

TO: CITY MANAGER **DATE:** 2020 March 4

FROM: DIRECTOR PLANNING AND BUILDING **FILE:** 16000 20
Reference:

SUBJECT: DEVELOPMENT OF NON-MARKET HOUSING AND CHILD CARE FACILITY – 7409 HALIFAX STREET

PURPOSE: To seek Council approval to advance development of non-market housing and a child care facility, in partnership with senior government and/or other development partners.

RECOMMENDATIONS:

1. **THAT** Council authorize staff to bring forward the subject site for the development of non-market housing and a child care facility, in partnership with senior levels of government and/or other development partners, as generally outlined in this report.
2. **THAT** Council authorize staff to initiate a future pre-zoning application for the subject site, as detailed in Section 5.0 of this report.
3. **THAT** an amendment to the Montecito Urban Village Plan, as outlined in Section 4.3 of this report be approved, upon the granting by Council of Final Adoption of the rezoning bylaw associated with the future pre-zoning application for the subject site.
4. **THAT** Council approve in principle the contribution of Community Benefit Bonus Housing funds towards City-related permit fees and servicing costs associated with the future rezoning applications for the subject site, as detailed in Section 5.0 of this report.
5. **THAT** Council authorize staff to undertake a future public tender process to find suitable development partners and operators for the subject site, as detailed in Section 5.0 of this report.
6. **THAT** copies of this report be sent, for information purposes, to: Mr. Michael Flanigan, Vice President, Development & Asset Strategies, BC Housing; Mr. Andrew Middleton, Affordable Housing Specialist, CMHC; and Mr. Thom Armstrong, Executive Director, Co-operative Housing Federation of BC.

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REPORT

1.0 OVERVIEW

On 2019 July 29, Council unanimously adopted the *Mayor's Task Force on Community Housing Final Report*, which recommends 18 actions grouped under four themes as a basis for further direction and specific initiatives to increase the supply, diversity, and affordability of housing in Burnaby. The *Final Report* also lists ten "Quick Starts" – priority actions that the City can initiate within six months. In line with specific actions recommended in the *Final Report*, this report recommends that the City-owned property at 7409 Halifax Avenue be brought forward for the development of non-market housing, in partnership with senior levels of government. It is also recommended that future development on this site include a child care facility.

This report provides an overview of the supporting policy context for this initiative; outlines the development potential of 7409 Halifax Street, which can potentially yield 400 units of housing and a child care facility; and outlines next steps and target dates for completion.

2.0 POLICY CONTEXT

The *Mayor's Task Force on Community Housing Final Report* specifically calls on the City to "pursue partnerships that leverage the contributions of the City, BC Housing, non-profit societies, and private developers to provide more non-market and below-market rental housing" (Quick Start #5). As well, the *Final Report* broadly recommends investment in housing partnerships (Theme 2), and specifically recommends increasing the supply of affordable rental housing (Recommendation #12) and adopting ways to support affordable home ownership (Recommendation #18).

There are several other City policies that support the provision of non-market housing, as well as the provision of child care facilities:

- Burnaby's *Official Community Plan* (1997) contains goals within its residential and social policy frameworks to help ensure that the needs of people with special and affordable housing requirements are met. This could be achieved by seeking new methods, regulations, and partnerships to encourage the development and protection of affordable and special needs housing in the City.
- The *Burnaby Economic Development Strategy* (2007) sets a goal of building a strong, liveable, and healthy community, which includes developing a diverse and affordable housing stock which is appropriate to residents' needs.
- The *Burnaby Social Sustainability Strategy* (2011) contains several actions in the area of affordable and suitable housing, including looking for opportunities to work with senior

levels of government to facilitate the development of housing that is supportive of, 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.

