

**TO:** CITY MANAGER **DATE:** 2021 January 27

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

**SUBJECT: REQUEST FOR PROPOSALS FOR NON-MARKET HOUSING SITES SEEKING FEDERAL FUNDING**

**PURPOSE:** To provide information regarding a Request for Proposals to identify non-profit housing partners for three City-owned sites seeking Canada Mortgage and Housing Corporation Rapid Housing Initiative funding.

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**RECOMMENDATION:**

1. **THAT** this report be received for information.

**REPORT****1.0 INTRODUCTION**

A report was considered and approved during the Closed meeting of Council on 2021 February 8, at which Council adopted the following recommendations:

1. **THAT** Council authorize staff to issue a Request for Proposals (RFP) to identify non-profit housing providers for three City-owned sites, as outlined in *Section 4.0* of this report.
2. **THAT** a copy of this report be sent, for information purposes, to Mr. Andrew Middleton, Affordable Housing Specialist, Canada Mortgage and Housing Corporation (CMHC) and Ms. Armin Amrolia, Associate Vice President, Development & Asset Strategies, BC Housing.
3. **THAT** this report be released to the open Council meeting.

As per Recommendation #3, the *attached* report is brought forward for information.

To: City Manager  
From: Director Planning and Building  
Re: Request for Proposals for Non-Market Housing  
Sites Seeking Federal Funding  
2021 January 27.....Page 2

## 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 increasing the supply of affordable rental housing (Recommendation #12).

A partnership approach to developing affordable housing is also supported by a number of other City policies, including the *Official Community Plan (OCP)*, *Burnaby Economic Development Strategy*, and *Burnaby Social Sustainability Strategy*, as well as the following goals and sub-goals of the *Corporate Strategic Plan*:

- ***A Connected Community***
  - Social connection – Enhance social connections throughout Burnaby
  - Partnership – Work collaboratively with businesses, educational institutions, associations, other communities and governments
- ***An Inclusive Community***
  - Create a sense of community – Provide opportunities that encourage and welcome all community members and create a sense of belonging
- ***A Dynamic Community***
  - Community development – Manage change by balancing economic development with environmental protection and maintaining a sense of belonging

  
E.W. Kozak, Director  
PLANNING AND BUILDING

WT:sa

### ***Attachment***

Copied to: Director Engineering  
Director Finance  
Director Corporate Services  
Director Public Safety and Community Services  
City Solicitor  
City Clerk



Meeting 2021 February 8

COUNCIL REPORT

**TO:** CITY MANAGER **DATE:** 2021 February 1

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

**SUBJECT:** REQUEST FOR PROPOSALS FOR NON-MARKET HOUSING SITES SEEKING FEDERAL FUNDING

**PURPOSE:** To seek Council authorization to issue a Request for Proposals to identify non-profit housing partners for three City-owned sites seeking Canada Mortgage and Housing Corporation Rapid Housing Initiative funding.

**RECOMMENDATIONS:**

1. **THAT** Council authorize staff to issue a Request for Proposals (RFP) to identify non-profit housing providers for three City-owned sites, as outlined in *Section 4.0* of this report.
2. **THAT** a copy of this report be sent, for information purposes, to Mr. Andrew Middleton, Affordable Housing Specialist, Canada Mortgage and Housing Corporation (CMHC) and Ms. Armin Amrolia, Associate Vice President, Development & Asset Strategies, BC Housing.
3. **THAT** this report be released to the open Council meeting.

**REPORT****1.0 BACKGROUND**

On 2020 October 27, the Government of Canada announced the new Rapid Housing Initiative (RHI) to create up to 3,000 affordable housing units for vulnerable residents in severe housing need. With \$1 billion in funding, the RHI seeks to address urgent housing needs through the rapid construction of affordable housing for people at risk of or experiencing homelessness, or living in temporary shelters due to the COVID-19 pandemic. This includes capital contributions to develop new modular multi-unit rentals, convert non-residential buildings into affordable multi-residential homes, rehabilitate buildings that are abandoned or in disrepair into affordable multi-residential homes, and the purchase of land and buildings for affordable housing purposes.

At the meeting of Council on 2020 December 14, staff were directed to apply for RHI funding with the following three City-owned sites:

- 8305 11<sup>th</sup> Avenue;
- 8303 10<sup>th</sup> Avenue; and,
- 7355 Canada Way.

