



Rental Use Zoning Policy and Implementation

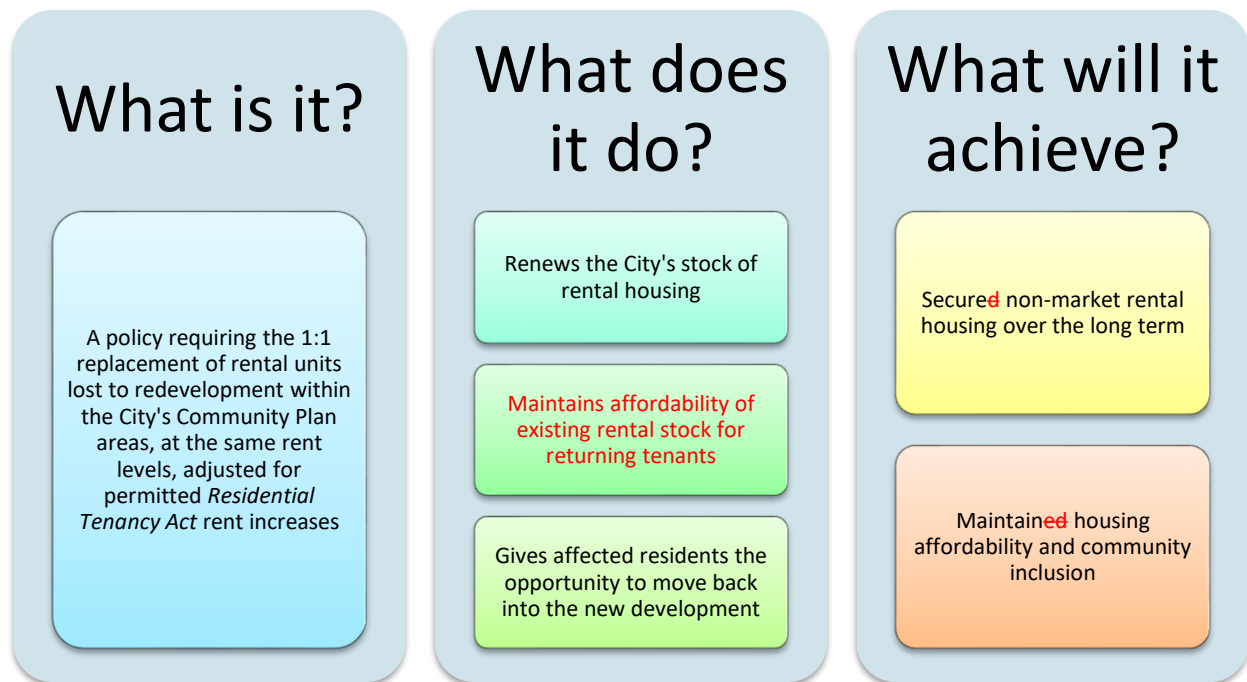
Overall Goal

To increase the provision of market and belownon-market rental housing in Burnaby and provide a balanced approach for the implementation of rental use zoning.

Policy Streams

1. Rental Replacement
2. Inclusionary Rental
3. Voluntary Rental Housing in Commercial Districts
4. Protection of Existing Rental Sites