- The City’s *Child Care Policy* (1993, further revised in 2000) indicates several actions to support the creation of a comprehensive and inclusive child care system, including leasing appropriate City-owned sites for non-profit child care operations and working with senior government, child care providers, the business community, and others to identify innovative ways to reduce the costs of child care development and operation.
- The adopted Council reports entitled “*Affordable Housing and Homelessness – A Response to Issues and Proposals*” (2007) and the “*Burnaby Housing Profile – 2016*” (further updated in 2017) identify the opportunity for the City to facilitate the delivery of affordable housing, in part, by cooperating with senior government.

Development of non-market housing and child care facilities in Burnaby is further supported by the following goals and sub-goals of the *Corporate Strategic Plan*:

A Connected Community

- Partnership – Work collaboratively with businesses, educational institutions, associations, other communities, and governments.
- Social connection – Enhance social connections throughout Burnaby.

An Inclusive Community

- Create a sense of community – Provide opportunities that encourage and welcome all community members and create a sense of belonging.

A Healthy Community

- Healthy life – Encourage opportunities for healthy living and well-being.
- Community involvement – Encourage residents and businesses to give back to and invest in the community.

A Dynamic Community

- Community development – Manage change by balancing economic development with environmental protection and maintaining a sense of belonging.

3.0 BACKGROUND

3.1 On 2019 October 07, Council received a report that included a number of recommendations, including: that staff bring forward seven sites in Burnaby for the development of non-market housing in partnership with senior levels of government; that

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staff initiate rezoning applications for six of the seven sites¹, to help facilitate and expedite development of non-market housing and place the City and its future non-profit development partners in a strong position to obtain senior government capital funding and financing support; that Council approve in principle the contribution of Community Benefit Bonus Housing funds towards City-related permit fees and servicing design and construction costs associated with rezoning applications for those sites; and that Council approve in principle a future Request for Proposals to identify suitable non-profit development partners and operators for five of the sites². Overall, this initiative (referred to in this report as the “broader housing partnership initiative”) is targeted to deliver over 1,300 non-market housing units in Burnaby, in an expedited timeframe.

- 3.2 On 2019 December 10, rezoning applications for six sites were advanced to Public Hearing, to establish development guidelines for future non-market housing including: permitted land use(s), density, general building height and form, and general residential unit count. As part of the rezoning process, preliminary servicing requirements (e.g. road dedications, public realm improvements, and infrastructure upgrades) have been identified, and detailed civil designs and cost estimates will be completed by the end of this year.

Of the six sites advanced to Public Hearing, five received Second Reading on 2020 January 27 and are expected to achieve Final Adoption in Spring 2020. The sixth site, at 7285 Kitchener Street, drew a number of written and verbal submissions at the Public Hearing. Issues and comments raised included environmental considerations and the availability of nearby, alternative development sites. Ultimately, as described in a 2020 February 10 staff report responding to the issues and comments raised at the Public Hearing, based on confirmed presence of wetlands on the Kitchener site, the City’s desire to demonstrate environmental leadership, and the availability of an alternate site nearby suitable for the potential development of non-market housing – the subject site at 7409 Halifax Avenue – it was concluded that the Kitchener site was not suitable to be advanced for non-market housing development at this time as part of the current housing partnership initiative. Council adopted a staff recommendation that the Kitchener rezoning application be withdrawn and the related rezoning bylaw abandoned. In lieu of development on the Kitchener site, the report recommended that non-market housing be explored at the subject site.

¹ As the City does not hold agent authorization for the seventh site, which is owned by the federal government, this site is pending rezoning initiation. Staff have been authorized to continue to work with CMHC or other relevant federal government staff towards the advancement of the seventh site for the development of non-market housing on a partnership basis.

² A private development partner has been selected for the sixth site undergoing rezoning, given unique circumstances related to their partial ownership of an adjacent site, which requires that site to be developed concurrently.

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3.3 This report brings forward 7409 Halifax Street for the development of non-market housing and a child care facility, generally in accordance with the process that has been established for the other sites in the broader housing partnership initiative.

