

**TO:** MAYOR & COUNCIL

**FROM:** GENERAL MANAGER PLANNING AND DEVELOPMENT

**SUBJECT: BURNABY HOUSING AUTHORITY – APPROVAL TO REQUEST  
CREATION OF A MUNICIPAL CORPORATION**

**PURPOSE:** To seek Council approval to submit a request to the Inspector of Municipalities to create the Burnaby Housing Authority as a municipal corporation.

### RECOMMENDATIONS

**THAT** the formation of the Burnaby Housing Authority as a municipal corporation be approved.

**THAT** staff be authorized to submit a request to obtain the approval of the Inspector of Municipalities to form the Burnaby Housing Authority as a municipal corporation with the following documents as part of the submission:

- a) the draft Burnaby Housing Authority Corporation Articles of Incorporation as set out in Attachment 1 to the report titled “Burnaby Housing Authority – Approval to Request Creation of a Municipal Corporation” dated October 16, 2023; and
- b) the Burnaby Housing Authority Business Plan as set out in Attachment 2 of the same report.

**THAT** the General Manager Planning and Development be authorized to represent the City on the submission to the Inspector of Municipalities, including signing the cover letter for the submission package and corresponding with the Inspector of Municipalities regarding the submission.

**THAT** staff be directed to include the following items in the draft 2024-2028 Financial Plan, for the purpose of launching and operationalizing the Burnaby Housing Authority:

- a) Planned contribution of \$2.0 million per year in years 2024 to 2028, funded from the Operating Housing Reserve for Burnaby Housing Authority operating expenses;
- b) Planned contribution of \$475,000 in 2024, funded from the Community Benefit Bonus Affordable Housing Reserve for Burnaby Housing Authority capital expenditures; and

- c) Planned financing of \$100 million over the years from 2024 to 2028, funded from the Community Benefit Bonus Affordable Housing reserve for Burnaby Housing Authority affordable housing projects.

**CHIEF ADMINISTRATIVE OFFICER’S COMMENTS**

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

**EXECUTIVE SUMMARY**

This report advances the establishment of a Burnaby Housing Authority (BHA) and seeks Council approval to submit a request to the Inspector of Municipalities (Inspector) to create the BHA as a municipal corporation. The submission to the Inspector is required to include the draft BHA Articles of Incorporation (Articles) and BHA Business Plan (Business Plan), which are set out in Attachments 1 and 2, respectively.

**1.0 POLICY SECTION**

Establishing the BHA to facilitate the development of non-market housing in Burnaby aligns with several City policies, including:

- *Corporate Strategic Plan (2022);*
- *HOME: 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 has been successful in facilitating new non-market housing in recent years, particularly through its housing-friendly policies, expedited approvals of non-market development applications, advocacy for funding from other orders of government and provision of municipal lands and financial supports to directly support non-market housing developments. As of April 2023, 11,721 rental units were in the development process, of which 6,997 units were non-market rental units. Of the 6,997 non-market rental units under development, 1,359 units were on City-owned lands.

While many new non-market housing units are in progress, these projects 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 the BHA as a “one-stop shop” for the development, management and administration of non-market housing.

Efforts to define elements of the BHA have been underway since early 2023. On June 19, 2023, Council directed staff to engage with interested parties and the general public to obtain feedback on proposed elements of the BHA, including its organizational structure, governance, affordability mandate, scope of work and potential assistance from the City. Engagement activities took place in August 2023. Staff have considered the feedback received through the engagement activities in the draft Articles and Business Plan and are presenting both documents for Council approval.

**3.0 GENERAL INFORMATION**

**3.1 Submission to the Inspector**

Based on Council’s direction to establish the BHA as a wholly owned municipal corporation, the City is required under section 185 of the *Community Charter* to seek approval from the Inspector to create a municipal corporation. The Inspector’s review of the City’s submission is a key part of the approval process, set out in legislation, that aims to safeguard the public interest.

The submission to the Inspector must include the following:

- **Cover Letter**  
The cover letter is required to demonstrate the consideration and rationale for the proposed direction in the following areas: municipal objectives of creating a corporation, municipal control, financial exposure of the municipal shareholder, conflict of interest guidelines and duty of directors. The cover letter must also include a description of the process taken by the City to inform and involve the public on the creation of the BHA, and an explanation of how input received has been used to shape the design of the proposed corporation and its draft Articles. The cover letter must be signed by an authorized representative of the municipality.
- **Certified Copy of Council’s Resolution**  
This is the resolution from Council that approves the formation of the municipal corporation and authorizes staff to request the Inspector’s approval. Council’s resolution should also indicate who has been authorized to represent Council in discussions regarding the submission.
- **Background Reports**  
This should include the Business Plan, feasibility studies and any staff reports that were prepared in evaluating the decision to create the corporation.
- **Articles of Incorporation**  
A complete set of Articles in final draft form is required, which is a legal document filed in the corporate registry in connection with the incorporation of the BHA as a separate legal entity. The Articles set out the basic information about the BHA, including, among other things, the name, purpose, share structure and directors. A complete set of Articles in final draft form is required in the submission to the

Inspector. The finalized Articles will form part of the BHA’s formal records once incorporated.

This report seeks Council resolution to create the BHA as a municipal corporation and to authorize staff to submit a request to the Inspector to obtain approval to formally create the BHA as a municipal corporation.

**3.2 Relationship of Key Documents**

All corporations created in British Columbia are required to have articles of incorporation to set out the rules of conduct for the corporation and its shareholders, directors and officers. The draft BHA Articles, provided as Attachment 1, establish the purposes of the BHA and define the relationship between the BHA and the City in its capacity as the sole shareholder of the BHA.

The BHA Business Plan, provided as Attachment 2, establishes the feasibility of the BHA, defines its corporate objectives and outlines a roadmap for how the BHA intends to achieve its goals once operational. The Business Plan aligns with the draft Articles and is based on market research, feedback from interested parties and the general public, as well as Council’s direction to date. The Business Plan is intentionally broad and high-level in order to not limit the Inspector’s assessment of the full potential of the BHA as a municipal corporation.

Once the BHA is incorporated, Council will need to approve a Partnering Agreement, between the City and the BHA. The Partnering Agreement is required, pursuant to section 21 of the *Community Charter*, to permit the City to provide assistance to the BHA in exchange for the BHA’s provision of services on behalf of the City, as outlined in the Business Plan. The Partnering Agreement will set out, among other things, the types of assistance the City will and/or may provide to the BHA, along with the means the City will use to provide the assistance, and the services the BHA will and/or may provide on behalf of the City in exchange for such assistance. A draft Partnering Agreement will be presented to Council in a forthcoming report.

Refinement of the BHA’s focus and initial scope of work, once incorporated, will be determined through a strategic planning process, which will be led by the BHA board of directors (BHA Board) and guided by the purpose and mandate of the BHA as outlined in the Articles. Undertaking this strategic planning process will enable the BHA to formulate its mission, vision and values, and create both a strategic plan and financial plan. The BHA strategic plan will be approved by Council, pursuant to the Partnering Agreement between the City and the BHA. Table 1 shows the timing of these key documents in the overall process to establish the BHA.

**Table 1: BHA Stages of Growth and Associated Activities**

Stage	Define Key Elements/ Approvals	Creation/ Launch	Start-Up	Growth
Timeline	Jan – Aug 2023	Sept – Dec 2023	Early 2024	Late 2024+
Led By	City	City	BHA	BHA
Tasks	<ul style="list-style-type: none"> <li>• Prepare submission to the Inspector of Municipalities                             <ul style="list-style-type: none"> <li>○ Develop Business Plan</li> <li>○ Draft Articles</li> <li>○ Consult interested parties and general public</li> </ul> </li> <li>• Draft Partnering Agreement                             <ul style="list-style-type: none"> <li>○ Determine assistance City may provide to BHA (funding, lands, etc.) and services BHA will provide on behalf of City</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Submit application to Inspector of Municipalities for approval</li> <li>• Following receipt of approval of Inspector of Municipalities:                             <ul style="list-style-type: none"> <li>○ Finalize Articles</li> <li>○ Incorporate BHA</li> </ul> </li> <li>• Appoint Board of Directors</li> <li>• Enter into Partnering Agreement</li> <li>• Approve initial capital and operating budgets</li> </ul>	<ul style="list-style-type: none"> <li>• Find office space</li> <li>• Hire CEO and staff</li> <li>• Create Strategic Plan and Financial Plan                             <ul style="list-style-type: none"> <li>○ Mission, vision and values</li> <li>○ Land and capital development funding</li> <li>○ Unit and affordability targets</li> <li>○ Success metrics</li> </ul> </li> <li>• Submit Strategic Plan and Financial Plan to Council for approval</li> </ul>	<ul style="list-style-type: none"> <li>• Acquire sites</li> <li>• Develop projects</li> <li>• Operate units</li> <li>• Administer portfolio</li> <li>• Report back to Council on progress</li> <li>• Report to public on progress through annual public information meeting</li> </ul>

**3.3 Main Elements of the Proposed BHA**

This section summarizes the keys elements of the BHA, as set out in the draft Articles and BHA Business Plan.

**3.3.1 Municipal Control**

The submission to the Inspector requires the City to indicate the degree of control that Council will exercise over the BHA through share ownership, representation on the BHA Board and other restrictions or requirements in the Articles. As per guidance from the Ministry of Municipal Affairs, the appropriate degree of control will depend on several factors, such as the corporate objectives, nature and scope of the corporation’s undertaking, the risk associated with the municipality’s investment in the corporation or the need to involve community interests.

The draft Articles and the forthcoming Partnering Agreement between the City and the BHA establish the controls that the City will have over the BHA. These controls are summarized in Attachment 3. While ensuring sufficient municipal control is an important

consideration in establishing the BHA, it is important that the level of control is balanced with the high degree of autonomy necessary for the BHA to successfully deliver on the mandate Council has set out, mainly, to develop new non-market housing units to meet community housing needs.

**3.3.2 Share Structure**

Ownership of a corporation is represented by the issuance of one or more shares by the corporation to its shareholders. Shares can be structured in a variety of ways, including using different classes of shares and series of shares. The share structure, including the rights, privileges, restrictions and conditions for each class or series of shares, is required to be indicated in the BHA’s Notice of Articles, which is filed together with the Articles at the time the BHA is incorporated.

The draft Articles outline the share structure for the BHA, which will comprise one class of common shares with voting rights. The City will acquire a single share from the BHA, at a nominal cost, to become the sole shareholder of the BHA.

The draft Articles permit the BHA, with the City’s approval as the sole shareholder, to alter the authorized share structure, including to create additional classes or series of shares and to dispose of shares on the terms and conditions and for the issue price that the shareholder may determine. To ensure that the City’s ownership of the BHA is not diluted in the future, the draft Articles not only require the shareholder’s approval to create or issue additional shares, but also prohibits any shares in the BHA from being issued to any person or entity other than the shareholder. As a municipal corporation, any alteration to the share structure previously approved by the Inspector will require subsequent Inspector approval.

**3.3.3 Company Purposes**

The draft Articles outline the purposes of the BHA, which align with the following four functions as directed by Council:

*1. Acquisition*

The BHA will 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 will develop new housing units, with dedicated staff hired as development managers to oversee design, approvals and construction. Alternatively, the BHA could partner with the development sector, NPOs, or other government entities 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 existing non-market housing operators that operate within Burnaby, the BHA will partner with NPOs, government agencies and other qualified entities to operate non-market housing units, and in particular for those 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 will 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 non-market housing administration and inquiries in Burnaby.

The draft Articles further outline the affordability and tenure mandates of the BHA, which include non-market rental housing and non-market ownership housing, as well as market rental units to the extent necessary to support non-market housing through cross-subsidization. To clarify, non-market rental housing and non-market ownership housing includes co-operative housing.

**3.3.4 BHA Board**

**3.3.4.1 Board Composition**

As a municipal corporation, the BHA will be governed by the BHA Board. Early Council direction was to structure the BHA Board with a majority of Council/City staff directors and a minority of external directors. However, Council/City majority on the BHA Board was a major topic of discussion at engagement events with many participants expressing the belief that the BHA Board should be comprised primarily of individuals with experience and expertise in housing and real estate development, with some additional representation from the non-profit sector. Participants further noted the importance of diversity, autonomy from City Council and the need to select directors in a way that mitigates bias or potential conflicts of interest.

Based on feedback received through engagement events, the draft Articles now reflect a BHA Board with a minority of Council/City staff directors and a majority of external directors. The BHA Board will have a total of 10 directors, of which four are Council/City staff and six are external directors. For the initial BHA Board, the composition of the ten-person BHA Board is anticipated to be as follows:

- Burnaby Council Member (3);
- Burnaby Senior Exempt Staff (1);
- Individuals with expertise and experience in the development or operations of private or non-profit housing (4);
- Individual with expertise or experience in the financial sector (1); and
- Individual with expertise or experience in the legal sector (1).

The proposed BHA Board composition prioritizes direct experience and expertise in the four functions of the BHA – acquisitions, development, operations and administration. Under the draft Articles, an external BHA Board director will be elected Chair to preside over BHA Board meetings, along with other duties. The Chair, as the head of the BHA’s governing body and the spokesperson for the BHA, will be an external member to reinforce the autonomy of the BHA. The Articles also permit the BHA Board to, from time to time, invite other professional advisors and consultants, as well as City staff members, to attend BHA Board meetings where the expertise or advice of such persons may be desirable.

**3.3.4.2 Board Selection Process**

The BHA Board selection process emerged as an area of interest during engagement activities, with feedback focused on the importance of the City determining and following a fair process in selecting directors to the BHA Board.

To minimize any perceived or potential conflicts of interest in the making of appointments of BHA Board directors and to maximize transparency, the City has engaged a third-party recruitment firm to identify qualified candidates for the inaugural BHA Board. Criteria aimed to reflect the BHA’s strategic needs has been shared with the selected recruitment firm to help identify qualified BHA Board candidates for Council selection. The recruitment firm has also been asked to note whether any qualified individuals are actively involved in housing developments in Burnaby in order to further minimize the potential for perceived or real conflicts of interest. The list of criteria for BHA Board candidates is provided in Attachment 5.

To ensure a wide array of BHA Board candidates, the BHA webpage will be updated to invite individuals who are interested in being on the BHA Board to send along their information. Other parties who want to suggest potential BHA Board candidates for consideration may also reach out to the City via the BHA webpage. Candidate information received through the BHA webpage will be provided to the recruitment firm to compile a full list of potential BHA Board candidates for Council consideration.

Under the draft Articles, Council will appoint individuals to the BHA Board, including the Council/City staff directors. Subsequent BHA Board appointments will continue to be made at the discretion of Council. It is expected, however, that the BHA Board, through its own Governance and Nominating Committee, will identify and present candidates for Council consideration.

**3.3.4.3 Board Term**

To ensure the entire BHA Board does not turnover at the same time, the draft Articles stagger the term of BHA Board directors to ensure continuity. The 10 members of the BHA Board appointed at the first annual general meeting of the BHA will be divided into two groups, with five of the external directors serving an initial two-year term and the four Council/City staff directors and one external director serving an initial three-year term. At every succeeding annual general meeting, those directors whose term in office is set to expire will be re-appointed or replaced for subsequent three-year terms.



The draft Articles limit any director from serving more than two consecutive terms or a maximum of six consecutive years overall to ensure a diversity of perspectives on the BHA Board. The draft Articles do, however, permit past directors to be eligible for reappointment after an absence of at least one year.

**3.3.4.4 Board Committees**

To ensure a diversity of perspectives and access to additional expertise to help shape the work of the BHA, the draft Articles permit the BHA Board to form one or more committees, as it considers appropriate, and to appoint members who have knowledge and expertise for the specific committee that may not yet be represented on the BHA Board. The draft Articles do not mandate the creation of any specific committee, but do contemplate the creation of an Executive Committee, which will have the delegated powers of the full BHA Board during the intervals between BHA Board meetings. Under the draft Articles, if an Executive Committee is established, one Council/City staff director must be on the Executive Committee.

