

TO: MAYOR & COUNCIL
FROM: GENERAL MANAGER PLANNING AND DEVELOPMENT
SUBJECT: **BURNABY HOUSING AUTHORITY COMMUNITY ENGAGEMENT**
PURPOSE: To seek Council authorization to start community engagement on the elements of a Burnaby Housing Authority.

RECOMMENDATION

THAT staff collect feedback to refine the proposed elements and supporting business plan for a Burnaby Housing Authority using the engagement framework as generally outlined in Section 4.0 of the June 19, 2023 “Burnaby Housing Authority Community Engagement” report.

CHIEF ADMINISTRATIVE OFFICER’S COMMENTS

I concur with the recommendation of the General Manager Planning and Development.

1.0 POLICY SECTION

Establishing a Burnaby Housing Authority to help facilitate the creation of new non-market housing aligns with several City policies, including the *Corporate Strategic Plan (2022)*, *HOME: Burnaby’s Housing and Homelessness Strategy (2021)*, *Burnaby Housing Needs Report (2021)*, *Mayor’s Task Force on Community Housing Final Report (2019)*, *Burnaby Social Sustainability Strategy (2011)*, *Burnaby Economic Development Strategy (2007)* and *Official Community Plan (1998)*.

2.0 BACKGROUND

Non-market housing in Burnaby is currently delivered through a variety of channels, often involving multiple partners, including the City, other orders of government, non-profit organizations (NPOs) and the private development sector. The City’s involvement primarily consists of creating housing-friendly policies, plans and regulations, reviewing and approving non-market development applications, advocating for funding from other orders of government and providing municipal lands and financial supports to facilitate affordable housing developments.

While the City has been successful in facilitating the development of new non-market housing in recent years, these developments often take years to come to fruition. Recognizing the significant and immediate housing needs in the community, *HOME: Burnaby’s Housing and Homelessness Strategy (HOME)* calls on the City to “develop a coordinated program for non-market housing partnerships, with dedicated staff resources, to provide an efficient, consistent and streamlined process for the development of partnership projects.” In response, Council has asked staff to explore

the creation of a new Burnaby Housing Authority (BHA) as a “one-stop shop” for non-market housing development, management and administration.

Efforts to define elements of a BHA have been underway since early 2023. This report summarizes and shares the currently defined elements of the BHA, and seeks Council authorization for staff to start community engagement activities as per the proposed engagement framework outlined in Section 4.0.

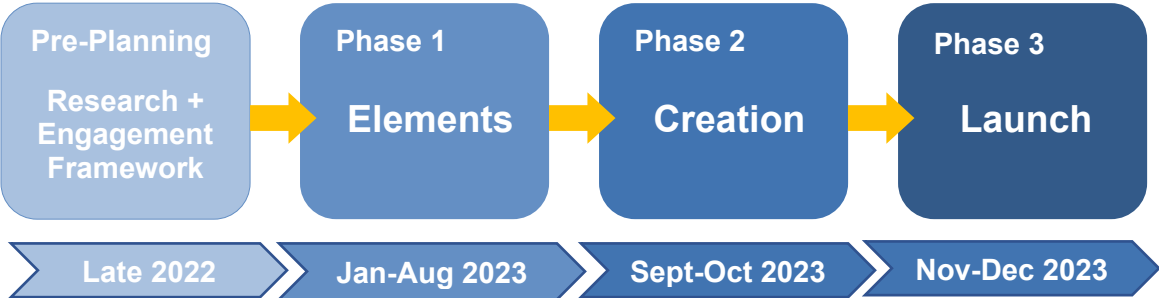
3.0 GENERAL INFORMATION

The following sections outline the specific elements of the BHA based on Council direction to date. Council direction has been informed by research of other housing authorities and development corporations, in addition to a desire to expand the City’s role in non-market housing delivery in Burnaby. Overall, the BHA strives to:

- Be nimble, innovative and bold to deliver new non-market housing in Burnaby to meet community housing needs;
- Add to, rather than replace, existing housing supply;
- Position itself to help fill gaps in Burnaby’s housing supply; and
- Contribute to the larger housing ecosystem through collaboration, not competition.