To: City Manager  
From: Director Planning and Building  
Re: Request for Proposals for Non-Market Housing  
Sites Seeking Federal Funding  
2021 February 1..... Page 2

A key map and individual site maps are *attached* as *Appendix A*. Together, the three sites yield a potential of approximately 190 affordable modular units for individuals and families in severe housing need and/or experiencing homelessness.

Staff applied for RHI funding for the three City-owned sites in advance of the 2020 December 31 deadline. CMHC has committed to review applications within 30 days of the deadline and to distribute funds before 2020 March 31, where possible.

The purpose of this report is to seek Council authorization to issue a RFP to select non-profit housing partners for the City-owned sites. This will ensure the City is in a position to advance the projects and meet the strict construction and occupancy timelines required by RHI, in the event the City is successful in securing funding. This report outlines recommendations for a competitive RFP process, consistent with similar RFP processes conducted by the City for other non-market housing projects.

## 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 increasing the supply of affordable rental housing (Recommendation #12).

A partnership approach to developing affordable housing is also supported by a number of other City policies, including the *Official Community Plan (OCP)*, *Burnaby Economic Development Strategy*, and *Burnaby Social Sustainability Strategy*, as well as the following goals and sub-goals of the *Corporate Strategic Plan*:

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## 3.0 RAPID HOUSING INITIATIVE

The RHI is a new initiative under the National Housing Strategy (NHS), a 10-year plan that aims to create 125,000 new housing units, reduce housing needs for 530,000 households, and repair and renew more than 300,000 housing units in Canada. Delivered by the Canada Mortgage and Housing Corporation (CMHC), the RHI has two funding streams:

- **Major Cities Stream:** \$500 million in immediate support for pre-determined municipalities. The 15 selected municipalities were determined based on metrics including the levels of renters

in severe housing need and of people experiencing homelessness. Of the 15 major cities, three are from British Columbia (Vancouver, Surrey, and Capital Regional District).

- **Projects Stream:** \$500 million for projects based on applications from provinces, territories, municipalities, Indigenous governing bodies and organizations, and non-profit organizations.

Applications seeking RHI – Projects Stream funding must meet the following minimum criteria:

- Provide standard rental, transitional, permanent supportive housing, single room occupancy and seniors housing (excludes delivery of healthcare);
- Must have a minimum of five units or beds;
- Minimum contribution request of \$1 million;
- Primary use is residential; and,
- Permanent housing (minimum 20 years at affordable rents, with long-term tenancy of three months or more).

Furthermore, applications are prioritized based on the following criteria:

- Need;
- Duration of confirmed subsidy;
- Cost sharing/support from another level of government;
- Expediency;
- Land status;
- Duration of affordability;
- Energy efficiency;
- Accessibility; and,
- People or populations who are vulnerable, including homeless people or those at risk of homelessness, women and their children fleeing domestic violence, Black Canadians, Indigenous peoples, racialized groups, seniors, young adults, people with disabilities, people dealing with mental health and addiction issues, veterans, LGBTQ2+, and recent immigrants or refugees.

To prepare for the applications, staff had discussions with a CMHC specialist, a requirement for application submission, to ensure a clear understanding of all RHI submission requirements and application processes. In addition, each application was submitted with a letter of support from BC Housing confirming their support of 20 years of operating funding for each project, in addition to letters of support from Burnaby Members of Parliament Terry Beech and Peter Julian.

#### **4.0 REQUEST FOR PROPOSALS (RFP)**

The following sections provide recommended guidelines for RFP submissions to select proven non-profit organizations, and their development and construction partners, with the experience and capacity to construct and operate non-market rental housing for individuals and families with severe housing need in an expedited timeframe. The guidelines also help ensure the projects meet RHI identified objectives, are sustainable over time, and prioritize the non-market housing needs of the community.

To: City Manager  
From: Director Planning and Building  
Re: Request for Proposals for Non-Market Housing  
Sites Seeking Federal Funding  
2021 February 1..... Page 4

#### 4.1 Eligibility Criteria

In order to ensure that respondents have the appropriate qualifications, it is recommended the RFP include the following eligibility criteria:

- **Respondents must be:**
  - A not-for-profit corporation incorporated and in good standing under the BC Societies Act or the Canada Not-for-profit Corporations Act; or
  - A federal, provincial, or regional government agency; or
  - A development proponent representing, developing, and/or constructing housing for any of the above.
- **Lessee/operator must be:**
  - A not-for-profit corporation incorporated and in good standing under the BC Societies Act or the Canada Not-for-profit Corporations Act; or
  - A federal, provincial, or regional government housing entity.