**3.3.4.5 Board Compensation**

In order to attract and retain qualified individuals and in recognition of their service and time commitment to the BHA, the draft Articles establish the following compensation structure for external BHA Board directors and committee members:

<b>Meeting</b>	<b>Compensation</b>
Board Meetings, Board Committee Meeting, Special Meetings and Workshops (4 hours or less)	\$275 per Director or Committee Member
Board Meetings, Board Committee Meeting, Special Meetings and Workshops (4+ hours)	\$550 per Director or Committee Member
Formal Training and Meeting with External Parties	\$150 per Director or Committee Member
Other Meetings and Activities	\$50 per Director or Committee Member
Conferences	\$100 per day per Director or Committee Member

Compensation is not available to Council/City staff directors on the BHA Board.

**3.3.5 Funding the BHA**

**3.3.5.1 Funding Method**

The BHA Business Plan describes how the BHA will be funded upon creation and any ongoing funding to be provided by the City through a Partnering Agreement. A Partnering Agreement between the City and the BHA enables the City to require the BHA to use the funding to deliver services mandated by the City in accordance with the service standards set out in the agreement. Furthermore, under a Partnering Agreement, the City may also impose terms and conditions on the provision of assistance through further legal agreements, such as loan agreements, contribution

agreements and land disposition agreements. The initial Partnering Agreement between the City and the BHA is envisioned for a term of five years.

An overall objective in establishing the BHA is for the BHA to be operationally self-sustaining. In order to be self-sustaining, the BHA will be tasked to be financially prudent and limit its need for ongoing operating subsidies or operating grants from the City.

**3.3.5.2 Funding Amount**

To create the BHA as an arms-length municipal corporation of the City, there will be start-up and operating costs required to launch and sustain the BHA, including:

- **Start-up capital costs**  
One-time expenses that are incurred during the creation of a new corporation, such as the costs to furnish an office, purchase technology, implement financial systems and create a company website.
  
- **Operating costs**  
Ongoing expenses required to operate a corporation, including staff wages and benefits, office and equipment leases, insurance, office supplies and consultant and legal costs.
  
- **Capital development costs**  
Ongoing capital costs required to deliver on the scope of work outlined by Council for the BHA to acquire lands and existing housing units and to develop new housing units. Capital development costs includes the cost to acquire land and existing housing units, costs related to design, site preparation and construction of new housing units, as well as consultant fees and other soft costs related to the acquisition of land and development of housing.

Based on market research, the Business Plan estimates the cost to start-up and commence operations of the BHA to be approximately \$10.5 million over the first five years of operations. This cost is generally broken down as follows:

- **Start-up capital costs:** \$475,000; and
- **Operating costs:** \$2.0 million per year for five years.

To allow the BHA to launch quickly, the Partnering Agreement will authorize the City to fund the BHA’s start-up costs and annual operating costs upon the City and the BHA entering into the Partnering Agreement.

In addition to start-up and operating funding, a significant amount of capital development funding will be required to enable the BHA to acquire and develop new housing. The Partnering Agreement will set out the terms and conditions upon which the City may provide financing from the Community Benefit Bonus Affordable Housing Reserve (CBBAHR) of up to a maximum of \$100 million to the BHA for the development of new affordable housing, along with the related service deliverables

and performance standards. The Partnering Agreement may also require the City and the BHA to enter into further legal agreements outlining the terms and conditions pursuant to which this financing will be provided. The provision of this financing will be contingent on Council’s approval of the BHA strategic plan, annual business plan, budget estimate or such other information as the City may require to evaluate the BHA’s financing request.

**3.3.5.3 Additional City Assistance to BHA**

The Business Plan outlines the assistance that the City could provide to the BHA in order to maximize the success of the BHA in delivering new housing in Burnaby. Upon the City and BHA entering into the Partnering Agreement, the City will provide funding to cover the start-up capital costs and one year of operating costs to the BHA, with the remaining four years of operating costs provided in subsequent years on an annual basis.

In addition to the assistance noted above, the Partnering Agreement will outline additional forms of assistance that the City may consider providing upon request from the BHA, and subject to the BHA’s provision to the City of a strategic plan, business plan, feasibility study or such other information as the City may require to evaluate the BHA’s request. Additional forms of assistance from the City to the BHA may include:

- expedited permit issuances and approvals;
- dedicated City staff to lead BHA projects through approvals processes;
- provision of capital funding for development projects;
- providing City-owned sites at less than fair market value;
- pre-zoning City-owned sites approved for use by the BHA;
- providing servicing for City-owned sites approved for use by the BHA;
- guaranteeing debts or other obligations assumed or incurred by the BHA; and
- loaning money to the BHA.

The details of the Partnering Agreement will brought forward for Council consideration and approval at a future meeting.

**3.3.5.4 Borrowing Powers**

Recognizing the significant financial cost of non-market housing development, borrowing will be an essential tool for the BHA to meet community housing needs and will allow the BHA to use the assistance provided by the City to leverage third party lenders, including other orders of government, to facilitate the development of non-market housing.

To ensure that the BHA is autonomous and nimble in its pursuit of non-market housing delivery, the draft Articles give significant latitude to the BHA to borrow. The amount of debt the BHA can assume will ultimately be limited by the financial market, which will assess the financial strength of the projects for which, and assets against which, the BHA is seeking to borrow. To mitigate risk to the City, however, the draft

Articles require the BHA to obtain Council approval to borrow on the security of the City (e.g. use City assets as collateral) or have the City guarantee any borrowing. The draft Articles do not restrict the BHA from borrowing on the security of its own assets and business, nor do the draft Articles impose maximum borrowing limits.

**3.3.6 Disposal of Corporate Assets**

As the City will be providing significant assets to the BHA, the draft Articles outline when the BHA will require the City’s approval to dispose of corporate assets. To balance shareholder oversight with the nimbleness required for the BHA to develop non-market housing, which may include transacting lands and/or units owned by the BHA to further the BHA’s mandate as established by Council, the BHA will be required to obtain shareholder approval to dispose of any corporate assets or undertakings that exceed \$20 million (in 2023 dollars) adjusted annually for the Consumer Price Index (CPI), unless previously approved by Council in the annual budget or strategic plan. This threshold will apply to a single transaction that exceeds \$20 million or series of related transactions that exceed \$20 million. This approach will enable the BHA to have significant autonomy to dispose of its own assets.

**4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT**

On June 19, 2023, Council approved an engagement framework to seek feedback from interested parties and the general public about the creation of a BHA. With the assistance of an external consulting firm, multiple engagement events to consult on the creation of the BHA took place in August 2023, along with a new BHA webpage with information for the public. A What We Heard Report summarizing the feedback received from the various engagement activities is provided as Attachment 4.

The What We Heard Report identifies the following key insights:

- **Work collaboratively, not in competition**  
The BHA should work with and support existing initiatives and development that is already underway, rather than push service providers and other stakeholders out of Burnaby into other Metro Vancouver communities.
- **Reduce red tape and streamline funding**  
Many participants expressed frustration with the existing processes for funding, development approvals, and Request for Proposals (RFPs) and were concerned that the BHA will add further layers of bureaucracy in building and operating new developments. Many participants felt that this could be an opportunity for the BHA to reduce red tape and serve as a bridge to expedite new developments.
- **Address needs along the housing continuum**  
Service providers and stakeholders emphasized the growing need across the housing spectrum, and the necessity to tailor developments to meet the unique needs of a broad range of groups in need of affordable housing.

- **Ensure the board includes diverse representation from the housing sector**  
The governance of the BHA was a major topic of discussion for all groups, with all groups identifying that the BHA Board should have diverse representation, independence from City Council, and be selected in a way that mitigates bias or potential conflicts of interest.

As required by the Inspector, a description of the process taken by the City to inform and involve the public on the creation of the BHA, as well as an explanation of how input received has been used to shape the design of the proposed corporation and its draft Articles, will be included in the City’s submission. A copy of the What We Heard report will further be provided to the BHA, once incorporated, to ensure it is fully informed of this feedback as part of its strategic planning process.

**5.0 FINANCIAL CONSIDERATIONS**

The successful creation and operation of the BHA is anticipated to require significant financial and non-financial resources. Over the years, the City has been allocating monies received through Community Benefit Bonus payments to the Community Benefit Bonus Affordable Housing Reserve (CBBAHR) and Operating Housing Reserve (OHR) for the purposes of funding non-market housing developments and associated operating requirements. The balances in the housing reserves are sufficient to establish the BHA based on the funding needs identified in the Business Plan.

However, given the current cost of delivering housing, this funding alone from the City will not be sufficient to effectively address the community housing needs identified in Burnaby’s Housing Needs Report. To accomplish this, financial support from all orders of government is required, in addition to the BHA utilizing long-term borrowing (e.g. mortgage) to finance the cost of construction over the life of its housing projects. As a wholly owned corporation of the City, the BHA’s long-term debt will be reported as the City’s long-term debt as long as the BHA is not financially self-sufficient and is dependent on revenue from the City to maintain its operations and meet its liabilities. Careful financial planning and risk assessment will be necessary to ensure the debt burden is manageable and sustainable in the long run. Currently, it is common practice for organizations constructing non-market housing to leverage debt provided by the Canada Mortgage and Housing Corporation (CMHC) to provide affordable housing.

Achieving self-sufficiency will be a key objective for the BHA. A self-sufficient BHA that can effectively address the affordable housing needs in Burnaby will require adeptly mobilizing both funding and capacity, including:

- leveraging internal and external financing;
- strategic partnerships with other orders of government;
- a cross-subsidization strategy to create a sustainable mix of affordability levels;
- partnerships with private organizations to develop housing;
- leveraging industry expertise;
- a debt financing strategy; and
- a land contribution strategy.

By carefully considering these key financial factors, the BHA will be well-equipped to address affordable housing challenges and promote inclusive and sustainable communities within Burnaby.

To ensure adequate funding is available to launch and sustain the BHA for the first five years of operations, staff recommend that Council direct staff to include the following contributions in the draft 2024-2028 Financial Plan:

- 1. Planned contribution of \$2.0 million per year in years 2024 to 2028, funded from the OHR for operating expenditures by the BHA; and
- 2. Planned contribution of \$475,000 in 2024, funded from the CBBAHR for capital expenditures by the BHA.

Both the OHR and the CBBAHR currently have sufficient funding available for these planned contributions.

As for the \$100 million in financing which may be made available from the CBBAHR for the BHA to acquire, construct and develop housing, the provision of this financing will be subject to future Council approval of the BHA strategic plan, with financing allocations transferred to the BHA upon meeting the prerequisites outlined in the Partnering Agreement. To this end, staff recommend that Council direct staff to include the financing of \$100 million in the draft 2024-2028 Financial Plan, all funded from the CBBAHR. The CBBAHR has sufficient funds available for this planned financing.

Respectfully submitted,

Edward Kozak, General Manager Planning and Development

**ATTACHMENTS**

- Attachment 1 – BHA Draft Articles of Incorporation
- Attachment 2 – BHA Business Plan
- Attachment 3 – Municipal Controls over the BHA
- Attachment 4 – BHA Engagement What We Heard Report
- Attachment 5 – Selection Criteria for BHA Board of Director Candidates

**REPORT CONTRIBUTORS**

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

*Burnaby Housing Authority Corporation*

**(the “Company”)**

ARTICLES

**Interpretation**

1. Interpretation

**Company Shares**

2. Shares and Share Certificates
3. Issue of Shares
4. Share Registers
5. Share Transfers
6. Acquisition of Company’s Shares

**Company Borrowing**

7. Borrowing Powers

**Alterations of Articles**

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**Meetings of Shareholders**

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### 1. Interpretation

#### 1.1 Definitions

In these Articles, unless the context otherwise requires:

- (1) “**board of directors**”, “**directors**”, and “**board**” mean the directors of the Company for the time being;
- (2) “**Business Corporations Act**” means the *Business Corporations Act*, S.B.C. 2002, c. 57, as may be amended or replaced from time to time;
- (3) “**City Council**” means Council for the City of Burnaby;
- (4) “**City Council Director**” means a member of City Council who has been appointed by City Council to the board of directors;
- (5) “**City Directors**” means, collectively, the City Council Director and the City Staff Directors;
- (6) “**City of Burnaby**” means the City of Burnaby, British Columbia, a municipality incorporated under the *Community Charter* and having its principal office at 4949 Canada Way, Burnaby, B.C.;
- (7) “**City Staff Directors**” means staff persons employed by the City of Burnaby =and who have been appointed by City Council to the board of directors;
- (8) “**Fiscal Year**” means December 31;
- (9) “**FOIPPA**” means the *Freedom of Information and Protection of Privacy Act*, R.S.B.C. 1996, c. 165, as may be amended or replaced from time to time;
- (10) “**Independent Directors**” means the individuals who, in the opinion of the Shareholder:
  - (a) have the requisite skills, competencies and experience necessary to fulfill the obligations and powers of the Company;
  - (b) are independent of the Company and of the City of Burnaby, provided that a candidate for the position of director is sufficiently independent only if a reasonable person with knowledge of all the relevant circumstances would conclude that the director is independent of the management of the Company, of any significant security holder of the Company and of the City of Burnaby; and



- (c) have been appointed by City Council to the board of directors;
- (11) “**Inspector of Municipalities**” means the inspector of municipalities of British Columbia appointed, from time to time, under the *Local Government Act* (British Columbia);
- (12) “**Interpretation Act**” means the *Interpretation Act*, R.S.B.C. 1996, c. 238, as may be amended or replaced from time to time;
- (13) “**registered address**” of a shareholder means the shareholder’s address as recorded in the central securities register;
- (14) “**seal**” means the seal of the Company, if any;
- (15) “**Shareholder**” means the City of Burnaby as the sole shareholder of the Company;
- (16) “**Shareholder Representative**” means the member of City Council or staff member of the City of Burnaby who is appointed by the City Council to attend the annual general meetings and Shareholder’s meetings for the Company and who will act as the representative for the City of Burnaby and who will pass Shareholder Resolutions and do all other acts necessary for the City of Burnaby to carry out and exercise its rights as the Shareholder of the Company; and
- (17) “**Shareholder Resolution**” means a resolution passed by the Shareholder Representative or proxy appointed by the Shareholder and which is deemed to be a consent resolution.

## 1.2 ***Business Corporations Act and Interpretation Act Definitions Applicable***

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict or inconsistency between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

## 1.3 **Company Purposes**

The purposes of the Company are to engage in business activities related to the acquisition, development, construction, management and administration of land and housing in the City of Burnaby, including the following:

- (1) investing in, developing, marketing, acquiring, holding and disposing of lands and buildings for the purposes of providing non-market and market rental housing and non-market homeownership units, including co-operative housing, in the City of Burnaby, including developing non-residential real estate assets that are ancillary to housing;
- (2) securing funding, managing, operating, maintaining and carrying out other requirements for the Company as the developer and owner of housing units in conjunction with not-for-profits and other public and private organizations; and

- (3) administering housing operations and agreements and the Company's portfolio and other non-market housing on lands owned by the City of Burnaby.

## **2. Shares and Share Certificates**

### **2.1 Authorized Share Structure**

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company that are held by the Shareholder.

### **2.2 Form of Share Certificate**

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

### **2.3 Shareholder Entitled to Certificate or Acknowledgment**

Unless the shares of which the Shareholder is the registered owner are uncertificated shares within the meaning of the *Business Corporations Act*, the Shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the Shareholder's name or (b) a non-transferable written acknowledgment of the Shareholder's right to obtain such a share certificate.

### **2.4 Delivery by Mail**

Any share certificate or non-transferable written acknowledgment of the Shareholder's right to obtain a share certificate may be sent to the Shareholder by mail at the Shareholder's registered address and neither the Company nor any director, officer, or agent of the Company is liable for any loss to the Shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

### **2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement**

If the directors are satisfied that a share certificate or a non-transferable written acknowledgment of the Shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they think fit:

- (1) order the share certificate or acknowledgment, as the case may be, to be cancelled; and
- (2) issue a replacement share certificate or acknowledgment, as the case may be.

### **2.6 Replacement of Lost, Destroyed, or Wrongfully Taken Certificate**

If the Shareholder informs the Company in writing that the share certificate has been lost, destroyed, or wrongfully taken, the Company must issue a new share certificate, if the Shareholder:

- (1) requests a new share certificate; and
- (2) satisfies any other reasonable requirements imposed by the directors of the Company.

## **2.7 Certificate Fee**

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5 or 2.6, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

## **2.10 Recognition of Trusts**

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future, or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof of the Shareholder.