4.0 DEVELOPMENT OPPORTUNITY AT 7409 HALIFAX STREET

4.1 The subject site is located within the Montecito Urban Village Plan at the northwest corner of Halifax Street and Phillips Avenue (see *attached Sketch #1*). It is currently treed and undeveloped, and has an area of approximately 9,259.89 m² (99,673 sq.ft.). Early investigations by an environmental consultant confirm the absence of streams or wetland areas on the site. To the east of the site is the City-owned Burnaby Mountain Golf Course and Squint Lake Park. To the south across Halifax Street and to the immediate west are high-rise apartment buildings, with low-rise multiple family developments beyond. To the north across Woodbrook Place are low-rise multiple family developments, with the Greystone Village neighbourhood shopping centre beyond.

4.2 The site is currently zoned A2 Small Holdings District and was acquired by the City in 1978. It is designated as a “Municipal Development Site”, with seniors citizens apartments, community services, and recreational or institutional use all identified as potential land use options (see *attached Sketch #2*). Regarding the recreational use option for the site, the Parks, Recreation and Cultural Services Department has indicated that the site is listed in its medium to long term plan for the provision of dry recreation space for the northeast quadrant of the City. Since that time, Council has initiated a feasibility study for the redevelopment of the Cameron Community Complex to serve the northeast quadrant. Notwithstanding, staff will continue to pursue opportunities for community amenities to support the Montecito neighbourhood, including a proposed child care facility on the subject site.

4.3 With respect to the development potential for the site, it is recommended that the CD Comprehensive Development District, based on the RM4 and RM4r Districts as guidelines, be considered, given the adjacent high-rise apartments to the south and west are also zoned RM4 District. The CD (RM4, RM4r) District would permit a maximum residential development density of 3.4 Floor Area Ratio (FAR). The RM4r District would be utilized to support rental units, including non-market units. The RM4 District could also support rental units and/or, potentially, other forms of tenure such as affordable homeownership or co-operative ownership. Housing tenure, specific levels of affordability, and land lease options would be explored through further discussions with senior government partners, and a future City-led proposal call to find a development partner for the site (see Section 5.0). A minor amendment to the Montecito Urban Village Plan is recommended to permit “multiple-family housing”, with no restrictions on age, as a permitted land use. Given a need to increase the number of licenced infant and

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toddler child care spaces in the City, it is also recommended that the P5 Community Institutional District be considered for the site, in order to allow for future development of a child care centre. The P5 District permits a maximum density of 0.8 FAR.

- 4.4 With respect to building form, it should be noted that the presence of an oil pipeline within a statutory right-of-way along the south property line may influence how much of the maximum 3.4 FAR residential density can be consumed on the site. In accordance with National Energy Board requirements, any ground disturbance activities (e.g. excavation or construction) that take place within 30 m perpendicularly in both directions from the centreline of a pipe (the “prescribed area”) requires consent of the pipeline owner and compliance with certain safety measures and procedures. Depending on the specific circumstances, these safety measures and procedures may require development activities to take place outside of the prescribed area, thereby limiting the overall developable area and/or increasing development costs of the site.

If required safety measures and procedures do not significantly impact developable area or construction costs, the site could potentially support two 20-storey residential towers containing a total of 400 units, as well as a potential child care centre within a tower podium or in a separate building. The residential buildings would be comparable in height and scale to the apartment buildings to the south. Conservatively, in a scenario where all development activities must take place fully outside of the prescribed area, the site could be expected to support a single residential tower with a ground-oriented component and a child care centre, with the residential density and unit count reduced accordingly. The child care centre is expected to consume only a portion of the 0.8 FAR density available under the P5 District. A summary of development guidelines, including recommended land uses, maximum density, general building height and form, and general residential unit count is found in the *attached Appendix A*.