Stream 1 - Rental Replacement



CONDITIONS

- a) Provision – Each site experiencing redevelopment involving the loss of purpose-built (non-stratified) multiple-family residential rental units and, if applicable, secondary rental units that are part of a larger site consolidation project, must replace those units at a ratio of one new rental unit for every existing rental unit lost to redevelopment.
- b) Applicability – This policy applies to all sites within a Community Plan area in the Official Community Plan experiencing redevelopment of:
- a. purpose-built (non-stratified) multiple-family rental buildings of five or more units, and
 - b. secondary market rental buildings with less than five units that are also being consolidated into a larger redevelopment project that includes a building that meets the above criteria
- ~~within a Community Plan area in the Official Community Plan.~~
- ~~b)c) Number~~ – The obligation to replace rental units is based on the number of units shown on the most recently issued business license for the subject property or properties, or 20% of the total number of market (strata and rental) units derived from RM and RMs densities, whichever is greater. For clarity, occupied and vacant rental units must be replaced. Rezoning applicants are to submit a breakdown of the unit mix of the existing rental building with their rezoning application.
- ~~e)d) Form~~ – The replacement units must be of the same type (number of bedrooms), and meet or exceed the minimum unit size for that type under the RMr zoning district. As per the Tenant Assistance Policy, the applicant is responsible for accommodating accessibility needs of returning tenants within the replacement unit.
- ~~e)e) Unit Mix~~ – The unit mix of the replacement units should ~~generally~~ reflect those lost to redevelopment (e.g., one, two, and three or larger bedroom units), ~~except where a not-for-profit operator and/or government partners have particular unit mix needs that target specific user groups, whether the units were occupied or vacant at the time of rezoning application submission.~~ Any proposed changes to the unit mix would be subject to approval by the General Manager, Planning and Development.
- ~~e)f) Tenants’ Right of First Refusal~~ – Rezoning applicants are required to provide all existing eligible tenants, as per the City’s Tenant Assistance Policy, the opportunity to move into the new replacement units upon completion, by way of a tenant’s right of first refusal. The applicant is required to provide notification ~~six months and~~ three months prior to the expected occupancy of the new replacement units. Eligible tenants will have until the day of move in to decide whether they will accept the replacement unit. First right of refusal is contingent on the eligible tenant remaining in good standing as per the RTA. Should an eligible tenant be evicted for cause during the interim period between move out and

occupancy of the replacement units, the applicant is not required to offer a replacement unit to this tenant.

g) Tenant Assistance – the rezoning applicant is to contact the Renters Office prior to submitting a rezoning application. The applicant is also required to have completed its relevant initial obligations under the City’s Tenant Assistance Policy to the satisfaction of the Renters Office prior to Final Adoption.

h) Operations –The rezoning applicant is encouraged to indicate its intentions with regard to the operation of the replacement units, such as whether a rental management arm of the developer, a non-profit housing provider, or a third party licensed property manager, will operate the replacement units, at the time of rezoning application submission.

Where a non-profit is not involved in the operation of replacement rental units, the owner of the units will be responsible for management and administration of the replacement units by a party that is:

- i) Licensed for Rental Property Management by the BC Financial Services Authority;
or
- ii) Experienced in rental property management and exempt from licensing requirements.

The owner of the replacement units is required to submit for audit statutory declarations and supporting documentation relating to conditions of this policy and the Tenant Assistance Policy as outlined in the Housing Agreement or Ground Lease, when requested by the City.

i) Established Rents – The replacement units must be offered at rents that do not exceed the tenant's rent at the time of move out, plus any annual rent increases permitted under the Residential Tenancy Act (RTA) for the duration of time between move out at the application site and occupancy of the replacement unit. Replacement units for tenants who acted as caretakers for reduced rent at the rezoning application site will be provided at a rental rate that does not exceed the average rent that tenants with a similar unit type were paying at move out from the rezoning application site, plus annual rent increases allowed under the RTA. Units vacant prior to the eligibility date as determined in the City’s Tenant Assistance Policy will be replaced and tenanted as inclusionary units.

f)j) Affordability – Rents of replacement units must meet the above requirements and a density offset is available to help deliver upon this required affordability level. If a tenant chooses not to exercise their right of first refusal, or moves out subsequent to occupying a replacement unit, the replacement unit will be converted into an Inclusionary Unit and must be rented at 20% below Canada Mortgage and Housing Corporation (CMHC) Market Median Rents for the

applicable CMHC Market Rental Survey Zone. Affordability measures are to be protected and regulated by a Council-approved Housing Agreement and/or Section 219 Covenant, or ground lease, in the case of City ownership.