3.1 Process and Timeline

The process to create the BHA comprises:



The pre-planning phase involved research of other housing authorities and development corporations across Canada, along with interviews of subject matter experts, to determine success factors for the BHA. Based on this research, staff have been seeking Council direction on defining key elements in Phase 1, with additional elements still needing Council input. Council has indicated a desire to establish the BHA in 2023.

3.2 Organizational Structure

Council has directed staff to structure the BHA as an arms-length municipal corporation, with the City as the sole shareholder. The municipal corporation model was selected as the structure best able to meet the following objectives identified for a BHA:

- Facilitate delivery of non-market housing;
- Leverage senior government funding programs;
- Operate under separate governance;
- Generate positive net income for long-term sustainability;
- Improve market agility;
- Exercise greater control over operations;
- Expand role in delivery of solutions;
- Improve access to external resources, innovation and expertise;
- Allocate and manage risk; and
- Minimize administrative complexity and costs.

The municipal corporation model has not been used by the City to date. The authority to establish municipal corporations to provide services that benefit the community, including the delivery of affordable housing, is set out in the *Community Charter* and *Local Government Act*. Municipalities are required to obtain approval for proposed corporations from the provincial Inspector of Municipalities. The Inspector's role is to ensure that the process through which a municipal corporation is established, and the structure of the corporation itself, are consistent with provincial legislation. To seek approval from the Inspector, the City will need to submit various documents to the Ministry of Municipal Affairs, including draft articles of incorporation and a business plan for the BHA.

3.3 Governance

As a municipal corporation, the BHA will be governed by its own, autonomous board of directors. Appointed by City Council, the BHA Board will provide strategic direction to the BHA and help the BHA leverage the knowledge, resources and connections it needs to deliver its mandate. Council has decided to structure the Board with a majority of Council/City representatives in order to strengthen oversight of the use of City assets provided to the BHA, and to ensure ongoing alignment between BHA and City objectives, especially during the formative years of the organization. The full composition of the BHA Board is still to be determined, but is expected to include subject matter experts and representatives of groups with proficiency and expertise in real estate development, real estate law and financing, construction management, housing operations and non-market housing.

3.4 Affordability Mandate and Alignment with City Policies

Council has directed that the BHA focus on the following affordability levels and housing tenures:

- Non-market rental housing;
- Non-market ownership housing; and
- Market rental housing, in cases where revenues from such housing would help support the delivery of non-market housing through cross-subsidization.

The affordability mandate of the BHA aligns with the *Burnaby Housing Needs Report (HNR)*, a provincially-mandated document that provides key insights into community

housing needs, including the number and type of units that will be needed to meet housing demand over the next five and 10 years. For reference, the executive summary of the *HNR* is provided in *Attachment 1*. The aim of the BHA is to deliver units to meet the housing needs identified in the *HNR*, in addition to aligning with other City housing policies, plans and regulations, including *HOME*, which has the following vision:

“Burnaby is a place where everyone can find a home, afford a home and feel at home.”

3.5 Scope of Work

Council has defined the scope of work for the proposed BHA to include four main functions:

1. *Acquisition*

The BHA would acquire lands to maximize the development potential of its land portfolio while targeting sites in neighbourhoods currently lacking non-market housing. The BHA may also acquire existing housing units or housing units under construction to create more attainable housing options, including in partnership with the development community.

2. *Development*

The BHA would develop new housing units, with dedicated staff hired as development managers to oversee design, approvals and construction, or partner with the development sector to accomplish these outcomes. Housing development, which is not currently a function of the City, is anticipated to expand capacity in non-market housing delivery for Burnaby residents.

3. *Operations*

Recognizing the experience and capabilities of the City’s existing non-market housing operators, the BHA would partner with NPOs, government agencies and other qualified entities to operate non-market housing units, especially units for tenants that require additional supports. The BHA may explore operating units that are at or close to market rents to help financially sustain the BHA’s overall non-market housing portfolio over time.