#### 4.2 Capacity and Operations

It is further recommended that all submissions address the following capacity and operations criteria:

- **Construction Capacity:** Respondents shall demonstrate the ability to construct a new multi-unit modular development in an expedited timeframe, with occupancy of the units within six months of the execution agreement with CMHC, anticipated in April 2021, by providing the following:
  - Partnership agreement with a modular construction company and confirmation of the ability to construct, deliver, and assemble a new modular development in the required timeframe; and,
  - Proposed construction timeline with major milestones to show compliance with the expedited timeframe.
- **Financial Capacity:** Respondents shall demonstrate strong financial capacity to ensure housing affordability for a minimum of 20 years, by providing the following:
  - Proposed rent structure and information on the income levels of residents served by the project;
  - Operating funding model (typical repairs and maintenance, capital replacement reserve, etc.);
  - All potential operating funding sources; and,
  - Current financial statements and other relevant financial information.
- **Experience:** Respondents shall demonstrate a record of success in the construction and management of non-market rental housing, as demonstrated by examples of current projects in operation, preferably in partnership with local government and/or other public sector agencies. Experience with the construction and operation of modular rental units should be highlighted.

To: City Manager  
From: Director Planning and Building  
Re: Request for Proposals for Non-Market Housing  
Sites Seeking Federal Funding  
2021 February 1..... Page 5

- **Operational Model:** Respondents shall outline the proposed operational model and note any potential partners involved. If partners are involved, information on the anticipated roles and responsibilities of all partners is required, including rationale as to why the partners were chosen, the partnership arrangement, and how the proponent intends to manage the partnership going forward.

#### 4.3 Program Criteria

In addition, all RFP submissions are to address the following program criteria:

- **Target population group(s)**, in accordance with RHI priority groups and as specified by the City to meet community housing needs;
- **Suitability of housing for the targeted population group(s)**, including the number, size, and mix of units, accessibility features, and on-site amenities.
- **Accessibility**, including number of adaptable and accessible units, with a target of:
  - At least 20% of units being fully accessible; and,
  - Barrier-free or full universal design, if feasible.
- **Energy Efficiency**, with the project to exceed the energy efficiency standards set out in the 2015 National Energy Code for buildings (NECB) or local/regional standard, whichever is greater, by a minimum of 20%.
- **Livability**, including features and amenities that enhance the lives of residents and neighbours.
- **Project timeline**, including key milestones and target dates.

#### 5.0 NEXT STEPS

With Council direction, staff will develop a RFP package and issue it electronically through the provincial procurement website, BC Bid, where any interested party may download the RFP documents directly. An evaluation team consisting of City staff will review and shortlist proposals based on the established criteria and, if necessary, conduct interviews with the proponents and/or consult references to clarify and confirm components of their submissions. As part of the evaluation process, the City reserves the right to negotiate directly with a shortlisted proponent. Following the evaluation process, a report will be advanced to Council with a summary of the submissions, the recommended non-profit housing operator(s), and details of the successful proposal.

Concurrently with the RFP process, staff will initiate the site-specific rezoning applications for the three City-owned sites to ensure the projects can meet the required timeframes set by RHI funding. As part of the rezoning application, notification and engagement with stakeholders and the general public would occur, including a public hearing. Should any or all of the City-owned sites be successful in securing RHI funding, staff will work closely with the selected non-profit partners to refine the projects to best meet community housing needs. The terms of the lease with the non-profit partner will be finalized upon the completion of the site-specific rezoning, in addition to securing RHI funding. The affordability of the units will be secured through the lease and through agreements with other

To: City Manager  
From: Director Planning and Building  
Re: Request for Proposals for Non-Market Housing  
Sites Seeking Federal Funding  
2021 February 1..... Page 6

government funders. For any City-owned site not selected for RHI funding, the rezoning application would be terminated, along with the partnership with the selected non-profit housing provider.