5.0 NEXT STEPS AND TARGET DATES

In order to advance development of non-market housing and a child care facility on the subject site, it is proposed the following steps be undertaken:

1. **Engineering Servicing Design (March 2020 to December 2020).** It is advantageous for the City to undertake the required servicing design for the site, in order to offer a future project sponsor (developer) a site that is ready to be serviced and developed. The City has already retained a consultant to develop the engineering servicing design for five of the sites in the broader housing partnership program. The scope of work includes: design of services (water, storm, sewer, and roads/transportation); design and coordination of third party utilities (e.g. BC Hydro, Telus, Shaw, etc.); investigation and recommendations related to soil contamination, invasive species, and geotechnical conditions; and an hourly rate for inspectors for possible future inspection requirements.

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In order to expedite the engineering servicing design for the subject site, it is recommended that the consultant's scope of work be expanded to include the subject site, with Phase I - Preliminary Design and Cost Estimates targeted for completion by 2020 June and Phase II – Detail Design and Cost Estimates to be delivered by 2020 December. Council approval on this proposed scope expansion will be sought in a separate report. Any arising soil contamination, invasive species, or geotechnical issues on the subject site would be addressed in a future site-specific rezoning application (see Step 6).

2. Detailed Review of Development Potential (March 2020 to December 2020).

As aforementioned, the development potential of the site may be influenced by physical constraints and financial considerations. It will be necessary to engage in discussions with the pipeline owner, Shell Canada Ltd., to confirm the developable area of the site and any necessary safety measures, procedures, and associated costs. As well, as it is desirable for this project to be largely supported through senior government funding and financing programs, staff will engage in discussions with BC Housing and Canada Mortgage and Housing Corporation's (CMHC) staff. While BC Housing has confirmed that the scope of this project is beyond the parameters of its next call for proposals for new rental housing units under its *Building BC: Community Housing Fund (CHF)* program, which is anticipated in spring 2020, there may be potential for a project on this site to be supported by the HousingHub Program, which supports creation of new affordable rental housing and homeownership options for middle-income households. CMHC's *National Housing Co-Investment Fund*, which provides capital contributions and low cost loans to support development of energy efficient, accessible and socially inclusive housing for mixed-income, mixed-tenure and mixed-use affordable housing uses, will also be explored. Finally, staff will initiate discussions with the Co-operative Housing Federation of BC to explore the potential for co-op housing on the site.

3. Pre-zoning of site (January 2021 to April 2021). Once there is greater clarity on the development potential and capital funding and financing options for the site, the City would complete a Comprehensive Development rezoning application for the site to formally establish development guidelines including: permitted land use(s), density, general building height and form, and general residential unit count. Prerequisite conditions of the pre-zoning application will include registration of a Section 219 Covenant specifying that no construction may take place on the property until the following provisions have been satisfied:

- completion of a site-specific rezoning application (see Step 6) and provision of any prerequisite conditions;
- offsite engineering, road works, and civil works as determined necessary;
- completion of a servicing agreement and submission of all bonding and payments associated with civic works;

- provision of all third party utilities; and,
- the granting of statutory rights-of-way, easements, and covenants as required.

Similar to the other sites that are in the broader housing partnership program, it is recommended that Council approve-in-principle use of Community Benefit Bonus Housing funds to offset servicing costs and other City-related fees associated with the rezoning application. Specific Council authority on the expenditure of funds will be sought as part of the pre-zoning process, which is targeted to be completed within a four month expedited timeframe.