~~g)k) Funding – In order to achieve greater affordability for tenants, pursuit of funding under BC Housing and CMHC housing programs is required.~~

~~If the rezoning applicant an identified non-profit operator is successful in their application for secures senior government funding for the operation of the replacement units, and income testing of tenants is required under funding and eligibility criteria, a non-profit housing operator must first prioritize returning tenants for these units returning tenants must still be accommodated within the replacement units and cannot be subject to income testing or other eligibility criteria. The operator is encouraged to discuss this requirement with potential funders as early as possible, provided they meet funding and eligibility criteria. Provision of replacement units does not qualify for a grant from the City's Community Benefit Bonus Affordable Housing Reserve.~~

~~Should any returning tenants not qualify for a senior government funded unit, the applicant is responsible for accommodating returning tenants in other units in the development. Units may include inclusionary units, if available, or any below market or market rental or strata units in the development, with the units reverting back to its original tenure and affordability requirement, if any, once the returning tenant vacates the unit.~~

~~h)l) Zoning – The zoning applied to the replacement units shall be derived from the applicable corresponding Multiple-Family Rental (RMr) zoning district.~~

~~i)m) Development Density – The Gross Floor Area (GFA) for the replacement units will be derived from GFA associated with the RMr zoning district, which is additional and may be used in combination with density provisions in the applicable Community Plan.~~

~~j)n) Ownership – Replacement rental units cannot be stratified and/or individually owned, but can be owned by a private entity, if subdivided, with appropriate legal instruments in place that protect public investment and rents (such as e. Covenants and Housing Agreements).~~

~~k) Role of Non-Profit Organizations – Non-profit organizations may partner with developers and government (Federal/Provincial/Indigenous/Regional/City) to own and/or maintain replacement rental units. While the involvement of non-profit organizations is preferable, it is not required. However, where a non-profit is not involved in the management of replacement rental units, the owner of the units will be responsible for:~~

~~l) –~~

~~m) having an independent third party manage tenancies in accordance with an adopted Housing Agreement or ground lease agreement;~~

~~n) –~~

~~o) having an independent third party provide maintenance services for the units/building in accordance with an approved maintenance schedule; and,~~

~~p) submitting for audit, statutory declarations and supporting documentation relating to conditions of this policy, when requested by the City.~~

Stream 2 – Inclusionary Rental



CONDITIONS

- Provision** – Each rezoning site in a Community Plan area is required to provide 20% of the total number of market (strata and rental) units derived from RM or RMs densities as below **non-market** rental housing, rented at 20% below CMHC Market Median Rents for the applicable CMHC Market Rental Survey Zone.
- Applicability** – This policy applies to all residential or commercial sites in Community Plan areas, except for sites zoned RM1, RM2, and RM6.
- Form** – Inclusionary units can be located within a mixed tenure building (airspace parcel), a podium (airspace parcel), or a stand-alone building (fee simple or airspace parcel). For stand-alone structures, wood frame structures may be considered insofar that they meet Community Plan objectives, Zoning Bylaw requirements, and BC Building Code conditions. The inclusionary units must meet or exceed the minimum unit size for that unit type under the applicable RMr zoning district.

d) Unit Mix – The unit mix of the inclusionary units should generally reflect that of the balance of the proposed development (e.g., one, two, and three or larger bedroom units), except where a not-for-profit operator and/or government partners have particular unit mix needs that target specific user groups.

e) Zoning – The zoning applied to the inclusionary units shall be the relevant RMr zoning district.

e)f) Development Density – The Gross Floor Area (GFA) for the inclusionary units will be derived from GFA associated with the RMr zoning district, which is additional and may be used in combination with density provisions in the applicable Community Plan.

g) Ownership – Inclusionary rental units cannot be stratified and individually owned, but if subdivided, can be owned either publicly or privately.

h) Operations – Non-profit housing providers may partner with developers and government (Federal/Provincial/City) to own and/or operate inclusionary rental units. While the involvement of non-profit housing providers is preferable, it is not required. However, where a non-profit is not involved in the operation of inclusionary rental units, the owner of the units will be responsible for management and administration of the inclusionary units by hiring a party that is:

a. Licensed for Rental Property Management by the BC Financial Services Authority;
or

b. Experienced in rental property management and exempt from licensing requirements.

Owners of inclusionary units are required to submit for audit statutory declarations and supporting documentation relating to conditions of this policy as outlined in the Housing Agreement.