## 6.0 CONCLUSION

This report outlines a RFP process to identify up to three non-profit housing partners to construct and operate non-market modular rental units on three City-owned sites. The partnerships are contingent on the City's success in securing RHI funding, which was applied for in advance of the 2020 December 31 deadline. Together, the three sites yield a potential of approximately 190 affordable units for individuals and families in severe housing need and/or experiencing homelessness.

This report provides recommendations on guidelines for the RFP, and recommends that Council authorize staff to conduct the RFP process as described in *Section 4.0* herein. It also recommends that a copy of this report be sent to representatives of BC Housing and CMHC for information purposes.



E. W. Kozak, Director  
PLANNING AND BUILDING

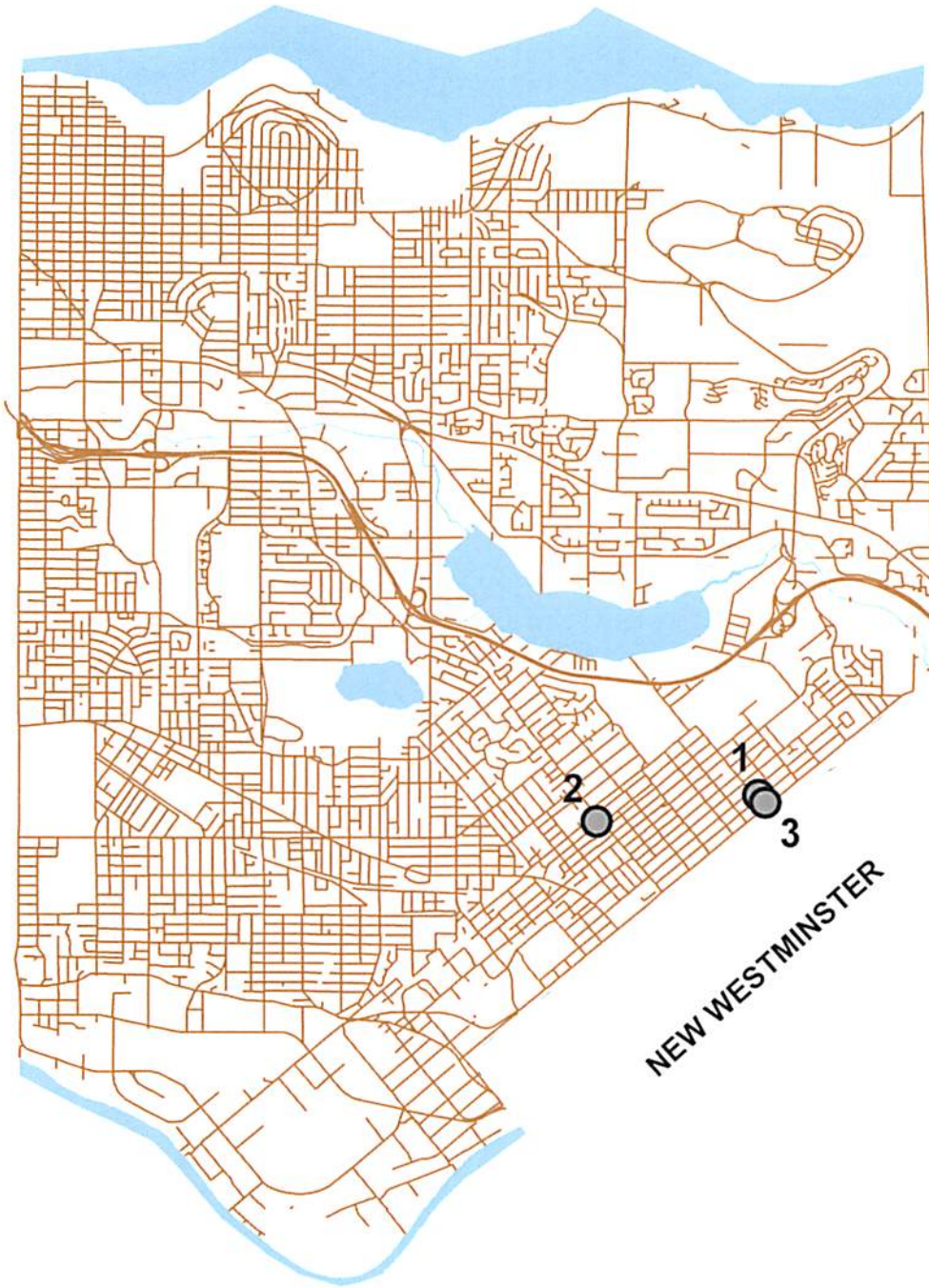
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### *Attachment*