4. *Administration*

The BHA would be responsible for overseeing its housing portfolio, for receiving and reviewing documents to confirm on-going compliance with any agreements with its operating partners and for preparing and submitting documents and reports as may be required under agreements with its funding, operating, or development partners. The BHA could further explore administering all other non-market housing units currently administered by the City, in order to create a “one-stop shop” for City of Burnaby non-market housing administration and inquiries.

As a new municipal corporation, the currently proposed scope of work will require the BHA to progressively develop capabilities, proficiency and expertise. The scope

is anticipated to evolve over time to ensure the BHA has the flexibility it needs to capitalize, leverage and respond to new opportunities as housing market conditions change.

3.6 Potential Tools and Assistance

The specific set of tools being provided by the City to the BHA is yet to be determined, but may include some or all of the following:

- Transfer of City land and buildings;
- Investment of City funds;
- Pre-zoning of development sites;
- Servicing of development sites;
- Fast-tracking of development approvals;
- Provision of dedicated staff resources;
- Extension of preferred financing rates; and
- Offers of loan guarantees.

The assistance provided by the City to the BHA would be formalized through a Partnering Agreement, as permitted by the *Community Charter*. A Partnering Agreement enables a local government to provide assistance to organizations such as public authorities, societies or private corporations to provide a service on behalf of the local government.

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

The City has engaged extensively with the public and key interested parties on the topic of housing in recent years, including through the *Your Voice. Your Home. Community Recommendations Workshop*, the *Mayor's Task Force on Community Housing*, the *HNR*, and *HOME*. Building on these previous efforts, an engagement framework has been created to involve the community in the creation of a BHA.

The framework contemplates engagement of the following five community streams:

1. Four host First Nations of Musqueam, Squamish Nation, Tsleil-Waututh Nation, and Kwikwetlem First Nation;
2. Urban Indigenous Peoples;
3. General public;
4. Key interested parties, including housing NPOs, organizations within the development sector, funding providers, social service providers and neighbouring municipalities; and
5. City staff and CUPE 23 - Burnaby Civic Employees Union.

The proposed framework envisions different engagement activities for each phase of the creation of the BHA, with the main engagement opportunities planned for *Phase 1 – Elements* to seek input on the key elements of the BHA, including its structure, governance, mandate, scope, tools and other considerations. This engagement is

envisioned to occur from June to August 2023, beginning with the launch of a dedicated BHA webpage on the City’s website.

A What We Heard report summarizing input from *Phase 1 – Elements* will be provided to Council in fall 2023. Engagement in *Phase 2 – Creation* and *Phase 3 – Launch* will focus on informing the community on how the input from Phase 1 has contributed to shaping the BHA.

5.0 FINANCIAL CONSIDERATIONS

The successful creation and operation of a BHA is anticipated to require significant financial and non-financial resources. Funding requirements will include costs for initial start-up and operation, acquisition of land, capital development, and housing operations. In addition, the BHA may look to the City to continue historic practices around the contribution of land and associated servicing for non-market housing sites.

Over the years, the City has been allocating monies received through Community Benefit Bonus payments to the Community Benefit Bonus Affordable Housing Reserve and Housing Operating Reserve for the purpose of funding non-market housing developments. The balances in the housing reserves are anticipated to be sufficient to establish the BHA.

The engagement activities outlined in Section 4.0 will be supported by third-party consultants, including trained facilitators. The fee for the third-party consultants will be paid from existing approved budgets.

Respectfully submitted,

Edward Kozak, General Manager Planning and Development

ATTACHMENT

Attachment 1 – Burnaby Housing Needs Report Executive Summary

REPORT CONTRIBUTORS

This report was prepared by Wendy Tse, Planner 3, and reviewed by David Clutton, Planner 2, Richard Mester, Manager Business Process and Reporting, Jennifer Wong, Assistant City Solicitor, Sarah Alexander, Director Business Operations Lands and Facilities, Bob Klimek, Deputy General Manager Finance, Karin Hung, Director Strategic Initiatives, Carl Isaak, Director Community Planning and Lee-Ann Garnett, Deputy General Manager Planning and Development.