4. **Engagement of Development Partner(s) (2021).** It is recommended that Council authorize staff to undertake a future public tender process (Request for Expressions of Interest and/or Request for Proposals) to find suitable development partners for the subject site. Given the large scope of this project, development partners may be a private, non-profit, or government housing entity, or multi-agency. Respondents to the tender call would be required to meet certain eligibility criteria, including strong financial capability and related project experience, and demonstrate ability to adhere to the City's affordable housing objectives. The successful respondent would be expected to pursue senior government funding (see Step 5), unless it can demonstrate the financial capacity to develop, construct, and operate the project without government subsidy. The successful respondent would also be expected to complete a detailed, site-specific rezoning application (see Step 6).
5. **Senior Government Funding Applications (2021).** If government subsidy is necessary, it is anticipated that the City's commitment to undertaking and funding engineering servicing designs and pre-zoning the site would place the selected development partner(s) in a good position to obtain capital funding and financing support from senior government. CMHC's *National Housing Co-Investment Fund* offers ongoing enrolment, and HousingHub is expected to be an ongoing program.
6. **Site Specific Development Approvals (2021 to 2022).** The respondent would be required to complete a site specific rezoning application in accordance with the Comprehensive Development guidelines established in Step 3. This future site-specific rezoning will include a Public Hearing; defined building form and massing; information on tenure and levels of affordability; details on unit mix and unit counts; and information on underlying land ownership. Site-specific development-related prerequisite conditions will also be determined at the time of the site-specific rezoning, including all required legal agreements (e.g. lease agreements, Section 219 Covenants, Housing Agreements, servicing construction contracts), which would be executed according to established policies and practices. Preliminary Plan Approval and Building Permit applications would also be completed by the applicant. Site specific development approvals would be expedited. If necessary, Council approval will be sought for any adjustments to the use

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of Community Benefit Bonus Housing Funds to offset City-related fees and servicing costs.

6.0 SUMMARY AND RECOMMENDATIONS

This report identifies an opportunity to potentially develop up to 400 units of housing, and a child care facility at 7409 Halifax Street, in partnership with senior levels of government and/or other development partners. This opportunity aligns with numerous City policies related to affordable housing and child care. As such, it is recommended that Council authorize staff to initiate a pre-zoning application to establish development guidelines for the site that will be used as a basis for a future site-specific rezoning application for a specific form of development and building program. A minor amendment to the Montecito Urban Village Plan would be required, subject to Council granting Second Reading to the rezoning amendment bylaw. It is further recommended that Council approve-in-principle use of Community Benefit Bonus Housing funds to offset City-related project costs. These actions would demonstrate the City's continued commitment towards achieving new non-market housing units and child care spaces in Burnaby, and increase the likelihood of the project to successfully obtain capital funding and financing support from senior government partners. Finally, it is recommended that Council approve-in-principle a future public tender process to find suitable development partners for the site.