Copied to: Director Engineering  
Director Finance  
Director Corporate Services  
Director Public Safety and Community Services  
City Solicitor  
City Clerk



VANCOUVER



PORT MOODY

COQUITLAM

NEW WESTMINSTER



PLANNING & BUILDING DEPARTMENT

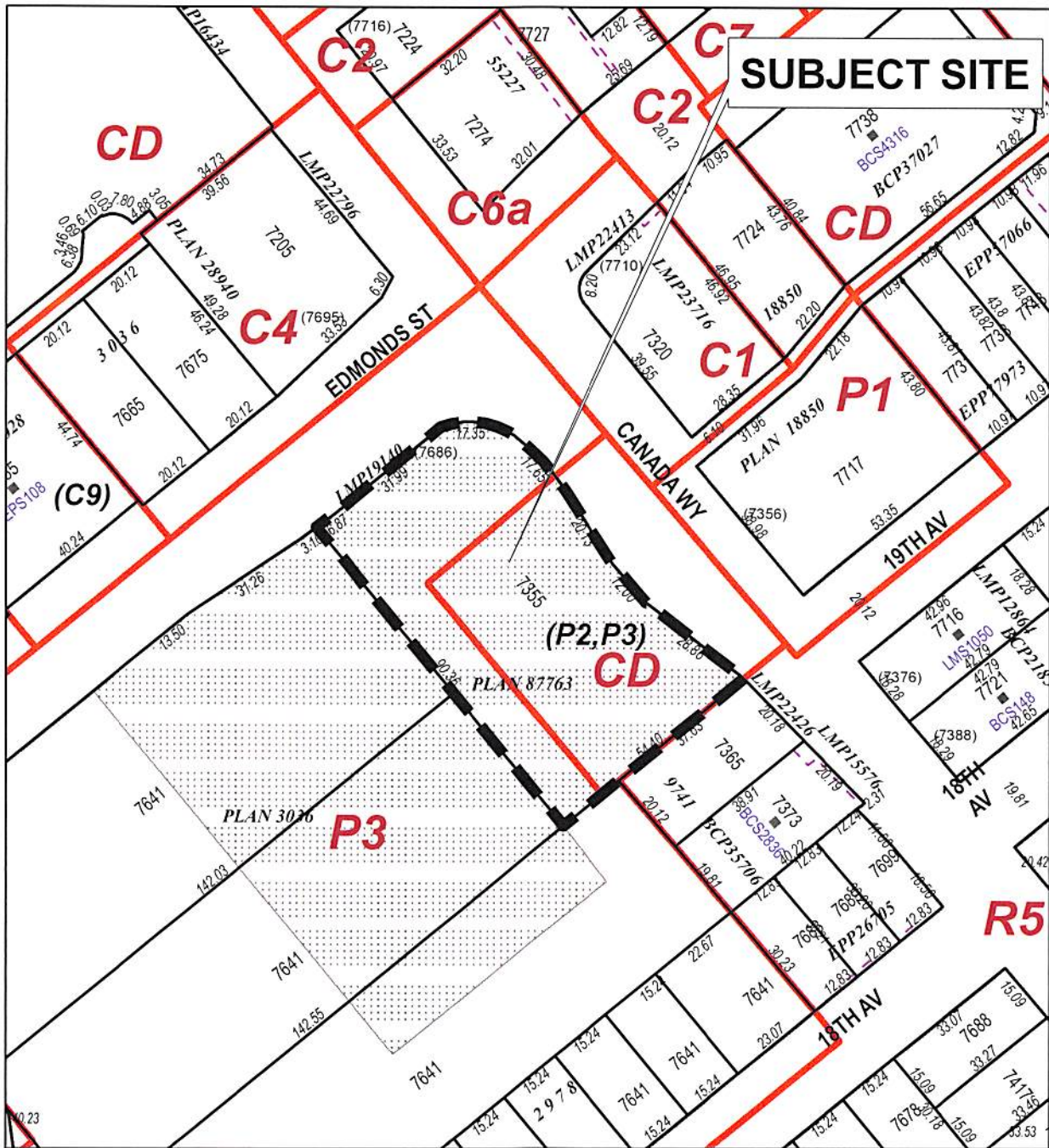



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POTENTIAL CITY-OWNED SITES FOR FEDERAL  
RAPID HOUSING INITIATIVE FUNDING