## **3. Issue of Shares**

### **3.1 Shareholder Authorized**

Subject to the *Business Corporations Act* and the rights of the Shareholder of the Company, the Company may issue, allot, sell, or otherwise dispose of the unissued shares, and issued shares held by the Company, to the Shareholder, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that, pursuant to section 137 of the *Business Corporations Act*, the Shareholder may determine by an ordinary resolution. The issue price for a share with par value must be equal to or greater than the par value of the share.

### **3.2 Brokerage**

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

### **3.3 Conditions of Issue**

No shares in the Company may be issued:

- (1) to any person other than the Shareholder;
- (2) until the Shareholder has provided written confirmation to the Company that it has received the approval of the Inspector of Municipalities to acquire the shares in the Company; and
- (3) except as provided in the *Business Corporations Act*, until the Shareholder has fully paid for the shares.

### **3.4 Payment for Shares**

Except as provided by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (1) consideration is provided to the Company for the issue of the share by one or more of the following:
  - (a) past services performed by the Company;

- (b) property;
- (c) money; and
- (d) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

### **3.5 Share Purchase Warrants and Rights**

As required by and subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debenture, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

## **4. Share Registers**

### **4.1 Central Securities Register**

As required by and subject to the *Business Corporations Act*, the Company must maintain, in British Columbia, a central securities register. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

### **4.2 Closing Register**

The Company must not at any time close its central securities register.

## **5. Share Transfers**

### **5.1 Registering Transfers**

A transfer of a share of the Company must not be registered unless:

- (1) a duly signed instrument of transfer in respect of the share has been received by the Company;
- (2) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and
- (3) if a non-transferable written acknowledgement of a the Shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgement has been surrendered to the Company.

## **5.2 Form of Instrument Transfer**

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

## **5.3 Transferor Remains Shareholder**

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

## **5.4 Signing of Instrument of Transfer**

If a shareholder, or his, her or their duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgement deposited with the instrument of transfer:

- (1) in the name of the person named as transferee in that instrument of transfer; or
- (2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

## **5.5 Enquiry as to Title Not Required**

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, or any interest in the shares of any share certificate representing such shares or any written acknowledgement of a right to obtain a share certificate for such shares.

## **5.6 Transfer Fee**

There must be paid to the Company in relation to the registration of any transfer, the amount, if any, determined by the directors.

## **6. Acquisition of Company's Shares**

### **6.1 Company Authorized to Purchase or Otherwise Acquire Shares**

Subject to Article 6.2, the special rights or restrictions attached to the shares of any class or series of shares and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

## **6.2 No Purchase, Redemption, or Other Acquisition When Insolvent**

The Company must not make a payment or provide any other consideration to purchase, redeem, or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (1) the Company is insolvent; or
- (2) making the payment or providing the consideration would render the Company insolvent.

## **6.3 Sale and Voting of Purchased, Redeemed, or Otherwise Acquired Shares**

If the Company retains a share redeemed, purchased, or otherwise acquired by it, the Company may sell or gift the share to the Shareholder or dispose of the share, but, while such share is held by the Company, it:

- (1) is not entitled to vote the share at a meeting of its Shareholder;
- (2) must not pay a dividend in respect of the share; and
- (3) must not make any other distribution in respect of the share.

## **7. Borrowing Powers**

### **7.1 Borrowing Powers of the Company**

The Company, if authorized by the directors, may:

- (1) borrow money in the manner and amount from the sources, and on the terms and conditions that the directors consider appropriate;
- (2) issue bonds, debentures, and other debt obligations for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the directors consider appropriate;
- (3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (4) mortgage, charge, whether by way of specific or floating charge, grant of a security interest in, or giving other security on, the whole or any part of the present and future assets and undertaking of the Company as collateral for any borrowing,

provided that:

- (5) the Company is restricted from exercising the power to borrow money on the security of the City of Burnaby unless the Shareholder approves such borrowing by ordinary resolution provided that the Company is not restricted from exercising the power to borrow on the security of its assets and business; and
- (6) the Company is restricted from exercising the power to borrow money that would require the City of Burnaby to guarantee such borrowing, unless the Shareholder approves such borrowing by ordinary resolution.

## **8. Alterations**

### **8.1 Alteration of Authorized Share Structure**

Subject to Article 8.2 and the *Business Corporations Act*, the Company may by special resolution:

- (1) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (2) increase, reduce, or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (3) subdivide or consolidate all or any of its unissued, or fully paid and issued, shares;
- (4) if the Company is authorized to issue shares of a class of shares with par value:
  - (a) decrease the par value of those shares; or
  - (b) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (5) change all or any of its unissued, or fully paid and issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
- (6) alter the identifying name of any of its shares; or
- (7) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*,

and, if applicable, alter its Notice of Articles and, if applicable, its Articles, accordingly.

### **8.2 Special Rights or Restrictions**

Subject to the *Business Corporations Act*, the Company may by special resolution:

- (1) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (2) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued,

and alter its Articles and Notice of Articles accordingly.

### **8.3 Change of Name**

The Company may by Shareholder Resolution authorize an alteration to its Notice of Articles in order to change its name and may, by Shareholder Resolution or directors' resolution, adopt or change any translation of that name.

## **8.4 Other Alterations**

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by special resolution alter these Articles.

## **8.5 Consent to Alterations**

Notwithstanding the other provisions of these Articles, including without limitation Article 8.4, for so long as the City of Burnaby is a Shareholder of the Company, the Company will not alter or amend a provision of these Articles that was required by the Inspector of Municipalities in any way without the prior written consent of the Inspector of Municipalities.

## **9. Meetings of Shareholder**

### **9.1 Annual General Meetings**

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

### **9.2 Resolution Instead of Annual General Meeting**

If the Shareholder consents by Shareholder Resolution to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the Shareholder Resolution and where applicable in these Articles references to an annual general meeting will be read *mutatis mutandis* as being reference to the Shareholder Resolution adopted in lieu of such meeting. The Shareholder must, in any Shareholder Resolution passed under this Article 9.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

### **9.3 Calling of Meetings of the Shareholder**

The directors may, at any time, call a meeting of the Shareholder to be held at such time and place as may be determined by the directors.

### **9.4 Notice for Meetings of the Shareholder**

The Company must send notice of the date, time, and location of any meeting of the Shareholder (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution, or a special separate resolution and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement, or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting, or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to the Shareholder, to each director, and to the auditor of the Company, unless these Articles otherwise provide, at least 60 days before the meeting.



## **9.5 Notice of Resolution to Which Shareholder May Dissent**

The Company must send to the Shareholder a notice of any meeting of the Shareholder at which a resolution entitling the Shareholder to dissent is to be considered specifying the date of the meeting and containing a statement advising of the right to send a notice of dissent together with a copy of the proposed resolution at least 60 days before the meeting.

## **9.6 Record Date for Notice**

The record date is 5:00 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

## **9.7 Record Date for Voting**

The record date is 5:00 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

## **9.8 Failure to Give Notice**

The omission to send notice of a meeting of the Shareholder will invalidate any proceedings at that meeting.

## **9.9 Meetings by Telephone or Communications Medium**

The directors may determine that a meeting of the Shareholder shall be held entirely by means of telephonic, electronic, or other communication facilities that permit all participants to communicate with each other during the meeting. A meeting of the Shareholder may also be held at which some, but not necessarily all, persons entitled to attend may participate by means of such communication facilities, if the directors determine to make them available. A person who participates in a meeting in a manner contemplated by this Article 9.9 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting.

## **9.10 Notice of Special Business at Meetings of the Shareholder**

If a meeting of the Shareholder is to consider special business within the meaning of Article 10.1, the notice of meeting must:

- (1) state the general nature of the special business; and
- (2) if the special business includes considering, approving, ratifying, adopting, or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by the Shareholder through its Shareholder Representative:
  - (a) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
  - (b) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

## **10. Proceedings at Meetings of the Shareholder**

### **10.1 Special Business**

At a meeting of the Shareholder, the following business is special business:

- (1) at a meeting of the Shareholder that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (2) at an annual general meeting, all business is special business except for the following:
  - (a) business relating to the conduct of or voting at the meeting;
  - (b) consideration of any financial statements of the Company presented to the meeting;
  - (c) consideration of any reports of the directors or auditor;
  - (d) the setting or changing of the number of directors;
  - (e) the appointment of directors;
  - (f) the appointment of an auditor;
  - (g) the setting of the remuneration of an auditor;
  - (h) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution; and
  - (i) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of the Shareholder without prior notice of the business being given to the Shareholder.

### **10.2 Special Resolution**

The vote of the Shareholder Representative is the only vote required for the Company to pass a special resolution at a general meeting of the Shareholder.

### **10.3 Quorum**

The quorum for the transaction of business at a meeting of the Shareholder is the attendance of the Shareholder Representative, or a proxy appointed by the Shareholder to vote at the meeting.

### **10.4 Persons Entitled to Attend Meeting**

In addition to those persons who are entitled to vote at a meeting of the Shareholder, the only other persons entitled to be present at the meeting are the directors, the chief executive officer (if any), the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company, any persons invited to be present at the meeting by the directors or by the chair of the meeting, and any persons entitled or required under the *Business Corporations Act* or these Articles to be present at the meeting; but if any of those persons do attend the meeting, those persons are not to be counted in the

quorum and are not entitled to vote at the meeting unless such person is a proxy appointed by the Shareholder to vote at the meeting.

#### **10.5 Requirement of Quorum**

No business other than the adjournment of the meeting, may be transacted at any meeting of the Shareholder without quorum.

#### **10.6 Lack of Quorum**

If, within one-half hour from the time set for the holding of a meeting of the Shareholder, a quorum is not present:

- (1) in the case of a general meeting requisitioned by the Shareholder, the meeting is dissolved; and
- (2) in the case of any other meeting of the Shareholder, the meeting stands adjourned to the same day in the next week at the same time and place.

#### **10.7 Chair**

The following individual is entitled to preside as chair at a meeting of the Shareholder:

- (1) the chair of the board elected pursuant to Article 17.3; or
- (2) if the chair of the board is absent or unwilling to act as chair of the meeting, the director chosen pursuant to Article 17.3(2).

#### **10.8 Selection of Alternate Chair**

If, at any meeting of the Shareholder, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the Shareholder Representative or by proxy may choose any person present at the meeting to chair the meeting.

#### **10.9 Adjournments**

The chair of a meeting of the Shareholder may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

#### **10.10 Notice of Adjourned Meeting**

It is not necessary to give any notice of an adjourned meeting of the Shareholder or of the business to be transacted at an adjourned meeting of the Shareholder.

## **10.11 Decisions by Declaration**

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of the Shareholder will be decided on the declaration of the Shareholder Representative or the proxy.

## **10.12 Declaration of Result**

The chair of a meeting of the Shareholder must declare to the meeting the decision on every question in accordance with the declaration of the Shareholder Representative or the proxy, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried or is defeated is conclusive evidence in favour of or against the resolution.

## **10.13 Motion Need Not be Seconded**

No motion proposed at a meeting of the Shareholder needs to be seconded.

# **11. Voting**

## **11.1 Vote of the Shareholder**

The Shareholder will vote at the meetings of the Shareholder through its Shareholder Representative.

## **11.2 Appointment of Proxy**

Where the Shareholder Representative is unavailable to attend a meeting of the Shareholder, the Shareholder may appoint a councillor or staff member of the City of Burnaby to act as its proxy holder to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

## **11.3 Alternate Proxy Holders**

The Shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

## **11.4 Deposit of Proxy**

A proxy for a meeting of the Shareholder must:

- (1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or
- (2) unless the notice provides otherwise, be received at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting.

A proxy may be sent to the Company by written instrument, email, fax, or any other method of transmitting legibly recorded messages.


## 11.5 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

*Burnaby Housing Authority Corporation*  
**(the “Company”)**

City of Burnaby, being the sole shareholder of the Company, hereby appoints *[name]* or, failing that person, *[name]*, as proxy holder for the undersigned to attend, act, and vote for and on behalf of the undersigned at the meeting of the shareholder of the Company to be held on *[month, day, year]* and at any adjournment of that meeting.

Signed *[month, day, year]*

 \_\_\_\_\_  
*[Signature of shareholder]*

\_\_\_\_\_

*[Name of shareholder—printed]*

## 11.6 Revocation of Proxy

Subject to Article 11.7, every proxy may be revoked by an instrument in writing that is received:

- (1) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (2) at the meeting or any adjourned meeting by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

## 11.7 Revocation of Proxy Must Be Signed

An instrument referred to in Article 11.6 must be signed by the Shareholder Representative.

## 11.8 Production of Evidence of Authority to Vote

The chair of any meeting of Shareholder may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

## 12. Directors

### 12.1 First Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The Shareholder may, pursuant to and in accordance with Article 12.3, fill any openings in the board of directors, on an interim basis, for

the time period between the time the first directors are designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act* and the first annual general meeting of the Company, provided that any such interim director(s) will cease to hold office immediately before the appointment of directors at the first annual general meeting, as contemplated in Article 13.1(2).

## **12.2 Number of Directors**

The number of directors is set at a total of ten (10) directors comprised as follows:

- (1) three (4) City Directors, comprised of one (1) City Staff Director and three (3) City Council Directors; and
- (2) six (6) Independent Directors,  
all as City Council may determine at its sole discretion.

## **12.3 Change in Number of Directors**

The Shareholder may appoint the directors needed to fill any vacancies in the board of directors up to the total number of directors set out in Article 12.2 and provided such directors meet the qualifications set out in Article 12.5. The term of office for a director appointed to fill a vacancy will be the remaining term of office, determined immediately prior to the occurrence of the vacancy, of the director whose departure created the subject vacancy..

## **12.4 Directors' Acts Valid Despite Vacancy**

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

## **12.5 Qualifications of Directors**

A director is not required to hold a share of the Company as qualification for their office but must be qualified as required by the *Business Corporations Act* to become, act, or continue to act as a director.

For the City Staff Director to act as a director of the Company they must:

- (1) be a current employee of the City of Burnaby with permanent or full-time employment status; and
- (2) resign from the board of directors when their employment with the City of Burnaby ceases or is terminated, unless authorized by the Shareholder to remain as a director of the Company through a written confirmation provided by the Shareholder Representative to the Company.

For the City Council Directors to act as directors of the Company they must:

- (1) have been appointed and be serving as a member of City Council at the time of their appointment to the board of directors; and

- (2) resign from the board of directors when they cease to be a member of City Council, unless authorized by the Shareholder to remain as a director of the Company through a written confirmation provided by the Shareholder Representative to the Company.

For the Independent Directors to act as directors of the Company they must:

- (1) have worked in an executive, managerial, business development, legal, project management, governmental relations, business analyst, procurement, operations, financial services or such other professional role as may be viewed as beneficial to the management of the Company by the Shareholder, in the land development, construction, housing operations, housing administration and/or non-market and market housing industries.

## **12.6 Remuneration of Independent Directors**

The Independent Directors are entitled to the remuneration for acting as directors, if any, as the Shareholder may from time to time determine. No other class of directors are entitled to remuneration for acting as directors for the Company.

## **12.7 Reimbursement of Expenses of Directors**

The Company must reimburse each director for the reasonable expenses that such director may incur in and about the business of the Company.

## **12.8 Special Remuneration for Directors**

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, the director may be paid remuneration fixed by the directors, or, at the option of the directors, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that the director may be entitled to receive.

## **13. Appointment and Removal of Directors**

### **13.1 Appointment at Annual General Meeting**

At every annual general meeting and in every Shareholder Resolution contemplated by Article 9.2:

- (1) the Shareholder, through its City Council, will appoint a board of directors consisting of the number and composition of directors for the time being set under these Articles at each and every annual general meeting; and
- (2) at the annual general meeting to be held in the calendar year 2024:
  - (a) all the directors cease to hold office immediately before the appointment of directors under paragraph (1) but are eligible for re-appointment;
  - (b) four (4) City Directors and one (1) Independent Director will be appointed for a term ending immediately prior to the appointment of directors at that annual general meeting that is the third annual general meeting of the Company required to be held following the annual general meeting to be held in the calendar year 2024; and

(c) five (5) Independent Directors will be appointed for a term ending immediately prior to the appointment of directors at that annual general meeting that is the second annual general meeting of the Company required to be held following the annual general meeting to be held in the calendar year 2024; and

(3) At every succeeding annual general meeting:

(a) those directors whose term in office is set to expire on the occasion of such meeting will cease to hold office immediately before the appointment of directors under paragraph (1), but are eligible for re-appointment; and

(b) all such directors will be appointed to term ending immediately prior to the appointment of directors at that annual general meeting that is the third annual general meeting of the Company required to be held following the annual general meeting at which they were most recently appointed.