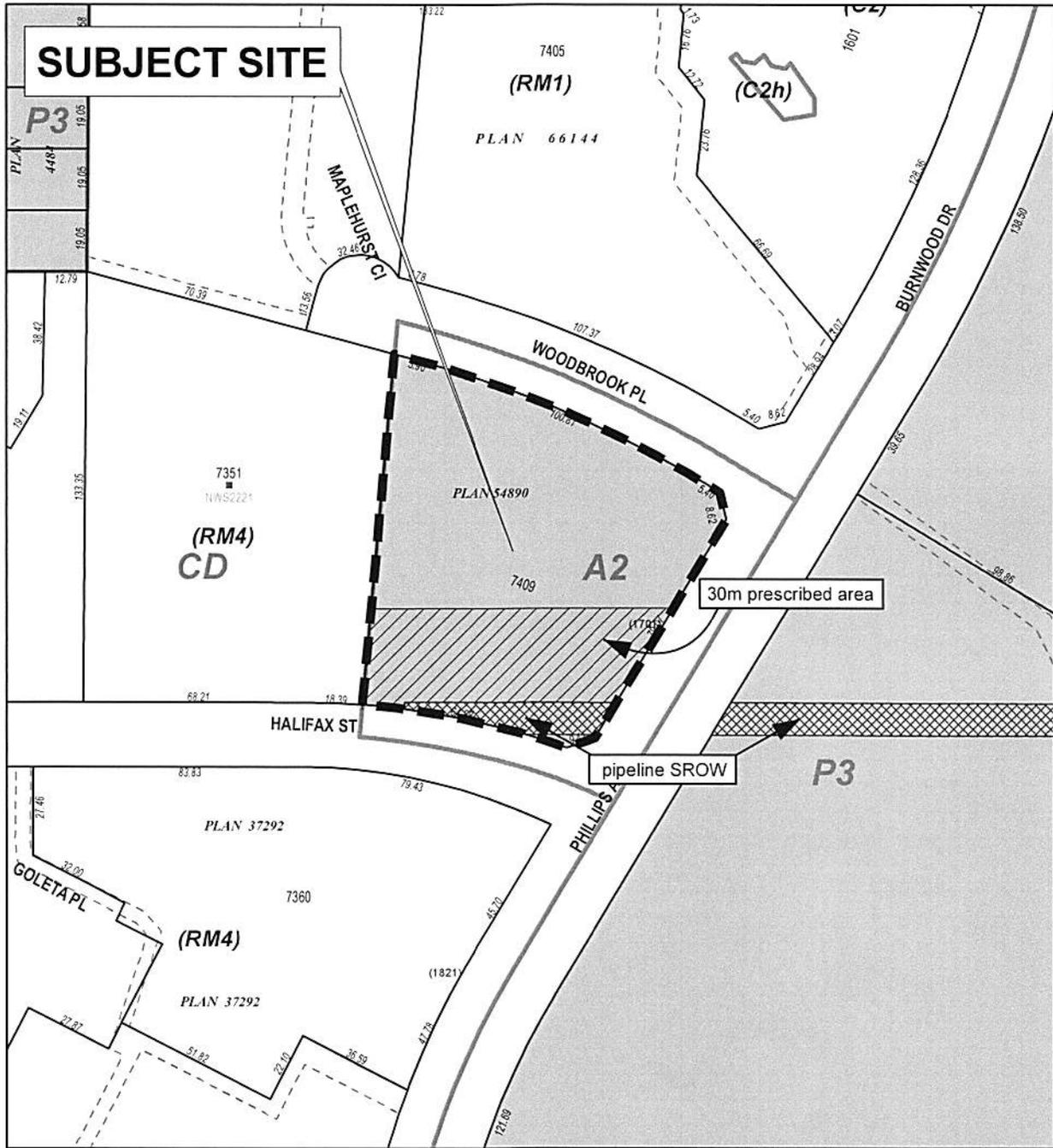


E.W. Kozak, Director
PLANNING AND BUILDING

KH:sa

Attachments

Copied to: Director Engineering
Director Finance
Director Corporate Services
Director Public Safety and Community Services
Director Parks, Recreation and Cultural Services
City Solicitor
City Clerk