 City of  
**Burnaby**

Date: DEC 02 2020

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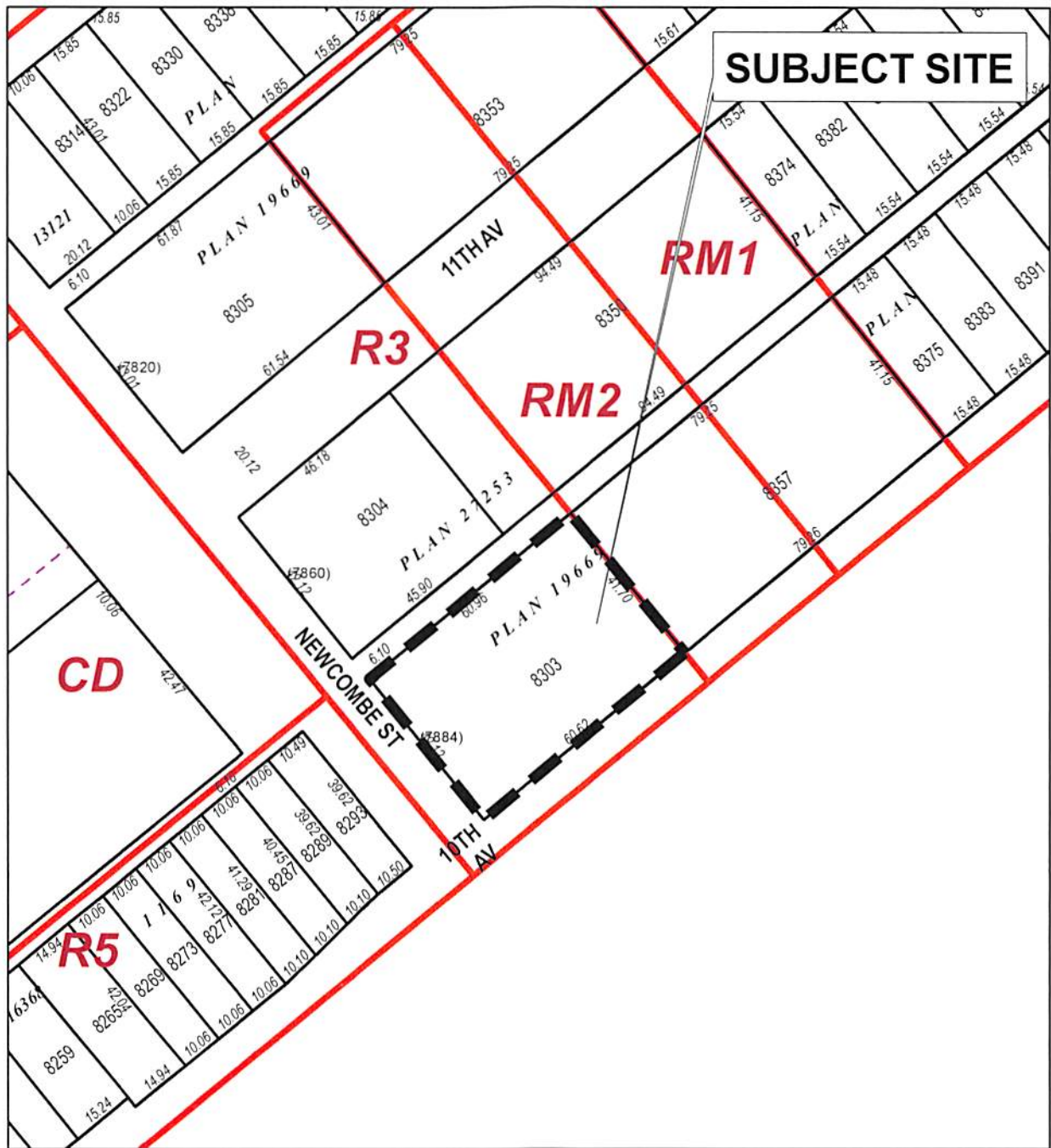
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PLANNING & BUILDING DEPARTMENT