### **13.2 Term Limits**

No director may be re-appointed to the board of directors after they have completed their sixth (6th) consecutive year on the board of directors, provided that a former director may be re-appointed to the board of directors after an absence from the board of directors of at least one year.

### **13.3 Consent to be a Director**

No appointment of an individual as a director is valid unless:

(1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;

(2) that individual is appointed at a meeting at which the individual is present, in person or present for the purposes of a meeting held under Article 17.5 by telephone, electronic, or other communication facilities and the individual does not refuse, at such meeting, to be a director; or

(3) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

### **13.4 Failure to Appoint Directors**

If:

(1) the Company fails to hold an annual general meeting; and

(2) the Shareholder through its Shareholder Representative fails to pass the Shareholder Resolution contemplated by Article 9.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act* to appoint any directors,

then each director then in office continues to hold office until the earlier of:

(1) when the director's respective successor is appointed; or



- (2) when the director otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

### **13.5 Places of Retiring Directors Not Filled**

If, at any meeting of the Shareholder at which there should be an appointment of directors, the places of any of the retiring directors are not filled by that appointment, those retiring directors who are not re-appointed and who are asked by the newly appointed directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are appointed at a meeting of the Shareholder convened for that purpose. If any such appointment or continuance of directors does not result in the appointment or continuance of the number of directors for the time being set pursuant to these Articles, the number and composition of directors of the Company is deemed to be set at the number of directors actually appointed or continued in office.

### **13.6 Remaining Directors' Power to Act**

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of the Shareholder for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

### **13.7 Shareholder May Fill Vacancies**

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the Shareholder, through its Shareholder Representative, may appoint directors to fill any vacancies on the board of directors.

### **13.8 Ceasing to be a Director**

A director ceases to be a director when:

- (1) the term of office of the director expires;
- (2) the director dies;
- (3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (4) the director is removed from office pursuant to Articles 13.9 or 13.10.

### **13.9 Removal of Director by the Shareholder**

The Company may remove any director before the expiration of that director's term of office by special resolution. In that event, the Shareholder, through its Shareholder Representative, will appoint by Shareholder Resolution, a director to fill the resulting vacancy.

### **13.10 Removal of Director by Directors**

The directors may remove any director before the expiration of that director's term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company

and does not promptly resign, and the Shareholder, through its Shareholder Representative, will appoint by Shareholder Resolution, a director to fill the resulting vacancy.

## **14. Alternate Directors**

### **14.1 Appointment of Alternate Director**

Any director, with the written permission of the Shareholder granted through its Shareholder Representative, may appoint an individual approved by the Shareholder that is qualified to act as a director under the *Business Corporations Act* and:

- (1) if being appointed by a City Staff Director, is qualified as a City Staff Director under Article 12.5;
- (2) if being appointed by a City Council Director, is qualified as a City Council Director under Article 12.5; or
- (3) if being appointed by an Independent Director, is qualified as an Independent Director under Article 12.5,

to be their alternate to act in their place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to the appointor within a reasonable time after the notice of appointment is received by the Company.

### **14.2 Notice of Meetings**

Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which the alternate director's appointor is a member and to attend and vote as a director at any such meetings at which their appointor is not present.

### **14.3 Consent Resolutions**

Every alternate director, if authorized by the notice appointing them, may sign in place of their appointor any resolutions to be consented to in writing.

### **14.4 Alternate Director Not an Agent**

Every alternate director is deemed not to be the agent of their appointor.

### **14.5 Revocation of Appointment of Alternate Director**

An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by them.

### **14.6 Ceasing to be an Alternate Director**

The appointment of an alternate director ceases when:

- (1) their appointor ceases to be a director and is not promptly re-appointed;

- (2) the alternate director dies;
- (3) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;
- (4) the alternate director ceases to be qualified to act as a director; or
- (5) their appointor revokes the appointment of the alternate director.

#### **14.7 Remuneration and Expenses of Alternate Director**

The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if they were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

### **15. Powers and Duties of Directors**

#### **15.1 Powers of Management**

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the Shareholder.

#### **15.2 Appointment of Attorney of Company**

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities, and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors, and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities, and discretions for the time being vested in the attorney.

### **16. Conflicts of Interest of Directors**

#### **16.1. Scope of Conflict Provisions**

This Article 16 applies to directors in relation to meetings of the Company's board of directors, meetings of committees of the Company's board of directors, and resolutions in writing of the Company's board of directors.

#### **16.2 Disclosure of Interest**

If a director attending a meeting of the board of directors, a committee meeting or considering a resolution in writing considers that he, she or they is not entitled to and must not:

- (1) participate in the discussion of a matter; or
- (2) vote on or otherwise approve a resolution in respect of a matter,

because the director has a direct or indirect pecuniary interest in the matter, or for any other reason, and the director must declare this to the other directors and state the general nature of why the director considers this to be the case.

### **16.3 Consequence of Disclosure of Interest**

After making a declaration on the basis described in Article 16.2 a director must:

- (1) not take part in the discussion of the matter and is not entitled to vote on or otherwise approve any question in respect of the matter;
- (2) leave the meeting or that part of the meeting during which the matter in question is under consideration; and
- (3) not attempt, whether before, during or after the matter is considered by the other directors, to influence the directors' decisions on any question in respect of the matter, provided that the director making the declaration must, to the extent he, she or they is able and in a timely manner, inform the remaining directors of any risks to the Company associated with the matter in question to the extent necessary to fulfil his, her or their duties to the Company.

### **16.4 Record of Disclosure**

If a declaration is made by a director pursuant to Article 16.2, the chair of the board or other person who presided as chair at the meeting will ensure that the minutes of the meeting record in writing the substance of the declaration and the fact that the director making the declaration was not present for that part of the meeting during which the matter in question was under consideration.

### **16.5 Prohibitions**

Whether or not disclosure is made under Article 16.2, if a director has a direct or indirect pecuniary interest in a matter the director must not:

- (1) participate in the discussion of a matter;
- (2) vote on or otherwise approve a resolution in respect of a matter; or
- (3) attempt in any way, whether before, during or after the matter is considered by the other directors, to influence the directors' decisions on any question in respect of the matter, provided that the interested director must, to the extent he, she or they is able and in a timely manner, inform the remaining directors of any risks to the Company associated with the matter in question to the extent necessary to fulfil his or her duties to the Company.

### **16.6 Exceptions to Conflict Provisions**

Article 16.5 does not apply if:

- (1) the pecuniary interest of the director is a pecuniary interest in common with the residents of the City of Burnaby, generally;

- (2) the matter relates to remuneration or expenses payable to one or more directors in relation to their duties as directors; or
- (3) the pecuniary interest is so remote or insignificant that it cannot reasonably be regarded as likely to influence the director in relation to the matter.

#### **16.7 Duty to Account and Disqualification**

A person who contravenes Article 16.5 is, in addition to any consequences that may arise under the provisions of the *Business Corporations Act*, disqualified from continuing to hold office as a director of the Company unless the contravention was due to reasonable inadvertence or an error in judgment made in good faith.

#### **16.8 Interested Director Counted in Quorum**

Notwithstanding that, by operation of this Article 16, a director is prohibited from participating in the discussion of a matter or voting on or otherwise approving a resolution in respect of a matter, a director may be counted for the purpose of determining whether a quorum of directors is present for the transaction of business at any meeting of the Company's board of directors or a committee of the Company's board of directors.

#### **16.9 No Disqualification**

No director of the Company disqualified from his, her or their office from contracting with the Company as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for the reason that the director has an interest.

#### **16.10 Obligation to Account for Profits**

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

#### **16.11 Professional Services by Director or Officer**

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

#### **16.12 Director or Officer in Other Corporations**

A director or officer may be or become a director, officer, or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by them as director, officer, or employee of, or from their interest in, such other person.

## **17. Proceedings of Directors**

### **17.1 Meetings of Directors**

The directors may meet together for the conduct of business and adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time, and on the notice, if any, as the directors may from time to time determine. Without limiting the generality of this Article 17.1, the directors may, from time to time, invite any persons to be present at a meeting of the directors, including without limitation the chief executive officer (if any), the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company, a City representative and any other persons invited to be present at the meeting by the directors or by the chair of the meeting.

### **17.2 Voting at Meetings**

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

### **17.3 Chair of the Board**

At the first meeting of the board held after an annual general meeting, the board shall elect from among the Independent Directors, a chair who shall hold office until the first meeting of the board held after the annual general meeting after their election as chair.

### **17.4 Chair of Meetings**

The following individual is entitled to preside as chair at a meeting of directors:

- (1) the chair of the board elected pursuant to Article 17.3; or
- (2) any other director chosen by the directors if:
  - (a) the chair of the board is not present at the meeting within 15 minutes after the time set for holding the meeting;
  - (b) the chair of the board is not willing to chair the meeting; or
  - (c) the chair of the board has advised the secretary, if any, or any other director, that they will not be present at the meeting.

### **17.5 Meetings by Telephone or Other Communications Medium**

A director may participate in a meeting of the directors or of any committee of the directors by means of telephone, electronic, or other communication facilities that permit all participants to communicate with each other during the meeting. A meeting of the directors may also be held at which some, but not necessarily all, persons entitled to attend may participate by means of such communications facilities. A director who participates in a meeting in a manner contemplated by this Article 17.5 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting.

## **17.6 Calling of Meetings**

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

## **17.7 Notice of Meetings**

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 17.1 or as provided in Article 17.8, reasonable notice of each meeting of the directors, specifying the place, day, and time of that meeting, must be given to each of the directors and the alternate directors by any method set out in Article 23.1 or orally or by telephone.

## **17.8 When Notice Not Required**

It is not necessary to give notice of a meeting of the directors to a director or an alternate director if:

- (1) the meeting is to be held immediately following a meeting of the Shareholder at which that director was appointed, or is the meeting of the directors at which that director is appointed; or
- (2) the director or alternate director, as the case may be, has waived notice of the meeting.

## **17.9 Meeting Valid Despite Failure to Give Notice**

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

## **17.10 Waiver of Notice of Meetings**

Any director or alternate director may send to the Company a signed document waiving notice of any past, present, or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director or, unless the director otherwise requires by notice in writing to the Company, to that director's alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director. Attendance of a director or alternate director at a meeting of the directors is a waiver of notice of the meeting unless that director or alternate director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

## **17.11 Quorum**

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at a majority of the directors, provided that in either case at least one (1) City Director and one (1) Independent Director is present.

## **17.12 Validity of Acts Where Appointment Defective**

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the appointment or a defect in the qualification of that director or officer.

### **17.13 Consent Resolutions in Writing**

A resolution of the directors or of any committee of the directors may be passed without a meeting:

- (1) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or
- (2) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that they have or may have a disclosable interest, if each of the other directors who have not made such a disclosure consents in writing to the resolution.

A consent in writing under this Article 17.13 may be by any written instrument, fax, email, or any other method of transmitting legibly recorded messages in which the consent of the director is evidenced, whether or not the signature of the director is included in the record. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Article 17.13 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of the directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

## **18. Executive and Other Committees**

### **18.1 Appointment and Powers of Executive Committee**

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, provided that the Executive Committee includes at least one (1) City Director, and during the intervals between meetings of the board of directors all of the directors' powers are delegated to the executive committee, except:

- (1) the power to fill vacancies in the board of directors;
- (2) the power to remove a director;
- (3) the power to change the membership of, or fill vacancies in, any committee of the directors; and
- (4) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

### **18.2 Appointment and Powers of Other Committees**

The directors may, by resolution:

- (1) appoint one or more committees (other than the executive committee) consisting of the director or directors and such other persons that they consider appropriate, provided that at least one Director is appointed to each of such committees;
- (2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:
  - (a) the power to fill vacancies in the board of directors;
  - (b) the power to remove a director;



- (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
  - (d) the power to appoint or remove officers appointed by the directors; and
- (3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

### **18.3 Obligations of Committees**

Any committee appointed under Articles 18.1 or 18.2, in the exercise of the powers delegated to it, must:

- (1) conform to any rules that may from time to time be imposed on it by the directors; and
- (2) report every act or thing done in exercise of those powers at such times as the directors may require.

### **18.4 Powers of Board**

The directors may, at any time, with respect to a committee appointed under Articles 18.1 or 18.2:

- (1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration, or overriding;
- (2) terminate the appointment of, or change the membership of, the committee; and
- (3) fill vacancies in the committee.

### **18.5 Committee Meetings**

Subject to Article 18.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 18.1 or 18.2:

- (1) the committee may meet and adjourn as it thinks proper;
- (2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (3) a majority of the members of the committee constitutes a quorum of the committee; and
- (4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

## **19. Officers**

### **19.1 Directors May Appoint Officers**

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

### **19.2 Functions, Duties, and Powers of Officers**

The directors may, for each officer:

- (1) determine the functions, and duties of the officer;
- (2) delegate to the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (3) revoke, withdraw, alter, or vary all or any of the functions, duties, and powers of the officer.

### **19.3 Qualifications**

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as a managing director must be a director. Any other officer need not be a director.

### **19.4 Remuneration and Terms of Appointment**

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits, or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after such officer cease to hold such office or leaves the employment of the Company, a pension or gratuity.

## **20. Indemnification**

### **20.1 Definitions**

In this Article 20:

- (1) “**eligible penalty**” means a judgment, penalty, or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (2) “**eligible proceeding**” means a legal proceeding or investigative action, whether current, threatened, pending, or completed, in which a director, former director, or alternate director of the Company (an “eligible party”) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:
  - (a) is or may be joined as a party; or
  - (b) is or may be liable for or in respect of a judgment, penalty, or fine in, or expenses related to, the proceeding; and

(3) “**expenses**” has the meaning set out in the *Business Corporations Act*.

## **20.2 Mandatory Indemnification of Directors**

Subject to the *Business Corporations Act*, the Company must indemnify a director, former director, or alternate director of the Company and their heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 20.2.

## **20.3 Permitted Indemnification**

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

## **20.4 Non-Compliance with *Business Corporations Act***

The failure of a director, alternate director, or officer of the Company to comply with the *Business Corporations Act* or these Articles or, if applicable, any former *Companies Act* or former Articles, does not invalidate any indemnity to which such person is entitled under this Part 20.

## **20.5 Company May Purchase Insurance**

The Company may purchase and maintain insurance for the benefit of any person (or their heirs or legal personal representatives) who:

- (1) is or was a director, alternate director, officer, employee, or agent of the Company;
- (2) is or was a director, alternate director, officer, employee, or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (3) at the request of the Company, is or was a director, alternate director, officer, employee, or agent of a corporation or of a partnership, trust, joint venture, or other unincorporated entity;
- (4) at the request of the Company, holds or held a position equivalent to that of a director, alternate director, or officer of a partnership, trust, joint venture, or other unincorporated entity,

against any liability incurred by such person as such director, alternate director, officer, employee, or agent or person who holds or held such equivalent position.

## **21. Dividends**

### **21.1 Payment of Dividends Subject to Special Rights**

The provisions of this Part 21 are subject to the rights, if any, of the Shareholder.

## **21.2 Declaration of Dividends**

Subject to the *Business Corporations Act* and the rights of the Shareholder, the directors may from time to time declare and authorize payment of such dividends as they may consider appropriate.

## **21.3 No Notice Required**

The directors need not give notice to any Shareholder of any declaration under Article 21.2.

## **21.4 Record Date**

The record date is 5:00 p.m. on the date on which the directors pass the resolution declaring the dividend.

## **21.5 Manner of Paying Dividend**

A resolution declaring a dividend may direct payment of the dividend wholly or partly in money or by the distribution of specific assets or of fully paid shares or of bonds, debentures, or other securities of the Company or any other corporation, or in any one or more of those ways.