The rezoning applicant is encouraged to indicate its intentions with regard to the operation of the inclusionary units, such as whether a rental management arm of the developer, a non-profit housing provider, or a third party property manager, will operate the inclusionary units, at the time of rezoning application submission. Non-profit operators will be made an additional party to the required Housing Agreement or Ground Lease.

i) Affordability – Rents of inclusionary units must ~~be rented at~~ not exceed 20% below CMHC Market Median Rents for the applicable CMHC Market Rental Survey Zone, with annual increases not to exceed that allowable under the RTA. Units must be rented to tenant

households with gross annual incomes not exceeding BC Housing's Housing Income Limits. A density offset is available to help deliver upon this required affordability level.

In addition, any use of RMr density above the required inclusionary requirement is to be set at a 1:1 ratio of market and CMHC Market Median Rents (e.g. for every one market rental unit proposed, an equivalent one unit at CMHC market median rents is required). Units rented at CMHC Market Median rents must be tenanted by households with gross annual incomes not exceeding 20% above BC Housing's Housing Income Limits. The provision of this 1:1 ratio of market and CMHC Market Median Rents may not seek a density offset. Affordability measures are to be protected and regulated by a Council-approved Housing Agreement and ~~/or~~ Section 219 Covenant, or ground lease, in the case of City ownership.

~~f)j) Funding~~ – In order to achieve greater affordability, pursuit of funding under BC Housing ~~and/or~~ CMHC housing programs is ~~required~~encouraged. In addition, a density offset is available for provision of the required ~~below non-~~market inclusionary units. Provision of inclusionary units does not qualify for a grant from the City's Community Benefit Bonus Affordable Housing Reserve.

~~Role of Non-Profit Organizations~~ – ~~Non-profit organizations may partner with developers and government (Federal/Provincial/City) to own and/or maintain inclusionary rental units. While the involvement of non-profit organizations is preferable, it is not necessary. However, where a non-profit is not involved in the management of inclusionary rental units, the owner of the units will be responsible for~~

~~÷~~

- ~~i) having an independent third party manage tenancies in accordance with an adopted Housing Agreement or ground lease agreement;~~
- ~~ii) having an independent third party provide maintenance services for the units/building in accordance with an approved maintenance schedule; and,~~
- ~~iii) submitting for audit, statutory declarations and supporting documentation relating to conditions of this policy, when requested by the City.~~