PLANNING & BUILDING DEPARTMENT



Date: MAR 3 2020

scale: 1:2,000

Drawn By: JS

7409 HALIFAX STREET
POTENTIAL NON-MARKET HOUSING AND CHILD CARE SITE

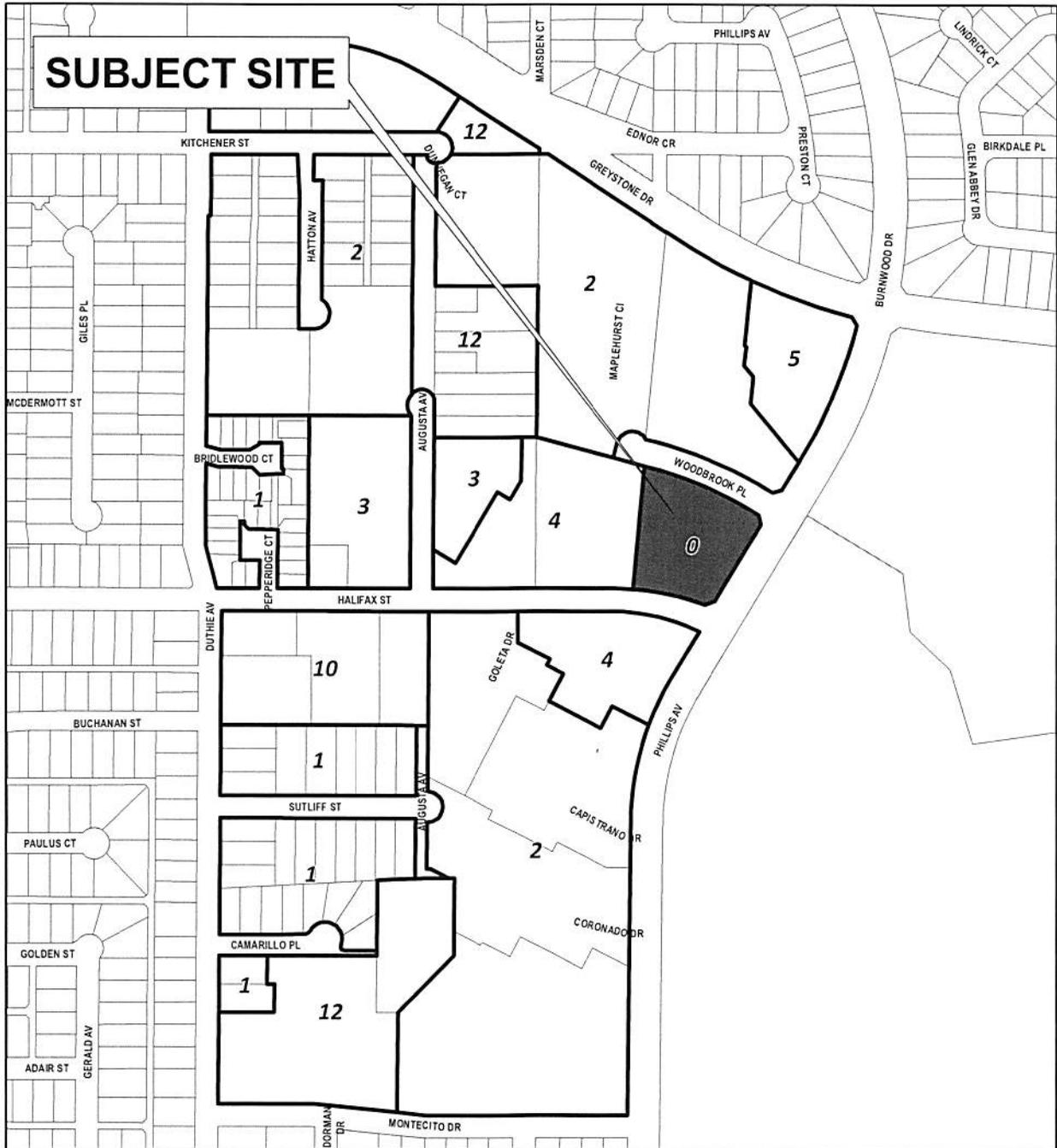


Subject Site



City-Owned Property

Sketch #1

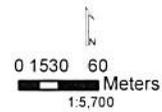


- | | |
|----------------------------------------------|--------------------------------------|
| 1 Single and Two Family Residential | 5 Commercial |
| 2 Low Density Multiple Family Residential | 10 Institutional |
| 3 Medium Density Multiple Family Residential | 12 Park and Public Use/Public School |
| 4 High Density Multiple Family Residential | 0 Study Area |



Planning and Building Dept

MONTECITO PLAN



APPENDIX A

7409 Halifax Street – Non-Market Housing and Child Care Facility Development

Addresses: 7409 Halifax Street

Site Area: 9,259.89 m² (99,673 sq.ft.)

Permitted land use(s): Non-market housing and child care centre

Zoning & Maximum Density:

Residential:

RM4 (tenure TBD) 1.70 FAR (169,444 sq.ft.)

RM4r (rental) 1.70 FAR (169,444 sq.ft.)

3.40 FAR (338,888 sq.ft.)

Childcare:

P5 0.8 FAR (79,738 sq.ft.)

Building Form & Height: One or two high rise apartments, up to approximately 20 storeys in height; potential ground-oriented residential component; child care centre integrated into apartment podium or in stand alone building.

Maximum Residential Unit Count: 397 units, based on 85% efficiency and 725 sq.ft. average unit size.

Targeted Client Group & Affordability: General, mixed affordability