## **21.6 Settlement of Difficulties**

If any difficulty arises in regard to a distribution under Article 21.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

- (1) set the value for distribution of specific assets;
- (2) determine that money in substitution for all or any part of the specific assets to which the Shareholder is entitled may be paid to the Shareholder on the basis of the value so fixed in order to adjust the rights of all parties; and
- (3) vest any such specific assets in trustees for the persons entitled to the dividend.

## **21.7 When Dividend Payable**

Any dividend may be made payable on such date as is fixed by the directors.

## **21.8 Dividends to be Paid in Accordance with Number of Shares**

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

## **21.9 Dividend Bears No Interest**

No dividend bears interest against the Company.

## **21.10 Fractional Dividends**

If a dividend to which a Shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

### **21.11 Payment of Dividends**

Any dividend or other distribution payable in money in respect of shares may be paid by cheque, electronic transfer or as otherwise determined by the directors of the Company and made payable to the Shareholder.

### **21.12 Capitalization of Retained Earnings or Surplus**

Notwithstanding anything contained in these Articles, the Company may by special resolution capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, bonds, debentures, or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

## **22. Documents, Records and Reports**

### **22.1 Recording of Financial Affairs**

The directors must cause adequate accounting records to be kept, to record properly the financial affairs and condition of the Company for each Fiscal Year and to comply with the *Business Corporations Act*.

### **22.2 Auditor and Audited Financial Statements**

The directors will appoint an auditor to prepare audited financial statements for the Company and which shall be prepared for each Fiscal Year.

### **22.3 Remuneration of Auditor**

The directors may set the remuneration of the auditor of the Company.

### **22.4 No Waiver of Auditor**

Notwithstanding the provisions of the *Business Corporations Act*, including without limitation subsection 203(2), a resolution to waive the appointment of an auditor will be of no force or effect.

### **22.5 Disclosure of Financial Statements**

For so long as the City of Burnaby is a Shareholder of the Company, the Company will present at an open meeting of the municipal council of the City of Burnaby the financial statements of the Company presented to the annual general meeting of the Company and the report of the auditor on those financial statements within 120 days of the end of each Fiscal Year.

### **22.6 Inspection of Company Records**

The Shareholder will be entitled to discovery of any and all information respecting any details or conduct of the Company's business and affairs, limited only to the extent that the directors, acting in good faith and in accordance with the requirements of *FOIPPA*, determine it would be inexpedient in the interests of the Company to make certain information available and neither the *Business Corporations Act* nor *FOIPPA* otherwise require that the Company make such information available to the Shareholder.

## **23. Notices**

### **23.1 Method of Giving Notice**

Unless the *Business Corporations Act* or these Articles provide otherwise, a notice, statement, report, or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (1) mail addressed to the person at the applicable address for that person as follows:
  - (a) for a record mailed to a Shareholder, the Shareholder's registered address;
  - (b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class; and
  - (c) in any other case, the mailing address of the intended recipient;
- (2) delivery at the applicable address for that person as follows, addressed to the person:
  - (a) for a record delivered to a Shareholder, the Shareholder's registered address;
  - (b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class; and
  - (c) in any other case, the delivery address of the intended recipient;
- (3) unless the intended recipient is the auditor of the Company, sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (4) unless the intended recipient is the auditor of the Company, sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class; or
- (5) physical delivery to the intended recipient.

### **23.2 Deemed Receipt**

A notice, statement, report, or other record that is:

- (1) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 23.1 is deemed to be received by the person to whom it was mailed on the day (Saturdays, Sundays, and holidays excepted) following the date of mailing;
- (2) faxed to a person to the fax number provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and
- (3) emailed to a person to the email address provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was emailed on the day it was emailed.

### **23.3 Certificate of Sending**

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report, or other record was sent in accordance with Article 23.1 is conclusive evidence of that fact.

## **24. Seal**

### **24.1 Who May Attest Seal**

Except as provided in Articles 24.2 and 24.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (1) any two directors;
- (2) any officer, together with any director; or
- (3) any one or more directors or officers or persons as may be determined by the directors.

### **24.2 Sealing Copies**

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 24.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

### **24.3 Mechanical Reproduction of Seal**

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures, or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures, or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph, or print such definitive or interim share certificates or bonds, debentures, or other securities one or more unmounted dies reproducing the seal, and such persons as are authorized under Article 24.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures, or other securities by the use of such dies. Share certificates or bonds, debentures, or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

### **24.4 Execution of Documents Generally**

The directors may from time to time by resolution appoint any one or more persons, officers, or directors for the purpose of executing any instrument, document, or agreement in the name of and on behalf of the Company for which the seal need not be affixed, and if no such person, officer, or director is appointed, then any one officer or director of the Company may execute such instrument, document, or agreement.

## **25. Prohibitions**

### **25.1 Definitions**

In this Part 25:

- (1) “**security**” has the meaning assigned in the *Securities Act* (British Columbia);
- (2) “**transfer restricted security**” means:
  - (a) a share of the Company;
  - (b) a security of the Company convertible into shares of the Company; or
  - (c) any other security of the Company that must be subject to restrictions on transfer in order for the Company to satisfy the requirement for restrictions on transfer under the “private issuer” exemption of Canadian securities legislation or under any other exemption from prospectus or registration requirements of Canadian securities legislation similar in scope and purpose to the “private issuer” exemption.

### **25.2 Consent Required for Transfer of Shares or Transfer Restricted Securities**

No security or share in the Company or other transfer restricted security in the Company may be sold, transferred, or otherwise disposed of without the consent of the Shareholder by Shareholder Resolution, and Shareholder is required to give any reason for refusing to consent to any such sale, transfer, or other disposition.

## **26. Other Corporate Matters**

### **26.1 Restrictions on Business**

The Company is restricted from conducting any business that is not related to its purposes set out in Article 1.3.

### **26.2 Annual Public Information Meeting**

The Company will hold an annual information meeting open to members of the public for the purposes of the public receiving information about the activities and achievements of the Company including to review the Company’s audited financial statements. The annual information meeting must be held at least once in each calendar year on such dates and at such times and place as may be determined by the directors.

### **26.3 Public Access**

Subject to the rules and regulation of the City of Burnaby, the Company will keep a copy of these Articles at Burnaby City Hall for the purposes of inspection by any person at the times permitted by the City of Burnaby.

### **26.4 No Subsidiary Without Approval of the Inspector and the Shareholder**

The Company will not create, organize or facilitate the incorporation of a subsidiary corporation of the Company without the prior written consent of the Inspector of Municipalities and the Shareholder.



## **26.5 Disposal of Corporate Assets**

The Company, without prior written approval of the Shareholder, may not:

- (1) dispose of any of the assets or undertakings of the Company if such disposition is not in furtherance of the Company's purposes as set out in Article 1.3;
- (2) dispose of any of the cash assets of the Company that in a single transaction or series of related transactions exceeds an amount equal to twenty million dollars (\$20,000,000) (in 2023 dollars) adjusted annually by the All-Items Consumer Price Index for Vancouver, B.C. published from time to time by Treasury Service for Statistics Canada, or its successor in function, to the time of the proposed disposition; or
- (3) dispose of any fixed assets or undertakings of the Company that in a single transaction or series of related transactions exceeds an amount equal to twenty million dollars (\$20,000,000) (in 2023 dollars) fair market value, adjusted annually by the All-Items Consumer Price Index for Vancouver, B.C. published from time to time by Treasury Service for Statistics Canada, or its successor in function, at the time of the proposed disposition.

# Burnaby Housing Authority

Business Plan  
September 2023

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## Burnaby Housing Authority Overview

### Type and Scope of Operation

The Burnaby Housing Authority (BHA) will be incorporated under the *Business Corporations Act* of British Columbia. The BHA will be wholly owned by the City of Burnaby.

The mandate of the BHA is to increase the supply of non-market housing options in the City of Burnaby. The BHA's initiatives will support several City policies including the *Corporate Strategic Plan (2022)*, *HOME: Burnaby's Housing and Homelessness Strategy (2021)*, *Burnaby Housing Needs Report (2021)*, and the *Mayor's Task Force on Community Housing Final Report (2019)*.

The BHA will look for opportunities to collaborate with a range of partners to deliver housing projects, across the housing continuum, that serve a broad range of household income levels. Partners may include private and non-profit entities, in addition to other levels of government. Projects will encompass a variety of housing options including below-market rental and ownership, but also market rentals that cross-subsidize the delivery of below-market units.

### Service Description

The Burnaby Housing Authority will conduct four primary functions in accordance with its mandate.

### Land and Unit Acquisition

The BHA will analyze the residential real estate market and acquire lands and units, including City-owned lands and units, for the purpose of developing such lands to fulfill its mandate. The BHA will have the capacity to acquire, hold and dispose of freehold land, air space parcels, and strata titled properties for residential uses, as well as non-residential real estate assets that are ancillary to residential uses. The BHA may also transfer or assign its leasehold interests.

### Housing Development

The BHA will create housing through a direct delivery model and through partnerships with other real estate development entities. For direct delivery, the BHA will be responsible for the design and construction of new housing developments. This includes securing land, pre-development and construction funding and financing (which could include funding from other levels of government), obtaining all required development approvals, as well as hiring and overseeing all required consultants and contractors to design and construct housing projects.

The BHA may also enter into partnership agreements with private, public, and non-profit sector entities to deliver on its mandate. These partnerships will enable the BHA to leverage external resources, expertise, and innovation. For housing created through partnerships, the BHA may participate in joint ventures as an equity partner, provide pre-construction funding, bulk purchase pre-sale units or purchase existing units or entire buildings.

## Housing Operations

The BHA may provide property management services for any rental housing it develops, acquires, or manages on behalf of the City of Burnaby. These services will include, but are not limited to, tenant management, building maintenance and capital repair programs to ensure the housing is maintained properly and available for eligible tenants. These services will be delivered in accordance with any applicable requirements and/or restrictions stipulated by third party funders. BHA housing operations is anticipated to be done in partnership with the non-profit sector, especially for residents who require additional supports.

## Housing Administration

Housing administration involves the oversight of non-market housing operated directly by the BHA or by third parties, to ensure compliance with City of Burnaby Housing Agreements or other funding and operating partner agreements. This oversight will involve reviewing all data submitted in accordance with reporting requirements, including but not limited to, tenancy and rental rate information, financial statements, the status of capital repairs as per facilities condition reports and working with the operators to resolve any identified items of concern.

## Value Proposition

The Burnaby Housing Authority will be uniquely positioned to facilitate the City's goal of creating greater numbers of non-market housing units. The BHA will have financial support from the City including operating funding, a Project Development Capital Fund, the provision of City-owned lands at less than fair market value and a commitment from the City to expedite the review of any applications from the BHA, which will be set out in a Partnering Agreement between the City and the BHA.

## Management Plan

### Legal Structure

The City of Burnaby will create the BHA as a corporation pursuant to the City's authority under Section 185 of the *Community Charter*. The BHA will be a company incorporated under the *Business Corporation Act* of British Columbia.

The Burnaby Housing Authority Board of Directors will govern the business affairs of the BHA in accordance with the Articles, the Partnering Agreement and formal direction from the City as sole shareholder.

### Code of Ethics

The BHA will develop a code of ethics based on the following six principles:

- Integrity
- Objectivity
- Competence
- Confidentiality
- Professionalism
- Equity & Inclusion

The Board of Directors will also be governed by the conflict-of-interest provisions set out in the Articles.

### Board of Directors

The BHA's Board of Directors will include the following 10 members appointed by Council:

- Burnaby Council Members (3);
- Burnaby Senior Exempt Staff (1);
- Members with expertise or experience in the development or operations of private or non-profit housing (4);
- Member with expertise or experience in the financial sector (1); and
- Members with expertise or experience in the legal sector (1).

The Board of Directors will have the ability to establish committees to facilitate the work of the BHA.

### Staffing Structure

The BHA's initial staffing complement will include:

#### Chief Executive Officer

The CEO is the principal management position in the BHA. The CEO will be accountable to the Board of Directors and will be the public face of the organization. The CEO's key responsibilities will include:

- Promoting the BHA's role in the creation of non-market housing in Burnaby to housing industry representatives, community organizations, financial institutions, non-profit housing societies operating in Burnaby and federal and provincial government representatives.
- Developing and maintaining effective working relationships with key non-profit, private, and government partners in the housing development sector.
- Setting the BHA's strategic direction and culture in collaboration with the Board of Directors.

- Managing overall operations of the BHA, making major corporate decisions including those related to financial and human resources, and developing annual work plans.

### Chief Operating Officer

Reporting to the CEO, the COO will be a qualified Chartered Professional Accountant (CPA) and will be responsible for the development and monitoring of policies and procedures for financial management, procurement, operational administrative functions, and information technology requirements for the BHA. These policies will reflect the objectives of the BHA to be nimble and responsive to emerging business opportunities. The COO's key responsibilities will include:

- Facilitating project development financing arrangements with government and private lenders, including interim construction financing, long term mortgages and capital grant allocations.
- Developing and implementing an accounting system that enables effective monitoring and reporting of the BHA's financial position and key performance measures to the CEO and Board.
- Fulfilling all other corporate financial reporting requirements, including the external audit process and preparation of the annual Corporate Report.
- Establishing and maintaining the BHA's financial records and annual operating budget, which annual operating budget will include the BHA's overhead and payroll expenses, as well as annual capital and operating funding allocations.
- Monitoring and controlling expenditures within approved budget limits.
- Creating and maintaining HR and general administration policies for the BHA.

### Director, Development

Reporting to the CEO, the Director, Development will lead the planning, design, and delivery of non-market housing projects in accordance with the BHA's strategic direction and annual work plan. The Director, Development's key responsibilities will include:

- Developing and maintaining effective working relationships with key non-profit, private, and government partners in the housing development sector.
- Developing project specific proposals for consideration by the CEO and the Board of Directors.
- Monitoring the budget, schedule, scope, and quality of approved projects to ensure they are

developed in accordance with the project plan.

- Overseeing the work of external consultants and conducting due diligence reviews to ensure risks are identified and that the BHA's interests are protected throughout the development process.

### Office Manager

Reporting to the COO, the Office Manager will provide administrative and clerical support to ensure the efficient operation of the BHA. The Office Manager's responsibilities will include:

- Creating presentation materials and regularly scheduled reports.
- Developing and maintaining a record keeping system.
- Responding to phone calls, email and in-person visitor inquiries.
- Managing office equipment including IT, security, and janitorial services.
- Maintaining office inventory levels.
- Other related duties include invoice management, filing, and taking accurate meeting minutes.

### Legal, Human Resources and Communications and Services

Other operational support services will be procured on an “if and when required” basis. Initially legal, human resources, IT and communication support services will be provided this way. To maintain an arm’s length, autonomous culture, the BHA will not contract with the City of Burnaby for any of these consulting services.

### Project Specific Consulting Services

Project specific development consulting services will be procured as required to augment the capacity of the BHA for project management services including, but not limited to, feasibility studies including preliminary design, scheduling and cost estimating, project partnering agreements, public engagement, and appraisal services.



## Market Analysis

### Housing Supply and Demand

Housing demand is a function of population growth and the 2021 Census indicates that Burnaby is among the fastest-growing major municipalities in Canada. The city welcomed 16,370 new residents between 2016 and 2021.

Between 2021 and 2030 Burnaby's population is projected to grow by another 27,300 residents, a number that translates into the need for 14,990 housing units. By tenure, the projected housing demand is for approximately 5,700 rental units and 9,300 owned units.

### Built Form and Affordability

The development sector is responding to this demand in Burnaby. The 2021 Census data shows that Burnaby is adding new homes at a faster rate than the regional average. Burnaby's private dwelling count is up 9% from 2016, compared to the 7% average for the Metro Vancouver region.

Current gaps in the supply include non-market rental housing, as well as ownership options that are attainable for moderate income households. There is no data available to project the need and demand for below-market homeownership. However, with a projected demand for 9,300 ownership units between 2021 and 2030, it is reasonable to expect that there would be market demand for a below-market homeownership option in the Burnaby real estate market.

The 2021 Burnaby Housing Needs Report (HNR) reports a significant unmet need for non-market rental housing in Burnaby for housing affordable to individuals and households with very low incomes, defined as households earning less than 50% of the median household income (MHI) in Burnaby.

