

TO: CHIEF ADMINISTRATIVE OFFICER **DATE:** 2022 February 23

FROM: GENERAL MANAGER **FILE:** 16000 20
PLANNING AND DEVELOPMENT *X-Ref:* REZ#16-39, 22-04

**SUBJECT: BEVAN LANDS DEVELOPMENT – PROJECT UPDATE
NON-MARKET, MEDIAN MARKET, AND MARKET RENTAL
APARTMENTS AND TOWNHOUSES
Edmonds Town Centre Plan**

PURPOSE: To request Council authorization to permit an alternate development approach to the Bevan Lands while still achieving the desired housing program.

RECOMMENDATIONS:

1. **THAT** Council authorize the two portions of the Bevan Lands to be developed independently, as described in this report.
2. **THAT** Council authorize the planning, design, and construction of rental apartments on the apartment portion of the Bevan Lands to be undertaken by contractors selected by the City’s selected non-market housing operator, as described in this report.
3. **THAT** the Planning and Development Department be authorized to continue to work with Mosaic Homes towards the preparation of a suitable plan of development for Rezoning Reference #22-04 for presentation to a Public Hearing on the understanding a more detailed report will be submitted at a later date.
4. **THAT** a copy of this report be sent to the Community Land Trust and to Mosaic Homes.

REPORT**1.0 INTRODUCTION**

Over the past 2.5 years, a number of reports have been advanced to Council regarding the development of the “Bevan Lands” for non-market and market rental housing. The Bevan Lands are comprised of twenty properties within Sub-Area 3 of the Edmonds Town Centre Plan, at the southeast corner of Southridge Drive and Byrnespark Drive. Seventeen of the total twenty properties forming the Bevan Lands are owned by the City, with the remaining three properties owned by Mosaic Homes (“Mosaic”) (see *attached* Sketch #1).

The Bevan Lands are characterized by substantial grades, resultant limited locations for vehicular access, and wetted areas that require environmental protection. These characteristics significantly influence developable area, building form, and financial feasibility of development. The proposed housing development program on the Lands has had to adapt several times in response to information obtained from due diligence studies and, most importantly, the absence of capital funding from the second (2021) intake of BC Housing’s *Building BC Community Housing Fund*.

This report provides information on the currently expected housing program and development approach on the Bevan Lands; requests Council authorization to permit an alternate development approach to the Lands while still achieving the desired housing program; and outlines next steps.

2.0 POLICY CONTEXT

There are several City policies that support the provision of rental housing in Burnaby including: *HOME: Housing and Homelessness Strategy* (2021), *Burnaby Housing Needs Report* (2021), *Mayor’s Task Force on Community Housing Final Report* (2019), *Corporate Strategic Plan* (2017), *Burnaby Social Sustainability Strategy* (2011), *Burnaby Economic Development Strategy* (2007), and *Official Community Plan* (1997).

3.0 EXPECTED HOUSING PROGRAM AND DEVELOPMENT APPROACH

Based on Council approvals to date, the currently expected housing program and development approach on the Bevan Lands is as follows:

Table 1: Expected Housing Program and Development Approach On Bevan Lands		
	<i>Apartment Portion</i> NW Corner of the Overall Bevan Lands (0.80 hectares)	<i>Townhouse Portion</i> Balance of the Bevan Lands (4.24 hectares)
Housing Form	Two four-storey rental apartment buildings	Family-oriented rental townhousing
Unit Count	118	Up to 216
Affordability	30% of units at 80% of CMHC market median rates and 70% units at or below market rates	50% of units at CMHC market median rates and 50% at market rates
Developer	Mosaic	Mosaic
Operator	Community Land Trust (CLT)	Mosaic
Capital Funding	To be secured by operator	To be provided by developer
Land Ownership	City to provide nominal ground lease to CLT	City to enter into a 99 year prepaid lease with Mosaic
Timing of Development	Concurrent development	

The two development sites are illustrated in the *attached* Sketch #1.

