopted policies:

The Social Sustainability Strategy

- Strategic Priority 1 - Meeting Basic Needs
- Strategic Priority 5 – Enhancing Neighbourhoods

The Economic Development Strategy

- G1: Building a Strong, Livable, Healthy Community
 - A diverse and affordable housing stock which is appropriate to resident's needs
 - Non-market Housing -- Explore possible ways to use the rezoning of land for market residential development as a means of helping achieve more non-market housing

The Official Community Plan

- Goal 4: Special and Affordable Housing Needs - To help ensure that the needs of people with special and affordable housing requirements are met
 - to continue to provide for increased housing opportunities in the City with particular encouragement for ground oriented housing forms
 - to broaden housing options within the City and its neighbourhoods to allow more residents to stay in familiar neighbourhoods as they age and their housing needs change
 - to seek new methods, regulations and partnerships to encourage the development and protection of affordable and special needs housing in the City
- Goal: Social Planning - To facilitate the development and ongoing sustainability of a community which enhances the physical, social, psychological and cultural well-being of Burnaby residents

Further to the above, the proposed approach also aligns with the following goals and sub-goals of the **Corporate Strategic Plan**:

- *A Connected Community*
 - Social Connection – Enhance social connections throughout Burnaby
 - Partnership – Work collaboratively with businesses, educational institutions, association, other communities and governments
- *A Dynamic Community*
 - Economic Opportunity – Foster an environment that attracts new and supports existing jobs, businesses and industries

- Community Development – Manage change by balancing economic development with environmental protection and maintaining a sense of belonging
- *An Inclusive Community*
 - Serve a diverse community – Ensure City services fully meet the needs of our dynamic community
 - Create a sense of community – Provide opportunities that encourage and welcome all community members and create a sense of belonging

Burnaby also has a number of existing policies that support the development and maintenance of rental housing, which will continue to be drawn upon and complement the proposed implementation framework, and the text amendments proposed in this report. These include:

- *Rental Conversion Control Policy*
- *City Lands Program/City Land Leases*
- *Community Benefit Bonus Housing Fund*
- *Affordable Units Policy*
- *Flex Suites Policy*
- *Fast Track Approvals Program*
- *Secondary Suites Program*
- *Tenant Assistance Policy*
- *Community, Town Centre, and other Area Plans*

3.0 RENTAL HOUSING AFFORDABILITY

To provide affordable rents comparable to those of the units affected by redevelopment, partnerships and public investment would be required, which could come from the federal government, the provincial government, and the City (or a combination of the three). In this vein, and while senior government funding will be sought, it is proposed that the City take on an active and ongoing role in achieving affordable rent levels for required affordable rental achieved through redevelopment. The target rent levels of new affordable rental units are identified to be the lesser of established rents similar to those of pre-replacement units, or 20% below CMHC market average. Tenants of these units would be required to meet BC Housing's Housing Income Limits (HILs) income thresholds in order to ensure the units are rented to, and occupied by, those in need of such housing.

While current mechanisms exist to assist with affordability, including the use of amenity bonus funds and housing funds, these funds are identified specifically for City owned amenities, and to provide for City related fees and costs in the development of alternative and affordable housing. Furthermore, the use of amenity bonus and housing funds as an ongoing tool to assist with

affordability on all required sites may be unsustainable, and could deplete these funds over time, limiting Council’s ability to fund larger city-owned amenities, or alternative forms of housing. While these funds are available for use toward specific affordable housing projects at Council’s discretion, the framework proposes to help fund affordability across the City over the long-term through additional market strata density being made available to offset the provision of affordable housing. The proposal identifies the maximum density offset to be equal to half the permitted base density under designated zoning district, as outlined in Table 1 below.

District	Base Density	Density Offset
RM3, RM3r, RM3s	1.1 FAR	0.55 FAR
RM4, RM4r, RM4s	1.7 FAR	0.85 FAR
RM5, RM5r, RM5s	2.2 FAR	1.1 FAR

Table 1 – Density Offset

The forgoing approach will enable each application to incorporate its own affordability, without being reliant on Federal and Provincial housing programs, or municipal housing grants, which are discretionary and therefore uncertain. Notwithstanding, all applications that include an affordable housing component will be required to seek additional funding to assist with affordability and to meet the needs of specific tenant groups.

4.0 PROPOSED BYLAW TEXT AMENDMENTS

- 4.1 **THAT** the Definition of “CMHC Market Average Rent” be added to Section 3 (Definitions) of the Zoning Bylaw with the wording the same or similar to the following:

“CMHC MARKET AVERAGE RENT” means the average residential rent levels paid for rental dwelling units, within new and existing structures, as determined by the Canadian Mortgage and Housing Corporation (CMHC) based on specific unit types and geographic areas applicable to Burnaby.

- 4.2 **THAT** Section 203.6 (RM3 District) of the Zoning Bylaw be amended by adding in subsection (5) with wording the same or similar to the following:

(5) Notwithstanding subsection (1), (2), (3) and (4) of this section, in the RM3, RM3r and RM3s Districts the floor area ratio may be increased by a further 0.55, but in no case shall exceed 2.05, provided that:

- (a) the lot is rezoned to Comprehensive Development District; and,*
- (b) at least 20% of the units on the lot are rental dwelling units with maximum rents of 20% below CMHC Market Average rent for the size of the dwelling unit.*

- 4.3 **THAT** Section 204.6 (RM4 District) of the Zoning Bylaw be amended by adding in subsection (5) with wording the same or similar to the following:

To: City Manager
From: Director Planning and Building
Re: Burnaby Zoning Bylaw Text Amendment – Affordability Offset Density
2019 May 22..... Page 5

(5) ***Notwithstanding subsection (1), (2), (3) and (4) of this section, in the RM4, RM4r and RM4s Districts the floor area ratio may be increased by a further 0.85, but in no case shall exceed 4.45, provided that:***

(c) ***the lot is rezoned to Comprehensive Development District; and,***

(d) ***at least 20% of the units on the lot are rental dwelling units with maximum rents of 20% below CMHC Market Average rent for the size of the dwelling unit.***

4.4 **THAT** Section 205.6 (RM5 District) of the Zoning Bylaw be amended by adding in subsection (5) with wording the same or similar to the following:

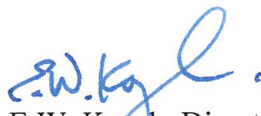
(5) ***Notwithstanding subsection (1), (2), (3) and (4) of this section, in the RM5, RM5r and RM5s Districts the floor area ratio may be increased by a further 1.1, but in no case shall exceed 6.10, provided that:***

(e) ***the lot is rezoned to Comprehensive Development District; and,***

(f) ***at least 20% of the units on the lot are rental dwelling units with maximum rents of 20% below CMHC Market Average rent for the size of the dwelling unit.***

5.0 CONCLUSION

The above Zoning Bylaw text amendments are proposed in order to permit a density offset within the RM3, RM4 and RM5 Multiple Family Residential Districts for the provision of affordable rental housing through new development throughout Burnaby, in line with the with proposed Rental Use Zoning Implementation Policy. It is recommended that Council approve the above proposed text amendments, as outlined in Section 4.0 of this report, for advancement to a Public Hearing on 2019 June 25.


E.W. Kozak, Director
PLANNING AND BUILDING

JBS:tn

cc: Director Engineering
Chief Building Inspector
City Clerk

Chief Licence Inspector
City Solicitor