This unmet need is evidenced by the 1,805 households in Burnaby currently on BC Housing's waitlist and an estimated 554 individuals experiencing counted or hidden homelessness in Burnaby, as of 2020. While recent funding commitments by the provincial and federal governments will assist in addressing this unmet need there remains a substantial gap in the required supply.

While the need for low-income rental units is most significant, there is a need for rental housing at all affordability levels, including market rental. The 2022 Canada Mortgage and Housing Corporation (CMHC) Rental Market Report notes the current vacancy rate in Burnaby is 1.1%. A healthy vacancy rate is typically defined as being between 3% and 5%.

Recent changes in the financial and real estate markets have created a challenging environment that has significantly impacted the viability of purpose-built market rental developments. Relevant risk factors include construction cost inflation, increasing interest rates, and workforce labour shortages. In the past year, several market rental housing projects in the Vancouver census metropolitan area (CMA) have been shelved due to rising interest rates and construction costs.

Appendix A includes a summary of current market trends in purpose built rental supply provincially, rental market key indicators in the CMA and homeownership trends in Burnaby. The impact these trends are having on housing affordability in Burnaby is a key issue that the BHA will be addressing in its role.

## Marketing Plan

The marketing plan for the business activities of the BHA will be fully developed by BHA staff and endorsed by the Board of Directors. The plan's objectives will be to ensure that potential market and non-profit real estate development partners, consultants and consumers are aware of the organization's mandate and capacity. This marketing plan will include the development of the BHA identity through the creation of a mission, vision and values statement, a logo, website, and outreach including networking sessions with development sector organizations, senior government funders and financial institutions.

## Operations Plan

The BHA will be housed in its own fully equipped office space that will include a reception area, conference room and staff offices. The offices will be separate from City of Burnaby offices in order to reinforce the independence and autonomy of the organization.

The staffing plan reflected in the financial plan will be sufficient for the start up phase of the organization. These staff resources will be augmented by external consulting services for project specific work on an "if and when required" basis.

## Financial Plan

The BHA will receive a range of financial support as defined in the Partnering Agreement and as summarized below. These supports are intended to fully support the operations of the BHA, as well as enable the BHA to carry out its project development activities for the first five years of its existence.

- **Startup Expenses:** The one-time capital startup costs associated with establishing the BHA's office are estimated to be \$475,000. A startup capital budget is included in Appendix B.

- Annual Operating Expenses: These expenses will be covered for an initial five-year term. The annual operating expenses, including the initial staff complement, are estimated to be \$2,000,000 per year. An operating budget is included in Appendix B.
- The City of Burnaby may provide the BHA with a Project Development Capital Fund of up to a maximum of \$100,000,000.00 drawn from City Reserve Funds, subject to the terms and conditions set out in the Partnering Agreement.
- The provision of City lands to the BHA at less than fair market value, and other City supports will be defined in the Partnering Agreement.

The operational funding model will be reviewed as part of the renewal of the Partnering Agreement at the end of the first five years of operations when it is expected that the organization will become more of a self-sustaining entity that will require less operational funding from the City.

The BHA will establish financial controls through a series of policies that will be approved by the BHA Board of Directors and in compliance with the Articles of Incorporation. These will include Signing Authority and Procurement policies. The policies will be based on categories typical for a real estate development organization of a comparable size and nature, including but limited to:

- Development and Acquisition
- Financial
- Income Properties
- Office Administration
- Employment Agreements
- Service Agreements

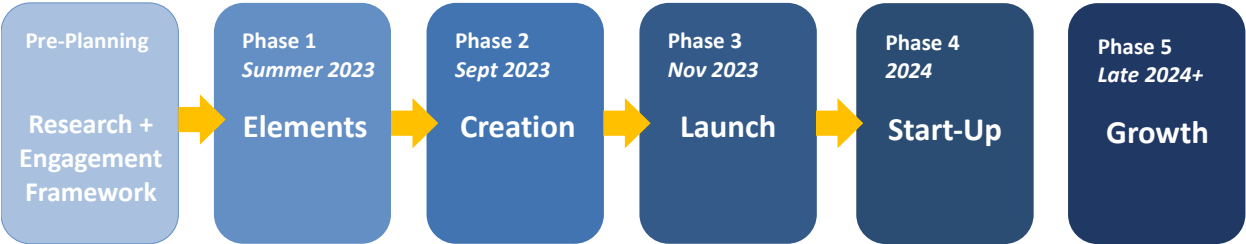
## Risk Analysis

Risk	Consequence	Mitigation Plan	Risk Rating
<p><b>Conflicts of Interest</b> Conflicts of interest due to Board composition that include Burnaby councillors and staff.</p>	<p>The BHA will not have the mandate to act in the best interests of the company.</p>	<p>Include conflict of Interest provisions that mirror those for Burnaby councillors and Burnaby staff members, respectively, in the Articles of Incorporation.</p>	<p><b>Medium</b></p>
<p><b>Governance</b> As a newly formed board with a mandate distinct from a municipal council, there may be a lack of clarity and consensus regarding the board governance model</p>	<p>Due to the Board composition and because of a lack of clarity and understanding of the BHA governance model, the BHA will not operate with the autonomy needed to be nimble and effective.</p>	<p>A board governance training program will ensure the new board is clear on the governance model and their roles and responsibilities related to the new BHA entity.</p>	<p><b>Low</b></p>

<p><b>Recruitment</b></p> <p>The BHA is unable to attract top talent to the board and staff of the BHA.</p>	<p>The BHA will not achieve the objectives envisioned by Burnaby council</p>	<p>A recruitment strategy developed and implemented by a third-party Human Resources firm.</p>	<p><b>Medium</b></p>
<p><b>Expectations</b></p> <p>The delivery of BHA sponsored housing units takes longer than expected.</p>	<p>Burnaby council and the BHA are criticized for not delivering on expectations.</p>	<p>A communications strategy for both council and the BHA that is based on clearly defined performance expectations as part of the BHA’s five-year strategic plan.</p>	<p><b>Low</b></p>
<p><b>Autonomy</b></p> <p>As an entity created, funded, and governed by the City, the BHA may not be fully autonomous.</p>	<p>The BHA will not be sufficiently nimble to act on real estate development opportunities.</p>	<p>Development of a risk tolerance policy and a procurement policy geared to private sector best practices that includes clear spending authority guidelines.</p>	<p><b>Medium</b></p>
<p><b>Self-Sustaining Entity</b></p> <p>The BHA will be working to generate sufficient profits to fund its operational costs including staffing and overhead.</p>	<p>Failure to generate sufficient profits will put the entity in financial and reputational difficulty.</p>	<p>Create and implement a Strategic Plan that will generate the required profits to have the BHA become more of a self-sustaining entity after the first 5 years of operating subsidies from the City.</p>	<p><b>Low</b></p>

**Implementation Plan**

The BHA will become an active player in the housing development sector in late 2024, based on the following implementation schedule:



### Phase 1: Elements

The City has completed the development of the basic elements of the BHA including legal structure, mandate scope, and governance model.

### Phase 2: Creation

The City will submit the business plan and draft Articles of Incorporation to the provincial Inspector of Municipalities to seek approval to create the BHA.

### Phase 3: Launch

The City will prepare a Partnering Agreement that will define:

- The assistance the City will or may provide to the BHA (funding, lands, etc.)
- The services BHA will or may provide on behalf of the City.

The City will approve the BHA's start up capital and annual operating budget.

Burnaby City Council will appoint the BHA's Board of Directors

### Phase 4: Start-Up

The Board of Directors will conduct the CEO search supported by an external Human Resources consultant. The CEO will recruit the balance of the staff, develop, and implement a 90-day plan following Board endorsement. This plan will include the development of mission, vision, and values statements. These will inform the development of the first-year strategic plan that will include measurable performance targets.

### Phase 5: Growth

By the fourth quarter of 2024 the BHA will be actively engaged in delivering on its mandate by a range of activities that may include:

- Entering into Joint Venture Partnerships with private and non-profit developers.
- Acquiring land for development.
- Pursuing entitlement approvals and direct development of BHA sponsored real estate projects.

## Appendix A: Current Real Estate Market Trends

### BCH Purpose Built Rental Supply Data

The 2022 New Homes Registry Report shows that 14,546 purpose-built rental homes were registered in B.C. in 2022, the highest yearly total reached since BC Housing started collecting this data in 2002. For context, in 2012, BC Housing recorded fewer than 2,000 new rental units registered.

### CMHC Migration and Rental Rates Data

The rental market tightened in the Vancouver census metropolitan area (CMA) in 2022. Following a surge in international migration and homeownership costs, the overall vacancy rate for purpose-built apartments fell to 0.9%

British Columbians lead the country in rent costs, with one in every five people in Greater Vancouver spending over half their paycheque or more for rent.

Migration to the Vancouver CMA from both international and domestic origins contributed to growth in rental demand. Arrivals of international immigrants to British Columbia doubled in the first half of 2022. Most of these immigrants settled in Metro Vancouver. The reopening of international borders also contributed to an increase in arrivals of non permanent residents. This group includes international students, many of whom rent.

The purpose-built rental apartment vacancy rate decreased from 1.2% in 2021 to 0.9% in 2022. Higher homeownership costs and migration to the region led rental demand to increase faster than supply.

Asking rents for vacant units are now, on average, 43% higher than those paid for occupied units. This represents a strong disincentive to moving for existing tenants, resulting in lower turnover.

The tightening conditions caused rent growth to accelerate to 6.3% overall. New renters paid, on average, 24% more than the previous tenant for 2-bedroom units rented in 2022.

CMHC data show that lower-income households face significant challenges finding units that they can afford. The purpose-built rental universe in the Vancouver CMA increased by a record 3,805 units (+3.3%) following elevated construction of new units in recent years.

### Homeownership Trends

In 1996, approximately 42% of all housing in Burnaby were single-family or two-family homes — the most common of all housing types. As of 2021, that number has nearly halved to 22%. Homes in low-rise buildings have also slightly decreased during the same period, from approximately 28% to 25%.

All other forms of housing have increased. Row houses have increased from approximately 7% to 9%, duplexes have more than doubled from about 7% to 16%, and homes in high-rises have increased from 18% to 29% — the highest of all types of housing, as of 2021.

Increases in mortgage interest rates limited the ability of existing renter households to move to homeownership. The borrowing capacity of a worker aged 25 to 54 earning the average wage in the Vancouver CMA fell by nearly a quarter, or about \$100,000, in 2022.

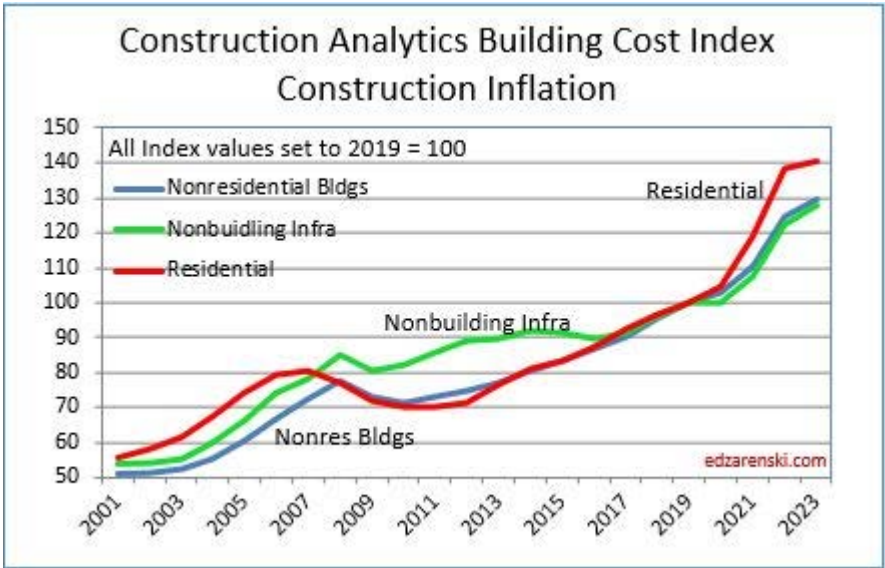
Entry-level home prices haven't declined as fast as buying power, meaning many prospective homebuyers continue to rent.

The biggest shift has been in terms of the kinds of housing found in Burnaby. In 1996, about 42% of all housing in Burnaby were single-family or two-family homes — the most common of all housing types. As of 2021, that number has nearly halved to 22%. Homes in low-rise buildings have also decreased during the same period, but only slightly, from about 28% to 25%.

Meanwhile, all remaining types of housing have increased. Row houses have increased slightly from about 7% to 9%, duplexes have more than doubled from about 7% to 16%, and homes in high-rises have increased from 18% to 29% — the highest of all types of housing, as of 2021.

### Construction Costs

The chart below is indicative of the rapid rise in construction costs that has been experienced in the Vancouver CMA.





## Appendix B: Startup and Operating Capital Budgets

Startup Capital Budget	
Expense	Budget
Legal fees (create legal framework)	\$100,000.00
Furniture	\$94,000.00
Technology (Laptops, accessories, switches, and cabling)	\$50,000.00
Premises update (paint and carpet)	\$50,000.00
Website Creation/Set Up	\$30,000.00
Tax/Accounting Set Up	\$70,000.00
Budget:	<b>\$394,000.00</b>
Contingency (20%)	<b>\$78,800.00</b>
<b>Total Budget</b>	<b>\$472,800.00</b>

## Annual Operating Budget

Expense	Estimate	Notes
Premises	\$150,000.00	3,000 sq. ft. Class A Space (Burnaby) 5-year lease/sub-lease \$30.00 per sq. ft + \$20.00 op. cost (triple net) Ideally, premises are fully demised and may require a cosmetic refresh (paint, carpets), signage.
Wages and Benefits	\$930,000.00	Chief Executive Officer: \$275,000 + 20% benefits = \$330,000.00 Chief Financial Officer: \$220,000 + 20% benefits = \$264,000.00 Director, Development: \$200,000.00 + 20% benefits = \$240,000.00 Administrative Coordinator: \$80,000.00 + 20% benefits = \$96,000.00
Telephone and Internet	\$30,000.00	Includes monthly charges from Telco provider, including telephone lines and internet service. Does not include capital cost of telephone equipment, network cabling or switches
I.T. Support (outsourced)	\$18,000.00	Based on number of workstations, hardware, software costs
Accounting & Tax	\$20,000.00	Annual financial statement review and tax advice
Printed Materials and Office Supplies	\$16,000.00	Includes all miscellaneous office supplies. This allocation expected to be higher in the first year
Membership and Education	\$5,000.00	Urban Development Institute, Burnaby Board of Trade and related/similar organizations
Travel	\$10,000.00	Allowance to attend conferences, travel throughout the province including Victoria and mileage for personal use of vehicles
Marketing	\$60,000.00	Higher in first year. Engage with a marketing agency to help promote the new housing authority and develop a marketing strategy and ongoing website maintenance
Insurance (Property)	\$5,000.00	Premises insurance
Insurance (Liability)	\$15,000.00	Corporate liability insurance and Directors & Officers liability insurance

Equipment Leases	\$36,000.00	Includes monthly lease cost for printers, copiers, scanners
Consultants	\$200,000.00	Retention of Consultants or other professionals for feasibility studies, such as engineers, architects
Corporate Legal	\$20,000.00	Retained counsel for corporate records and employment matters
Development Legal	\$150,000.00	Retained counsel for project specific due diligence
Board Compensation	\$50,000.00	
Budget:	\$1,715,000.00	
Contingency	\$285,000.00	17% contingency allowance
<b>Total Budget</b>	<b>\$2,000,000.00</b>	

## Municipal Controls over Burnaby Housing Authority

Articles of Incorporation	Partnering Agreement
<ul style="list-style-type: none"> <li>• The City would be the sole shareholder of the BHA;</li> <li>• The City, as sole shareholder, would appoint the Board and would have the authority to rescind such appointments;</li> <li>• Shareholder approval would be required to create or issue any additional BHA shares;</li> <li>• BHA would be prohibited from issuing shares to any other person or entity other than the shareholder (i.e., the City);</li> <li>• City approval would be required if the BHA wants to borrow on the security of the City (e.g. use the City's assets as collateral) or if the BHA needs the City to guarantee any borrowing;</li> <li>• BHA would be restricted from carrying out any business not related to the corporate purposes set out in the Articles;</li> <li>• BHA would be restricted from disposing of corporate assets over a specified monetary threshold or for any purpose not in furtherance of the BHA's corporate purposes without the approval of the shareholder;</li> <li>• Failure of the BHA to give notice of a meeting of the shareholder would invalidate any proceedings at that meeting; and</li> <li>• All meetings of the shareholder require attendance of the shareholder representative to have quorum.</li> </ul>	<ul style="list-style-type: none"> <li>• Council would be required to approve the BHA's strategic plan prior to the City's provision of financing for capital development;</li> <li>• At the end of the Partnering Agreement term, Council can review the BHA's provision of services prior to determining whether to renew or amend the Partnering Agreement and what ongoing level of assistance, if any, to provide to the BHA;</li> <li>• Should the City decide to dispose of City lands to the BHA, for example, by granting the BHA long-term leases, these ground leases will set out the terms and conditions pursuant to which the City will lease its lands to the BHA; and</li> <li>• Additional legal agreements (e.g. contribution agreements, loan agreements, etc.) will set out the specific terms and conditions upon which the City will provide or lend funds to the BHA.</li> </ul>



# Burnaby Housing Authority

## What We Heard Report

# Executive Summary

## Overview

The City of Burnaby is proposing to create a municipal housing corporation as a new approach to increase housing diversity and affordability in Burnaby.

