

PLANNING AND DEVELOPMENT COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

SUBJECT: RENTAL USE ZONING POLICY REVIEW

RECOMMENDATION:

1. THAT Council approve the scope of work to undertake a review of the Rental Use Zoning Policy, as outlined in this report.

REPORT

The Planning and Development Committee, at its meeting held on 2022 May 11, received and adopted the attached report recommending Council approve the scope of work to undertake a two-year review of the Rental Use Zoning Policy.

Respectfully submitted,

Councillor P. Calendino
Chair

Councillor S. Dhaliwal
Vice Chair

Copied to: Chief Administrative Officer Acting CFO GM Corporate Services GM Parks, Recreation and Cultural Services GM Engineering Manager Climate Action and Energy

TO: CHAIR AND MEMBERS
PLANNING AND DEVELOPMENT COMMITTEE

DATE: 2022 April 26

FROM: GENERAL MANAGER
PLANNING AND DEVELOPMENT

FILE: 49500 00

SUBJECT: RENTAL USE ZONING POLICY REVIEW

PURPOSE: To outline the scope of work to undertake a two-year review of the Rental Use Zoning Policy.

RECOMMENDATION:

1. **THAT** the Committee recommend that Council approve the scope of work to undertake a review of the Rental Use Zoning Policy, as outlined in this report.

REPORT**1.0 BACKGROUND**

On 2018 May 31, the provincial government enacted the Residential Rental Tenure Zoning Amendment Act, which enables rental tenure housing as a specific land use and Burnaby was the first municipality to amend its Zoning Bylaw for this use. On 2019 May 13, Council adopted an implementation framework of the Rental Use Zoning Policy and the finalized policy was adopted by Council on 2020 March 09.

At the time of adoption, a two year review of the policy was proposed. The policy enables the City to achieve new market and non-market rental units, along with replacement of existing purpose built rental housing, in new developments in community plan areas. To date, thousands of new rental units are under construction or proposed through implementation of this policy. This report outlines a proposed process to review implementation of the policy to date.

2.0 POLICY CONTEXT

The Rental Use Zoning Policy generally aligns with the following Council adopted plans, reports and policies: *Mayor's Task Force on Community Housing Final Report (2019)*; *HOME: Burnaby's Housing and Homelessness Strategy (2021)*, *Burnaby's Housing Needs Report (2021)*, *Burnaby Social Sustainability Strategy (2011)*, *Burnaby Economic Development Strategy (2007)*, and *Official Community Plan (1998)*.

3.0 RENTAL USE ZONING POLICY

The Rental Use Zoning Policy seeks to preserve and provide more rental housing, including market and non-market units, as housing options for low to moderate income households. The implementation framework has been designed to secure a long-term rental stock for Burnaby residents.

The policy both requires and encourages developers to provide rental units at a range of affordability levels. There are four streams within the policy:

1. **Replacement:** Requires replacement of existing purpose built rental units when existing sites are proposed for redevelopment (“**Replacement Rental Units**”). The policy interconnects with the City’s Tenant Assistance Policy and the replacement rental units are to be provided to returning tenants who were displaced during the redevelopment and who were determined to be eligible for tenant assistance under the City’s policy.
2. **Inclusionary:** Requires new developments within community plan areas to provide 20% of the total market units as non-market rental units (“**Required Inclusionary Units**” or “**Burnaby Affordable**”) at rents 20% below CMHC market median rents; and allows the addition of extra rental units with a 1:1 ratio of units at market rents and CMHC market median rents (“**Optional Inclusionary Units**”).
3. **Voluntary in Commercial Districts:** Allows developments to use up to 49% of unused commercial floor space to provide market rental units.
4. **Protectionary:** Enables the City to secure existing sites, located outside of community plan areas and improved with purpose built rental buildings, as rental properties by applying rental tenure zoning to the property. This would secure any new development of these sites as rental.

Under the policy, the City offers additional density to offset the cost of providing Required Inclusionary non-market rental units.

Implementation of the Rental Use Zoning Policy over the past two years has resulted in thousands of new long-term market and non-market rental units being proposed in community plan areas. Details of rental units achieved through the City’s various policies were provided in the 2022 May 09 Council report titled, *Rental Housing Summary Update*. In summary, as of 2022 February 28, implementation of the Rental Use Zoning Policy has achieved:

- 5,141 non-market rental units: 238 units under construction, 292 units that have received final adoption, and 4,611 units that are proposed
- 2,697 proposed or constructed Replacement Units
- 2,216 proposed or constructed Required Inclusionary Units
- 228 proposed Optional Inclusionary Units

The Rental Use Zoning Policy is expected to continue to support the provision of additional long-term rental housing stock to Burnaby residents, in keeping with the pace of development, well into the future.

4.0 RENTAL USE ZONING POLICY REVIEW SCOPE OF WORK

When staff presented the implementation framework for the Rental Use Zoning Policy to Council, it was recommended that the City undertake a two year review of the policy to update Council on progress of the policy proposals. The work outlined in this section, intended to be completed by this Fall 2022, will result in an analysis of the policy's achievements and identify proposed changes to the implementation process and/or policy itself. The review will also identify ways in which the policy can better align with implementation of the Tenant Assistance Policy and clarify long-term ownership and operational goals for non-market rental units being achieved through the policy. The work will also include a financial analysis undertaken by an external advisor, to supplement analysis completed by staff while developing the policy. Staff will also undertake stakeholder consultation as part of the review process to inform recommendations.

Achievements

Staff will continue to monitor the number and type of non-market and market rental units being achieved through the policy, as well as projects that will achieve greater levels of affordability than that required by the policy, through funding from other levels of government. An overview of these achievements will be included in the future report on the findings of the policy review.

Stakeholder Consultation

Staff will undertake targeted stakeholder consultation with the development community, non-profit housing providers, and other levels of government as part of the policy review. Staff will discuss implementation of the policy with the Urban Development Institute (UDI) and provide an opportunity for its members to provide feedback on the implementation of the policy from a development perspective. Staff propose consulting with non-profit housing providers to better understand their long term operational and ownership goals for the types of non-market rental units being created through the policy.

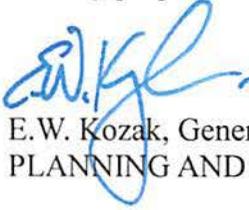
Financial Analysis

With the help of a consultant, staff will undertake an analysis of the financial aspects of the policy. This will include reviewing the value of the density offset available towards the provision of required inclusionary units. The review will also analyze the economics of providing optional inclusionary units, the market value of different types of non-market rental units created under the policy, and the value of floor space (commercial vs. voluntary market rental) in relevant commercial zoning districts, as well as the P11e (SFU Neighbourhood) zoning district.

To: *Planning and Development Committee*
From: *General Manager Planning and Development*
Re: *Rental Use Zoning Policy Review*
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5.0 CONCLUSION

This report provides an overview of the scope of work proposed to review the Rental Use Zoning Policy. The intent of the review is to analyze the implementation of the policy in order to identify any needed amendments to the implementation process or the policy itself to best achieve the City's goal of increasing the supply of long-term rental housing. A future report to Planning and Development Committee and Council in the late Fall will outline the outcomes of the policy review and any proposed amendments to the policy or its implementation.



E.W. Kozak, General Manager
PLANNING AND DEVELOPMENT

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Copied to: Chief Administrative Officer
Deputy Chief Administrative Officer and Chief Financial Officer
General Manager Corporate Services
General Manager Engineering
City Clerk
City Solicitor
Chief Building Inspector

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