Stream 3 – Rental Housing in Commercial Districts

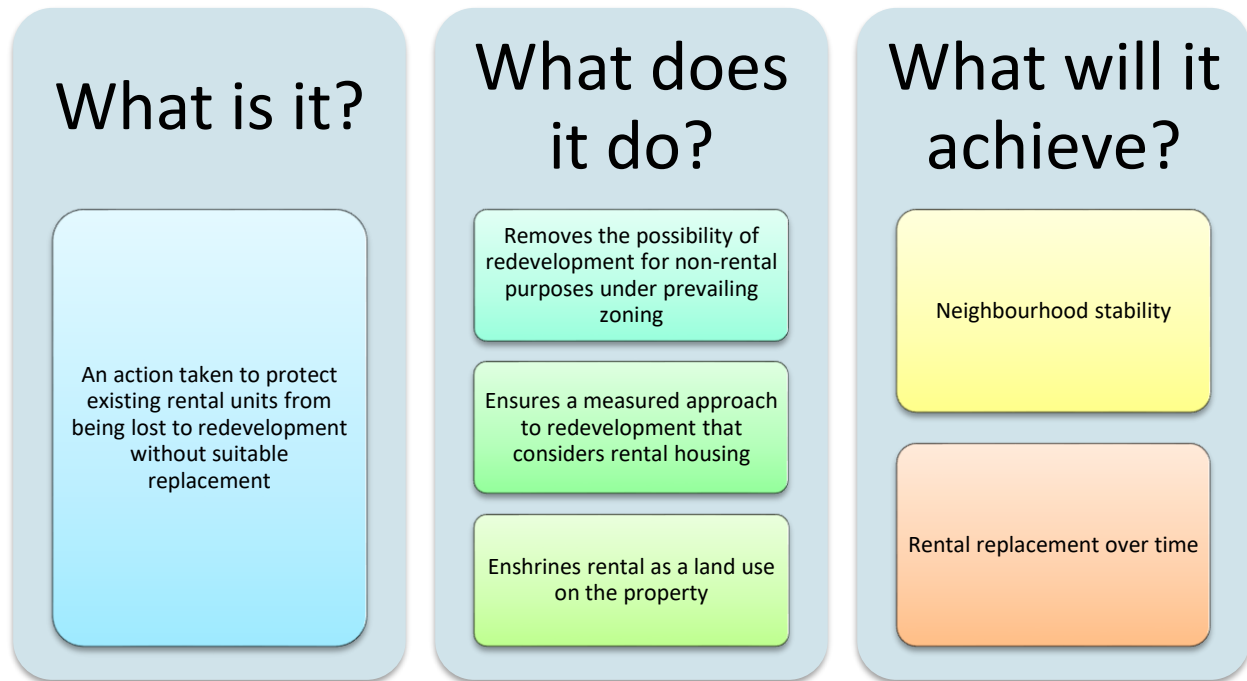


DETAILS

- a) Provision – Rental dwelling units are permitted in the C1, C2, C3, C8 and C9 Commercial Districts and the P11e District, and may be voluntarily provided, subject to the following:
- that the use is included as part of a Comprehensive Development (CD) plan subject to the CD District;
 - that all rental dwelling units are located above the first storey;
 - that a completely separate public entrance to the residential accommodation be provided from the first storey front elevation, except:
 - on a corner lot, access may be from the first storey side street elevation;
 - or,
 - where a public pedestrian walkway exists, access may be from the first storey walkway's elevation; and,
 - that the gross floor area (GFA) attributable to the rental dwelling units, including access, is less than the GFA attributable to all other permitted commercial uses.
- b) Applicability – This policy applies to all sites with either commercial or mixed-use designations in Community Plans, and which have either Town Centre, Urban Village or Mixed-Use designations in the Official Community Plan.

- c) Zoning – The zoning applied to the rental units shall be C1, C2, C3, C8, C9, P11e, or the respective use of RMr Districts for sites developing under multiple-family zoning designations.
- d) Development Density – The GFA for the rental units is derived from the underlying commercial district. The residential rental floor area must not exceed the provided commercial floor area. That is, (i.e. the maximum permitted residential floor area is will never exceed 49%, with the remaining 51% to be commercial floor area). -The commercial floor area is not required to be maximized, so long as the residential floor area remains at or below 49% of the commercial floor area. On sites with commercial designations where residential rental uses are proposed, access to such density can only occur if the inclusionary requirement and all multiple family residential densities, including bonus density ~~bonus~~, are first fully utilized.
- e) Ownership – Rental units cannot be stratified and individually owned, but can be owned privately, subject to subdivision.
- f) Affordability – As a voluntary provision, ~~established affordable~~ rental rates are not required for units achieved under this Stream. In order to achieve greater affordability, pursuit of funding under BC Housing and CMHC housing programs is encouraged.
- g) Form – Building forms and limitations thereto (siting and height) indicated in Community Plans must be adhered to, in consideration of CD plan proposals involving rental use zoning in commercial and mixed-use developments.

Stream 4 – Protection of Existing Rental Sites



CONDITIONS

- a) Applicability – All properties currently zoned with an RM, C, or P District that accommodate multiple-family residential, commercial, or mixed-use buildings containing five or more purpose-built rental units are to be rezoned to the corresponding RMr District by the City.
- b) Scope – All properties that currently have purpose-built multiple-family residential units throughout the City.
- c) Exceptions – All single and two-family properties with secondary suites; all secondary multiple-family strata rental; all institutional seniors, group home, and supportive/assisted living rental; and all current Comprehensive Development (CD) zoned purpose-built rental buildings.
- d) Varying Conditions – Council, at its discretion, may permit the redevelopment of purpose-built rental sites with new strata or mixed-tenure (strata and rental) developments on a site by site basis under CD rezoning. Sites undergoing CD rezoning will be subject to rental replacement provisions outlined in Stream 1.