This corporation, named the Burnaby Housing Authority (BHA), would give the City the ability to streamline decision-making and project development processes, accelerate housing projects, and capitalize on opportunities. It would also act as a centralized hub to develop and manage non-market housing for public benefit and contribute to the larger housing ecosystem through collaboration and partnerships. The affordability and tenure focus on the BHA would include:

- non-market rental units;
- non-market ownership units; and
- market rental units.

Over the course of summer 2023, key stakeholders, community groups, service providers, developers, the public, and City staff and representatives from CUPE 23 were engaged to gather input on key elements of the Burnaby Housing Authority, including scope, model, market, and operations.

The engagement approach was designed to achieve the following objectives:

1. To provide education about current housing challenges and the need for bold, nimble, and innovative solutions.
2. To introduce the concept of the BHA and obtain feedback for consideration related to key elements such as structure, governance, mandate, scope, tools, partnerships, and more.

## Key Insights

Key insights emerged across all engagement sessions in terms of how the Burnaby Housing Authority should approach its mandate. They are:

1. **Work collaboratively, not in competition.**

Competition was one of the most common concerns for participants in the engagement sessions. They highlighted the need for the BHA to work with and support existing initiatives and development that is already underway. Service providers and developers suggested areas of the development and housing operations process where an entity such as a BHA could be highly beneficial, if deployed thoughtfully.

## Engagement Approach

From August 1 to 24, 2023, a series of in-person and virtual engagement sessions were held, supplemented with one-on-one interviews with representatives from the following groups:

- Private Sector Developers
- Non-Profit Housing Providers
- Non-Profit Service Providers
- Urban Indigenous Organizations
- Other Key Stakeholders
- General Public

## **2. Reduce red tape and streamline funding.**

All groups expressed frustration with the existing processes for funding, development approvals, and Request for Proposals (RFPs) to select partners. One of the primary concerns was that the BHA would add further layers of bureaucracy in building and operating new developments. Many participants felt that this could be an opportunity for the BHA to reduce red tape and serve as a bridge for funding streams provided by other levels of government to expedite new development.

## **3. Address needs along the housing continuum.**

Several key market segments in need of housing were identified by each group, but service providers and stakeholders emphasized the growing need across the housing spectrum, from shelter rate housing up to below-market rental and ownership. Participants highlighted the necessity of tailoring development to meet the unique needs of a broad range of groups in need of affordable housing.

## **4. Ensure the Board for the BHA includes diverse representation from the housing sector.**

The governance of the Burnaby Housing Authority was a major topic of discussion throughout the engagement. Although there were some conflicting perspectives on who should be represented on the Board and how members should be selected, all groups that were engaged shared the belief that the Board should have diverse representation, independence from City Council, and should be selected in a way that mitigates bias or potential conflicts of interest.

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## Background

Affordability is the most significant housing challenge in Burnaby. According to the City's 2021 Housing Needs Report, nearly 20% of Burnaby households are experiencing core housing need, meaning they live in dwellings considered unsuitable, inadequate, or unaffordable and cannot afford any available alternatives in the City.

Additionally, Burnaby's primary rental vacancy rate has declined significantly in recent years. As of 2019, rental vacancy rates ranged between 1.3% to 1.7% depending on the size of the unit. A healthy rental vacancy rate is generally considered to be between 3% and 5%.

The City of Burnaby is proposing to create a municipal housing corporation to help increase housing diversity and affordability in Burnaby. This corporation, named the Burnaby Housing Authority (BHA), would give the City the ability to:

- Streamline decision-making and project development processes;
- Accelerate housing projects and capitalize on opportunities;
- Act as a centralized hub to develop and manage non-market housing for public benefit; and
- Contribute to the larger housing ecosystem through collaboration, not competition.

The Burnaby Housing Authority will help achieve Burnaby's vision of being a place where everyone can find a home, afford a home, and feel at home.

## Engagement Approach

Over the course of summer 2023, key stakeholders, community groups, service providers, developers, the public, and City staff and union were engaged to gather input on key elements of the Burnaby Housing Authority, including scope, model, market, operations, and opportunities for partnerships and collaboration.

### Engagement Objectives

The engagement approach was designed to achieve the following objectives:

1. To provide education about current housing challenges and the need for bold, nimble, and innovative solutions.
2. To introduce the concept of the BHA and obtain feedback for consideration related to key elements such as structure, governance, mandate, scope, tools, and more.

### Who We Heard From

Targeted engagement was undertaken to reach and gather input from the following groups.

A full list of organizations that participated in the engagement sessions is included in **Appendix A**.

- City of Burnaby staff
- Canadian Union of Public Employees (CUPE) Local 23
- Private Sector Developers
- Non-Profit Housing Providers & Landlords
- Urban Indigenous Organizations
- General Public
- Metro Vancouver communities
- Housing Funders
- Service Providers

### How We Engaged

Engagement took place through a series of stakeholder workshops, which were supplemented by one-on-one interviews. Opportunities to participate in engagement were promoted in various ways:

- Workshop invitations for developers, service providers, and funders were sent via email. Those who could not attend a group session were invited to engage in one-on-one interviews if preferred.
- The public was invited to attend the virtual information session through news media, social media, the City's website (project page and latest news), the BurnabyConnect App, and the City Connect eNewsletter. Advertisements were also purchased in the local Burnaby Now news publication.
- Engagement opportunities for City staff and union employees were sent through direct internal email invites and internal staff newsletter (StaffConnect).

Across all the engagement sessions, the following high-level questions were asked:

- What do you think of this idea?
- What types of development opportunities do you see for the Burnaby Housing Authority?
- Which segment of the market would be most appropriate for the BHA to focus?
- What type of collaboration would you like to see with the BHA?
- What types of things should the City be thinking about as it relates to collaboration and joint ventures?
- What would get in the way of meaningful collaboration?

### Stakeholder Workshops

A series of meeting and workshops were held to gather feedback from specific groups:

- July 20, 2023: CUPE Local 23
- August 1, 2023: Urban Indigenous Organizations
- August 1, 2023: Developers and Private Housing Operators (e.g. landlords)
- August 2, 2023: Non-Profit Housing Operators, Service Providers and Funders
- August 15, 2023: General Public
- August 16, 2023: Community Organizations (session was attended by the groups listed above who were invited to the sessions on August 1<sup>st</sup> and 2<sup>nd</sup>)
- August 23, 2023: City Staff
- August 24, 2023: City Staff

### One-on-one Interviews

One-on-one interviews were held with stakeholders and interested parties who were not able to attend an in-person or virtual session. In total, three individuals were interviewed.

## What We Heard

The feedback gathered through the sessions with each group and one-on-one interviews have been summarized into key elements for consideration in the establishment of the Burnaby Housing Authority:

- Challenges
- Opportunities
- Governance
- Target Markets
- Mandate
- Partnerships

These high-level themes that emerged from each of the audiences engaged have been included in each category to allow for comparison and contrast between the various perspectives and considerations related to the Burnaby Housing Authority.

Summaries of each of the engagement sessions with detailed comments related to each of the themes identified below are included in **Appendices B, C, D, E and F**.

### Key Insights

Across all engagement sessions and from every engaged group, several key topics of interest emerged with high-level recommendations for the Burnaby Housing Authority:

#### 1. **Work collaboratively, not in competition.**

Competition was one of the most common concerns for participants in the engagement sessions. They highlighted the need for the BHA to work with and support existing initiatives and development that is already underway. Service providers and developers suggested areas of the development and housing operations process where an entity such as a BHA could be highly beneficial, if deployed thoughtfully.

#### 2. **Reduce red tape and streamline funding.**

All groups expressed frustration with the existing processes for funding, development approvals, and Request for Proposals (RFPs) to select partners. One of the primary concerns was that the BHA would add further layers of bureaucracy in building and operating new developments. Many participants felt that this could be an opportunity for the BHA to reduce red tape and serve as a bridge for funding streams provided by other levels of government to expedite new development.

#### 3. **Address needs along the housing continuum.**

Several key market segments in need of housing were identified by each group, but service providers and stakeholders emphasized the growing need across the housing

spectrum, from shelter rate housing up to below-market rental and ownership. Participants highlighted the necessity of tailoring development to meet the unique needs of a broad range of groups in need of affordable housing.

#### **4. Ensure the board includes diverse representation from the housing sector.**

The governance of the Burnaby Housing Authority was a major topic of discussion throughout the engagement. Although there were some conflicting perspectives on who should be represented on the Board and how members should be selected, all groups that were engaged shared the belief that the Board should have diverse representation, independence from City Council, and should be selected in a way that mitigates bias or potential conflicts of interest.

### **Challenges**

The primary challenges facing the Burnaby Housing Authority were identified as:

- **Competition**
  - Non-profit service providers expressed that the BHA is at risk of operating in competition to their existing operations. Particular concerns included competing for the same funding from other levels of government and taking on roles that service providers already do well, including development and operations of non-market housing.
  - Many comments emphasized the need for the BHA to act in a facilitator and supporter role in the community rather than competing as an operator of affordable housing.
- **Duplication of Efforts**
  - Developers, service providers and Urban Indigenous organizations raised concerns that the BHA would be a duplication of existing work in the community, and suggested care be taken in the strategy planning process to prevent this from happening.
  - Some participants thought that rather than developing a new municipal corporation, resources would be better allocated to supporting projects that are already underway and streamlining the development approval process for all non-market housing.
- **Bureaucracy**
  - Many participants, particularly service providers and developers, identified existing City bureaucracy as a challenge to achieving development approvals and building projects efficiently.
  - As a City corporation, many participants felt that although the BHA will operate independently, there will still be bureaucratic influences that will impact the ability to operate nimbly and respond to needs quickly.

- **Increasing Demand**
  - Service providers indicated that the demand for affordable housing has grown significantly in recent years, and that housing along the entire spectrum is greatly needed.
  - Discussion in the public session pointed out that a lack of updated statistics related to need and demand for affordable housing makes it difficult to understand the scale of development the BHA will need to undertake.
  - Some of the key stakeholder organizations also expressed concern that during the time it will take to establish the BHA, demand will have grown even more.
- **Community Acceptance**
  - Service providers reported high levels of NIMBYism in Burnaby, which has made it challenging to find suitable locations for affordable housing and integrate into the community.

## Opportunities

Potential opportunities that the Burnaby Housing Authority could explore, as identified by participants in the engagement sessions, included:

- **Exploring Innovative and Flexible Housing Models**
  - The BHA could pilot new policies or building models to test the feasibility for non-profit and private developers. For example, when the Leadership in Energy and Environmental Design (LEED) framework for construction of new buildings was first introduced, it was piloted by the public sector then adopted by the private sector.
  - Explore opportunities to partner with property owners developing new housing forms such as laneway housing. The BHA could serve as a property manager to take the burden of tenant management away from property owners.
  - Develop a more flexible model for market ownership to allow tenants to move along the continuum within the neighbourhood they live in.
- **Providing Wraparound Supports**
  - Providing wraparound supports, services and amenities is crucial for people in vulnerable circumstances. Key supports include: mental health and addiction services, domestic violence counselling, trauma-informed services, welcome centres, childcare, and cultural supports.
- **Supporting Mixed-Use Development**
  - Support development on top or adjacent to existing municipal properties such as schools, fire halls, libraries, and recreation centres.

- This approach would help integrate housing into community services, providing residents with access to amenities and improving safety.
- Creating entrepreneurial opportunities for marginalized communities in BHA properties would also support integration into the community and social cohesion.
- **Facilitating Social Impact Investing**
  - There are philanthropists with trusts that are looking to invest in non-market rental housing and have minimal expectation on return. The BHA could act as a bridge between these trusts and development opportunities.
- **Entering Joint Ventures**
  - Service providers are more interested in entering into joint ventures or agreements with equity positions, rather than operating units that are developed and owned by the BHA.

## Governance

The composition of the Board of Directors and how Board members are going to be selected was a common discussion topic across all engagement sessions. The most common feedback from each group included:

<b>Developers</b>	<ul style="list-style-type: none"> <li>● The private sector may not apply to be on the Board if they think they will be outvoted every time.</li> <li>● The BHA will not be truly independent if the board is populated by City Council and staff.</li> <li>● Having Councillors on the board may offer important learning to those members about the development process, which will then inform their approach and work as a Councillor as it relates to development.</li> </ul>
<b>Non-Profit Service Providers</b>	<ul style="list-style-type: none"> <li>● The board should be community governed.</li> <li>● The board should be de-politicized to avoid influence of NIMBYism.</li> <li>● The BHA will need to establish a framework, length of terms, and mandate to see progress over time.</li> </ul>

<p><b>Key Stakeholders</b></p> <p>(Including representatives from healthcare providers, provincial and other municipal governments, Simon Fraser University, and additional developers and non-profits)</p>	<ul style="list-style-type: none"> <li>• The board needs to be diverse, with people who understand development, non-profit politics, and social services.</li> <li>• It should also include representation from a number of sectors and people living in the housing market.</li> <li>• Having Councillors on the Board of Directors will help provide them with more education on the importance of development and help influence policy decisions.</li> <li>• There should be no more than 4 to 5 Councillors on the Board.</li> </ul>
<p><b>General Public</b></p>	<ul style="list-style-type: none"> <li>• Taxpayers need to be reassured that there won't be collusion or favoritism between City Council and development companies.</li> <li>• Developers on the board should be disqualified from developing housing in Burnaby during their tenure to avoid conflicts of interest.</li> <li>• The Board should be semi-autonomous, not completely autonomous, and report regularly to the City of Burnaby.</li> </ul>
<p><b>Staff</b></p>	<ul style="list-style-type: none"> <li>• It's not common for a housing authority to have Council or City staff make up the majority of board members.</li> <li>• As the sole shareholder, the City will already have some control over the BHA but it needs to be a suitable level so the BHA can focus on its mandate.</li> <li>• A potential approach could be to have voting members and non-voting members on the board, so the City could be at the table but voting members would have autonomy.</li> <li>• The Board Terms of Reference could also outline which decisions can only be made by Council.</li> </ul>

## Target Markets

The key takeaway from all discussions related to key market segments in need of affordable housing was that there is growing need across all income levels and groups. Service providers stressed the need for the Burnaby Housing Authority to support development along the housing continuum to serve different needs.

The primary markets in need of affordable housing are identified below, including any key considerations that were identified in each engagement session. **Table A** shows a breakdown of which stakeholders identified each group as key areas to focus on in the engagement sessions.