4.0 PROPOSED INDEPENDENT DEVELOPMENT APPROACH

The Community Land Trust and Mosaic have expressed their continued interest in delivering the housing program described above. Over the past several months, both parties have been discussing the potential terms of a formal agreement on the intended development approach for the smaller site, whereby Mosaic is to plan, design, and construct the two apartment buildings using capital funding secured by CLT, then turn over the buildings to CLT for ongoing operation as non-market, below-market, and market rental housing. While both parties recognise some of the advantages offered by this approach (e.g. a cohesive planned approach for both sites and coordinated consultants, contractors, phasing, construction access, and trade/supplier management), to date, they have yet to reach an agreement. Responsibility for predevelopment costs in the absence of secured capital funding and risk for the party providing the working capital remain points of discussion. Mosaic has also expressed concern about its current inability to independently advance market and median market rental townhouse development on the larger portion of the Bevan Lands in the event CLT is unsuccessful in obtaining capital funding for the apartment units on the smaller site. Mosaic has indicated its desire and ability to move expeditiously through municipal approvals, with a target construction start date in mid-2023.

Timely development of the specified housing programs on both sites continues to be a City priority. Recognizing that CLT and Mosaic may not be able to reach an agreement, staff therefore seek Council authorization for: (1) the sites to be developed independently; and (2) for the apartment site, for planning, design, and construction of the buildings to be undertaken by CLT’s contractors of choice.

5.0 NEXT STEPS

Staff will continue to encourage CLT and Mosaic to work towards an agreement to fulfill the housing program and development approach summarized in Table 1. If an agreement cannot be reached, staff will work with CLT and Mosaic separately and independently towards achieving the specified housing program on each of the development sites. Staff will also ensure the necessary subdivision applications to create the two development sites are completed.

For the apartment portion of the Bevan Lands, staff will continue to support CLT’s efforts to source and secure capital funding for the 118 rental apartment units. Staff would also work with CLT towards completing Rezoning Reference #20-17 for a specific form of development on the site. Additionally, staff would work with CLT towards mutually agreeable business terms of a ground lease agreement for Council approval, including performance conditions and expected milestones and completion dates.

For the townhouse portion of the Bevan Lands, staff will work with Mosaic to complete Rezoning Reference #16-39 to establish development guidelines for the site. Appearing elsewhere on this Council agenda is consideration of Third Reading of the rezoning amendment bylaw for Rezoning Reference #16-39. Staff will also work with Mosaic to complete Rezoning Reference #22-04 for a specific form of development on an expedited basis. Staff seek Council authorization to continue

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to work with Mosaic towards the preparation of a suitable plan of development for presentation to a Public Hearing on the understanding that a more detailed report will be submitted at a later date. The 99 year prepaid leasehold interest to Mosaic will be conditional upon completion of Rezoning Reference #22-04 and issuance of a Building Permit within a specified timeframe by the City.

6.0 SUMMARY AND RECOMMENDATIONS

The provision of rental housing in Burnaby – particularly non-market and below-market rental units – continues to be a priority for the City. Staff continue to support the proposed housing programs on both portions of the Bevan Lands. In order to provide greater flexibility to the City’s selected partners in delivering this housing in a timely manner, it is recommended that Council authorize the sites to be developed independently, and, for the apartment site, for planning, design, and construction of the buildings to be undertaken by CLT’s contractors of choice.



