

TO: MAYOR & COUNCILLORS

FROM: GENERAL MANAGER PLANNING AND DEVELOPMENT

SUBJECT: CBAHR GRANT REQUEST FOR NON-MARKET HOUSING DEVELOPMENT AT 3838 HASTINGS STREET

PURPOSE: To seek Council approval of a \$3,054,700 grant from the Community Benefit Bonus Affordable Housing Reserve (CBAHR) to S.U.C.C.E.S.S. to develop non-market housing on a City-owned site at 3838 Hastings Street.

REFERENCES

Address: 3838 Hastings Street (formerly 3802 Hastings Street)
Legal: Lot 58 District Lot 116 Group 1 New Westminster District Plan 63799
Applicant: S.U.C.C.E.S.S. Affordable Housing Society
28 West Pender Street, Vancouver, BC V6B 1R6
Attention: Ahmed Omran, Director of Community Real Estate and Asset Management

RECOMMENDATION

THAT a grant from the Community Benefit Bonus Affordable Housing Reserve in the amount of \$3,054,700 to S.U.C.C.E.S.S. Affordable Housing Society to offset capital costs for a new non-market housing development at the City-owned site at 3838 Hastings Street, be approved.

1.0 POLICY SECTION

The grant request outlined in this report to support the development of non-market housing aligns with the following City policies and plans:

- *HOME: Burnaby's Housing and Homelessness Strategy (2021);*
- *Burnaby's Housing Needs Report (2021);* and
- *The Mayor's Task Force on Community Housing Final Report (2019).*

2.0 BACKGROUND

On March 6, 2017, Council approved the selection of S.U.C.C.E.S.S. Affordable Housing Society (SUCCESS) for the development and operation of a new non-market housing project at 3838 Hastings Street, under the City Lands Program for Non-Market Housing.

On November 23, 2018, the Province announced funding for the 3838 Hastings Street project under the Province’s Building BC: Community Housing Fund (CHF).

On March 21, 2022, Council authorized the City to negotiate, finalize and execute a Federal Lands Initiative (FLI) forgivable loan agreement, and associated agreements, with the Canada Mortgage and Housing Corporation (CMHC) to release the City from its obligations to CMHC under the 1966 urban renewal agreement, which includes this site. The proposed project by SUCCESS would comply with all FLI requirements, and as such, CMHC has agreed to forgive its interest in the site after a 55-year period, clearing the way for the City to enter into a lease for the site.

On July 22, 2022, Council authorized the City to enter into a lease agreement with SUCCESS, for a 60-year term and at a nominal rate, to enable the construction and operation of a 161-unit non-market housing development with ground-level commercial space at the subject site. The lease has now been registered.

On July 24, 2023, Council granted Final Adoption of Rezoning Bylaw #19-03 to permit the construction of a six-storey, mixed-use building comprising of 161 non-market rental units with a mix of studio, one-, two and three-bedroom units for singles, persons with disabilities, seniors and families. The development also includes amenity spaces for residents, approximately 1,789 square metres of ground-level commercial space, and two levels of underground parking on the site. In addition, a 74-space childcare facility will also be provided on the ground floor, funded by the Ministry of Education and Child Care and operated by SUCCESS.

This report seeks Council approval of a grant in the amount of \$3,054,700 from the City’s Community Benefit Bonus Affordable Housing Reserve (CBBAHR) to help offset the project’s off-site servicing and other capital costs.

3.0 GENERAL INFORMATION

3.1 Project Affordability

This non-market housing development will contribute towards achieving Burnaby’s housing needs as outlined in its Housing Needs Report, specifically deeply affordable housing for multiple identified populations. While Burnaby is anticipated to see a significant increase in the number of non-market rental units available at “Burnaby Affordable” rates (i.e. 20% below CMHC median rents) delivered through the Rental Use Zoning Policy, a gap remains for deeply affordable units for households with very low incomes, which require significant subsidies. Approximately 70% of the units in the proposed project will have rents affordable to households with very low and low

incomes, in line with BC Housing’s Community Housing Fund (CHF) program, as outlined below in *Table 1*.

This development aligns with the terms of the City’s agreement with CMHC under the FLI as they relate to unit types, accessibility requirements, and affordability levels.

Table 1: Affordability

Affordability Level	Affordability Breakdown	Number of Units
Deep Subsidy*	20%	32
Rent Geared to Income (RGI)**	50%	81
Affordable Market***	30%	48
Total	100%	161

*Deep Subsidy Eligibility: Households with a gross annual income that does not exceed the maximum applicable income assistance amount as established in the *Employment and Assistance Act*.

**RGI Eligibility: Households with a gross annual income that does not exceed the BC Housing Income Limits (HILs) for the applicable unit type.

***Affordable Market Eligibility: Households with a gross annual income that does not exceed the moderate-income limit as set out by BC Housing (For 2023, this figure is \$82,310 for units with less than two bedrooms, and \$128,810 for units with two or more bedrooms).

3.2 Grant Request

This project will be developed in partnership with other orders of government. BC Housing has committed capital funding and operating subsidy through the CHF program, while CMHC provided seed funding. The Ministry of Education and Child Care has committed a grant in the amount of \$6.8-million for the child care spaces through the ChildCareBC New Spaces funding program. The City’s contribution towards this development would be through a nominal 60-year ground lease, funding towards the City’s Non-Market Housing Demolition Reserve, and the requested grant from the CBBAHR, if approved by Council. A snapshot of the contributions from the funding partners is shown in *Table 2*.

Table 2: 3838 Hastings Funding

Funding Partner	CMHC Seed Funding	BC Housing Funding (CHF)	BC Housing (Cost Pressures Grant)	City Land Value (Assessed Market Value)	City - Grant Request
Contribution	\$50,000	\$ 17,592,953	\$10,952,612	\$28,310,000	\$3,054,700

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

Not applicable.

5.0 FINANCIAL CONSIDERATIONS

If Council approves the grant request, the total City contribution to the project to date would be \$31,364,700 comprised of the grant (\$3,054,700) and the assessed value of the land (\$28,310,000). An additional contribution would be made towards future demolition and site restoration costs. As part of future reports, staff will provide Council with an estimate of the future demolition and site restoration costs to be contributed from the CBBAHR to the Non-Market Housing Demolition Reserve.

This request is consistent with Council guidelines and the requested grant amount will be included in the 2024 – 2028 Financial Plan. There are sufficient funds in the CBBAHR to support the grant amount requested.

With Council approval, the grant from the CBBAHR will be disbursed subject to terms to be outlined in a Housing Grant Agreement.

Respectfully submitted,

E.W. Kozak, General Manager Planning and Development

REPORT CONTRIBUTORS

This report was prepared by Diana Jerop, Planner 2, and reviewed by Carla Schuk, Planner 3, Richard Mester, Manager Business Process and Reporting, Wendy Tse, Director Community Planning, and Lee-Ann Garnett, Deputy General Manager Planning and Development.