7355 CANADA WAY


 Subject Site


  
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PLANNING & BUILDING DEPARTMENT




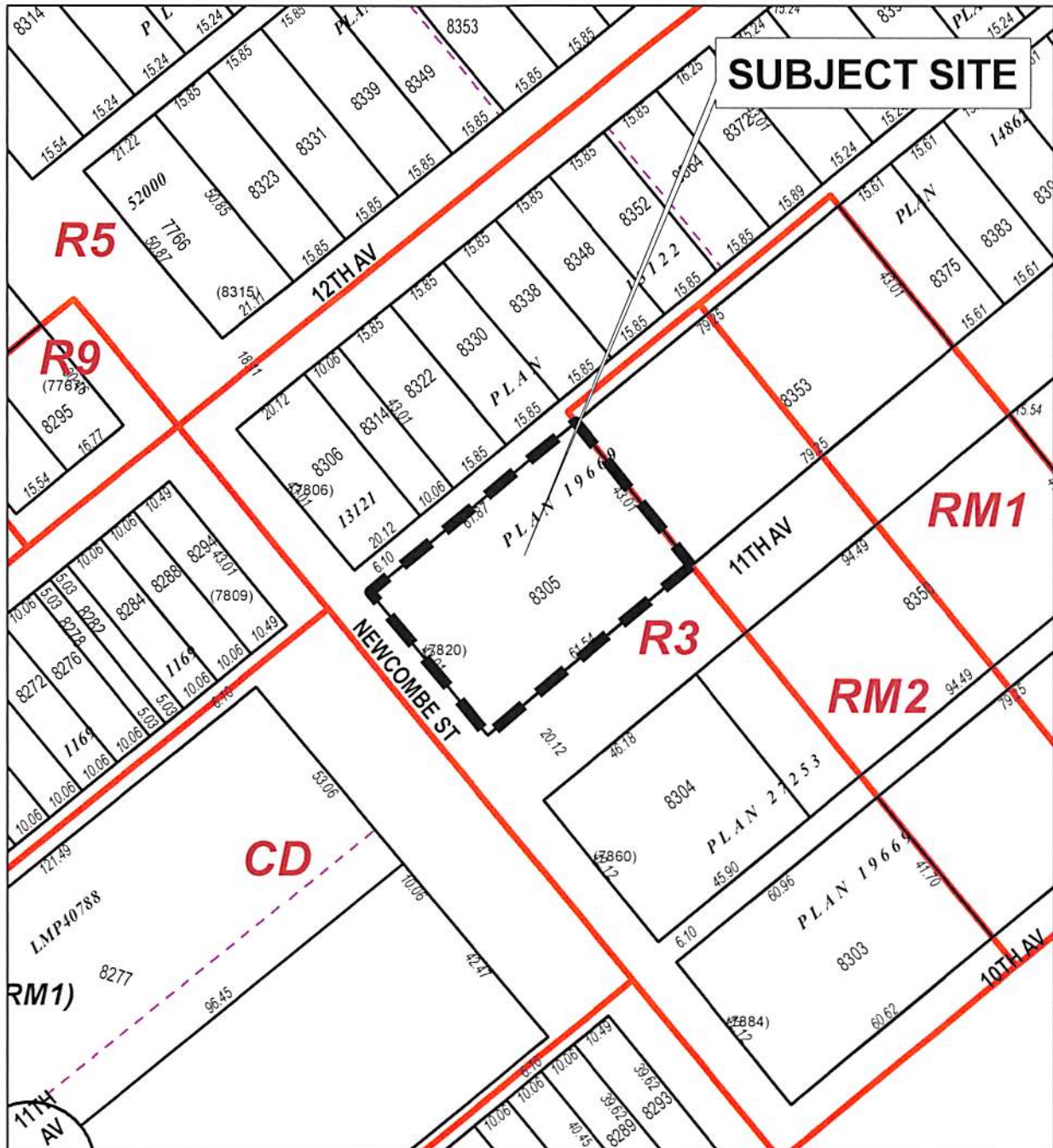
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8303 10TH AVENUE

 Subject Site



	
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PLANNING & BUILDING DEPARTMENT

8305 11TH AVENUE

 Subject Site