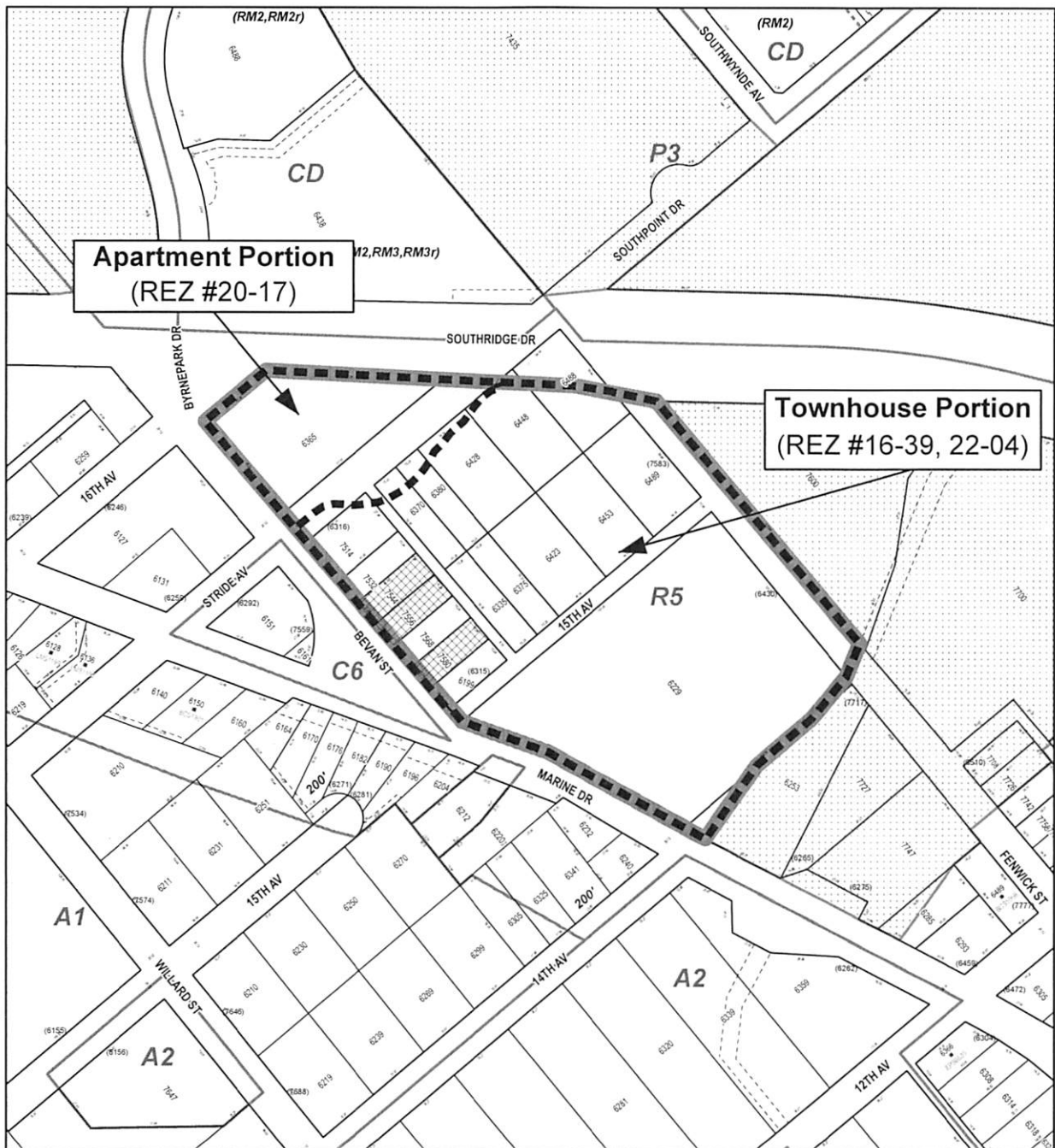
E.W. Kozak, General Manager
PLANNING AND DEVELOPMENT




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Attachment

cc:

- Deputy Chief Administrative Officer and Chief Financial Officer
- General Manager Corporate Services
- General Manager Community Safety
- General Manager Parks, Recreation and Cultural Services
- General Manager Engineering
- City Solicitor
- City Clerk



	<p>PLANNING AND DEVELOPMENT DEPARTMENT</p>
<p>Date: FEB 16 2022</p>	<p>BEVAN LANDS APARTMENT PORTION (0.80 ha): 6365 STRIDE AVENUE, AND PORTIONS OF 6370, 6380, 6428, 6448 STRIDE AVENUE AND 7514 BEVAN STREET</p>
<p>scale: 1:3,500</p>	<p>TOWNHOUSE PORTION (4.24 ha): 7532, 7544, 7556, 7568 & 7580 BEVAN STREET, 6199 MARINE DRIVE, 6335, 6375, 6423, 6453 & 6489 FIFTEENTH AVENUE AND PORTIONS OF 7514 BEVAN STREET, 6370, 6380, 6428, 6448 & 6488 STRIDE AVENUE AND 6229 & 6253 MARINE DRIVE</p>
<p>Drawn By: JS</p>	<p>  Overall Bevan Lands Site  Privately Owned </p>