- **Seniors**
  - *Developers:* Developers stated that seniors would be a more palatable clientele for non-market housing integrated within market units, and developing units for seniors may alleviate other bottlenecks in the system. Some participants also noted that there's a gap between affordable housing and assisted living since many people that can't take care of themselves can't afford to live in a care home.
  - *Other Stakeholders:* Some stakeholder organizations noted that seniors tend to be more isolated and at higher risk of losing their housing as they are often on restricted incomes.
- **Women and Children**
  - *Service Providers:* Several service providers shared examples of women with children trying to escape violence at home who have been unable to find suitable affordable housing units, since many are studio or one-bedroom units.
- **People with Disabilities**
- **Workforce Housing**
  - *Service Providers:* if non-profit services providers could provide housing for staff it would help address recruitment issues.
- **Unsheltered Community**
  - *Urban Indigenous:* Urban Indigenous organizations highlighted the unique support needs of people who were living on the street and in the process of moving from camps to shelters.
- **Newcomers**
  - *Service Providers:* Service providers noted that newcomers to Burnaby often live in significantly overcrowded housing and need a high level of support within the first few weeks of arriving. Additionally, newcomers often have large families with several children, which makes it difficult to find units with enough bedrooms for the entire family.
- **Large Families**
  - *Service Providers:* Service providers have found that families who need affordable housing are having difficulty finding places to live, especially homes with access to schools.
  - *Urban Indigenous:* Family dynamics and cultural values for Indigenous families are not always accommodated in affordable housing. It's common for children to live with their grandparents, and there's a lack of larger units available for families.

- **Youth Aging out of Care**
  - *Service Providers:* Youth aging out of care need unique supports, especially transgender and gender diverse youth, who are at higher risk.
- **Students**
  - *Stakeholders:* There's a high need amongst students for affordable housing, especially those from outside the Lower Mainland.
- **Single People**
  - *Stakeholders:* People who are single and have moderate incomes don't have access to subsidy supports but are still in significant need, especially as cost-of-living increases.
- **Hidden Homeless**
  - *Urban Indigenous:* It's difficult to estimate the level of hidden homeless who couch surf and don't access any services or supports. The only way to identify these individuals is by leveraging the community's internal networks.

**Table A:** Matrix of market segments identified by each stakeholder group

	Urban Indigenous Organizations	Non-Profit Service Providers	General Public	Developers	Stakeholders
Seniors				X	X
Women and Children					
People with Disabilities		X			
Workforce Housing		X			
Unsheltered Community	X	X			
Newcomers		X			
Large families	X	X	X		X
Youth aging out of care		X			
Workforce			X		X
Students					X
Single People					X
Hidden Homeless	X				

## Mandate

In each engagement session, participants suggested various priorities and areas of focus for the Burnaby Housing Authority.

The primary areas that stakeholders and organizations felt would be valuable to include in the Burnaby Housing Authority's mandate include:

### Developers

- **Speed up** approvals processes for development projects.
- Update **building codes** to support innovation and speed up development, such as including modular housing.
- Clarify **inclusionary zoning requirements**, including exploring opportunities for the BHA to manage inclusionary rental units.
- **Accelerate** a wider variety of housing.
- Review the **Tenant Assistance Policy** to ensure that people who are most at need have access to new units by introducing income testing.
- **Pilot new approaches** to test the feasibility for other developers.
- Serve as a **vehicle for investment** into new rental development, with the ability to own the asset once completed.
- Serve as a **bridge for funding streams** between BC Housing, the federal government, and the City of Burnaby.
- Act in an **interim lending** role to cover early costs before development financing is in place.

### Urban Indigenous Organizations

- Manage **market level units** to subsidize more affordable housing units.
- Improve **speed and efficiency** of development approvals through pre-zoning land, expediting permitting processes, and reducing costs.
- Foster a **relationship-based approach** rather than the typical government institutional approach.

### Non-Profit Service Providers

- Expedite **funding** and **approvals** for housing and operating agreements.
- Strategically **acquire land** based on long-term planning and development.
- Provide development support to non-profits, including navigating zoning bylaw requirements.

- Offer **developmental grants and capacity funding** to support collaboration and innovation.
- Act as a facilitator by **investing in gaps** that currently make developments unfeasible.
- Serve in an **advocacy role** to shift the narrative and combat stigmas about affordable housing within Burnaby.

## Stakeholders

- Support **community integration** of affordable housing by creating entrepreneurial opportunities and incentives for marginalized groups.
- Convert **underutilized properties and assets** such as office spaces, retail properties, underdeveloped land, and brownfield into housing.
- **Purchase and protect land** in key areas for future development.

## Staff

- **Build supportive housing** and **partner with non-profits** and health authorities to operate the units.
- **Take over management of City services** that would be better suited to the BHA through a partnership agreement.

## Partnerships

With collaboration being a key focus for the Burnaby Housing Authority, participants in the engagement sessions were asked to provide their opinions on what organizations and agencies would be important partners, how the Burnaby Housing Authority could collaborate with them, and what may prevent effective collaboration.

## Areas for Collaboration

- **Land acquisition:** the Burnaby Housing Authority could purchase land and lease it to non-profits, which would speed projects up significantly, especially for co-operative housing.
- **Streamlining approvals:** serve as a bridge between the City of Burnaby and non-profit developers to streamline approvals.
- **Streamlining funding:** assist in accessing funding from multiple sources from the start to the end of projects, including working with BC Housing and CMHC to reduce conflicting funding requirements (this comment was heard from both development sector and non-profit housing sector).
- **Facilitate matchmaking:** match service providers with the interest and capacity to manage inclusionary housing built by developers with suitable units.

- **Consult non-profits early:** early and upfront consultation can prevent delays in the process and help foster knowledge and expertise sharing related to developing units that meet client needs.
- **Connect developers and non-profit operators:** bridge the gap between developers and non-profit operators to increase non-profit operation of non-market units in new developments.
- **Integrate with City processes:** find synergies and efficiencies within City departments to expedite projects and ensure efficient project delivery.

### Barriers to Collaboration

- **Lack of relationships with Indigenous Nations:** historically, there haven't been strong connections between service providers and land-based nations, leading to gaps in the system.
- **RFP requirements:** the structure of RFPs has fostered competition in the non-profit sector and created additional strain on organizations with limited capacity to respond.
- **Competition:** competition between the Burnaby Housing Authority and the non-profit sector could drive service providers to other communities.
- **Political direction:** change in political will has impacted the progress of other affordable housing projects, and future City direction may impact relationships with developers and operators.
- **Government requirements:** affordable housing projects require funding from all levels of government, which often have conflicting requirements and processes.
- **Limited timelines:** addressing the need for affordable housing requires a long-term initiative. Short term expectations will prevent the effectiveness of the Burnaby Housing Authority.

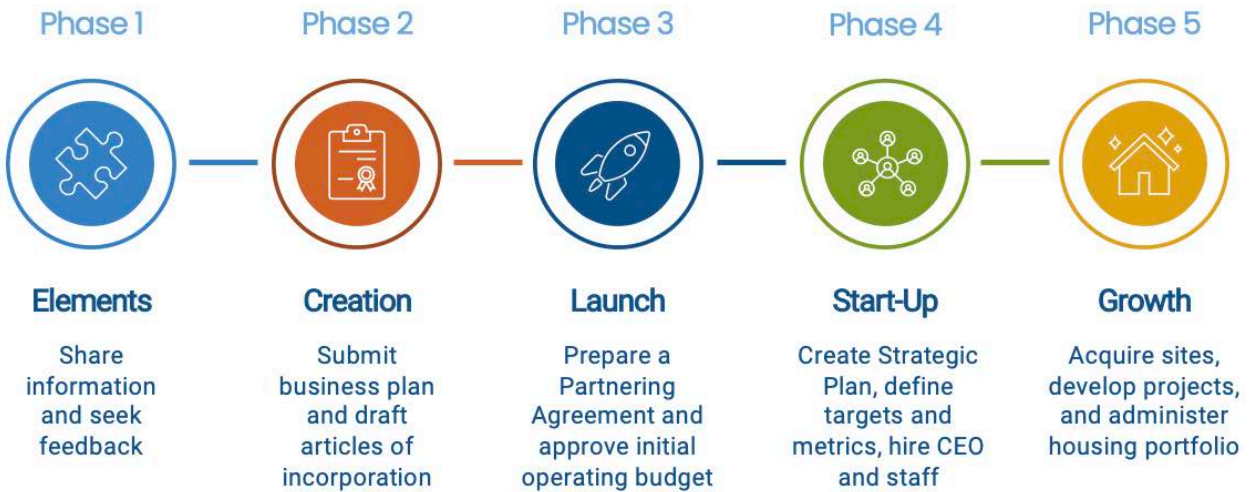
### Key Partners

Stakeholders in the engagement sessions identified the following groups as important partners for the Burnaby Housing Authority:

- BC Housing
- Canadian Mortgage and Housing Corporation
- Developers
- Non-Profit Service Providers
- Resident Associations
- Health Authorities
- Media
- Post-Secondary Institutions
- School Districts
- First Nation Housing Authorities
- Accessibility Consultants
- Community Groups
- Ridesharing and bikesharing companies
- Utility Providers

## Next Steps

Five phases are contemplated as the City moves forward with establishing the Burnaby Housing Authority. The City of Burnaby will present the results of the engagement to Council in fall 2023, which will close out the activities of Phase 1. Phases 2 and 3 are anticipated to occur in late fall with movement towards hiring and establishing the strategic direction for the corporation in the early parts of 2024.



# Appendices



## Appendix A: Stakeholder Participants

Developers	
<ul style="list-style-type: none"> <li>• Anthem Properties</li> <li>• Belford Properties</li> <li>• Co:Here Developments Society</li> <li>• Keltic Development</li> <li>• Sandhill Development Ltd</li> <li>• Solterra Development</li> <li>• Small Housing BC</li> <li>• Starlight Investment</li> </ul>	
Urban Indigenous Organizations	
<ul style="list-style-type: none"> <li>• Aboriginal Housing Management Association</li> <li>• Luna Housing</li> </ul>	
Non-Profit Service Providers and other Stakeholder Organizations	
<ul style="list-style-type: none"> <li>• Burnaby Association for Community Inclusion</li> <li>• BCIT Student Association</li> <li>• BC Non-Profit Housing Association</li> <li>• <b>Burnaby Board of Trade</b></li> <li>• Burnaby Primary Care Networks/ Burnaby Division of Family Practice</li> <li>• Burnaby Rent Bank</li> <li>• Burnaby Neighbourhood House</li> <li>• Canada Mortgage and Housing Corporation</li> <li>• Charlford House Society for Woman</li> <li>• Citi Trust</li> <li>• <b>Community Living Society</b></li> <li>• Dixon Transition Society</li> <li>• Durable Solutions</li> <li>• Elizabeth Fry Society of Greater Vancouver</li> <li>• Field &amp; Marten Associates</li> <li>• Fraser Burnaby Population and Public Health</li> <li>• Fraser Health - Toxic Drug Response and Priority Populations</li> </ul>	<ul style="list-style-type: none"> <li>• George Derby Care Society/Derby Manor Independent Living</li> <li>• Habitat for Humanity Greater Vancouver</li> <li>• Landlord BC</li> <li>• Lookout Housing + Health Society</li> <li>• Metro Vancouver</li> <li>• Ministry of Housing</li> <li>• MOSAIC</li> <li>• New Vista Society</li> <li>• Progressive Housing Society</li> <li>• Salvation Army</li> <li>• Seton Villa Retirement Centre</li> <li>• S.U.C.C.E.S.S.</li> <li>• Simon Fraser University</li> <li>• Society to End Homelessness in Burnaby</li> <li>• S.U.C.C.E.S.S</li> <li>• The Geller Group</li> <li>• Tikva Housing Society</li> <li>• YWCA Vancouver</li> </ul>

## Appendix B: Developer Engagement Session Summary

### Challenges

#### Redundancy

- The BHA business model of building market rental housing sounds redundant to what developers do already
- It may be more effective to work with developers to bring affordable rental housing to market faster.

### Opportunities

#### Need for Investment

- BHA could act as a vehicle for investment into rentals the private sector is delivering and own the asset at the end

### Governance

#### Board Composition

- The private sector may not apply if they think they will be outvoted every time
- The BHA will not be truly independent if the board is populated by City Council and staff
- Having Councillors on the board may give BHA the opportunity to dive more into the details of the project with Councillors before going to public hearings

### Target Market

#### Seniors

- Seniors would be a more palatable clientele for market units
- Development for seniors would free up bottlenecks
- There's a gap between affordable housing and assisted living; many people who can't take care of themselves can't afford to live in a care home

### Mandate

#### Financing

- Debt to coverage ratio and debt value ratio has increased so much that the loan to value ratio isn't evening out
- The gap has to be filled on the equity side; money or land from the City of Burnaby could be used to invest in the start-up costs of a project

#### Bridge Funding Streams

- Use the BHA as a vehicle for investment into rentals with the potential to own the asset at the end
- Getting financing from the government is difficult because requirements for BC Housing and CHMC contradict

#### Interim Lending

- Perhaps the BHA could act as an interim lender prior to the provincial government stepping in
- Funding may not dictate developers moving forward, but could impact non-profits
- If developers are looking to offload or sell to non-profits, access to cash could be important
- Could BHA have a fund that acts as an internal lender to fund smaller projects similar to CMHC? Lend at a discounted rate
- Could model Preliminary Development Funding (PDF) from BC Housing where the money is a grant to fund early costs before development financing is in place

#### Land Acquisition

- Use rental protection fund from province to acquire lands
- Developers could buy more density at higher rates with cheaper land and then use that money to fund the BHA (e.g., density bank)
- Land banking in strategic areas, such as near transit stations

#### Government Funding

- BC Housing and CMHC could funnel funding to the BHA to avoid tension between requirements from each entity
- There would need to be a set of requirements that satisfy both BC Housing and CMHC

#### Social Impact Investing

- Philanthropists form trusts and some are looking to invest in non-market rental housing. These are for-profit but have minimal expectation on returns
- The City is the sole shareholder but there could be a vehicle for investment through a separate fund
- Setting an exit time of 5 years to get paid out is when some housing is sold or refinanced. Rents will always increase, which could be a 2-3% return.

#### Reallocate/Reprioritize Allocation

- The Province has \$20M protection, which could be used to fix buildings up and house people not in the spectrum

## Structure

### Authority

- The BHA will need to have the authority to approve decisions and operate autonomously

### Entrepreneurial Mindset

- BHA needs to operate with an entrepreneurial mindset and not follow government processes

## Partnerships

### Collaboration

- Partnership with developers: developers build on land BHA owns, BHA operates
- If the BHA is successful and the demand for housing is being met, the 20% requirement under the City's Rental Use Zoning Policy should be changed
- Joint ventures would be an opportunity to build strata and use the money to increase the below market units in the BHA portion of the building

### Rental Taxes

- The BHA could lobby the federal government to get rid of GST because it doesn't make sense when building rental housing and losing thousands

### Rent to Own

- People tend to get stuck in subsidized housing. The BHA could explore a rent to own model to help people move through the BC Housing rental portfolio.
- Private developers can't offer a gradual moving up scheme through their building portfolio

### Pilot New Approaches

- The BHA could be used to pilot new policies or building models to test the feasibility
- For example, LEED building system was piloted by public sector in Metro Vancouver
- Allowed construction companies and organizations to become familiar with the standard and provided case studies

## Barriers to Collaboration

### Delays in Approvals

- Financing charges developers daily, so speed is an important factor in cost
- Could BHA play a role in fast-tracking projects, such as supporting developers in Council or creating an expedited program

### Outdated Building Codes

- Building codes haven't caught up to more innovative housing forms, such as modular housing
- Mass timber
- Prefabrication
- There could be pre-approved designs for smaller housing or missing middle housing with 4-8 units

### Unclear Zoning Requirements

- For most developers, to meet the City's inclusionary zoning requirements, they will use air space parcel or a separate building to meet the 20% obligation
- Who will own air space – BHA?

### Subsidy Requirements

- Deep subsidy housing could be an issue because it's not in the for-profit developers best interest to put a deep subsidy into luxury condos
- Lots of developers will meet the CMHC requirements by definition and have talked to non-profits about whatever they build that has a deep discount subsidized by BC Housing
- Another example would be to have a City housing grant fund for inclusionary or rental replacement units

### Density Discounts

- The Vancouver affordable housing agency provides discounts against amenity contributions
- There is awkwardness between the City purchasing units if they give a density discount bonus to developers
- The bonus may not be an issue if you are solving the issue and building the housing that's needed

### Programs that don't serve people most in need

- There are lots of people getting help who don't need it
- Lots of people wouldn't even qualify for the replacement housing they get
- There's no income testing in the rental replacement program, its only income tested if it's an inclusionary unit
- This means that people in the community who need those units more can't get in

## Appendix C: Service Provider Engagement Session Summary

### Level of Support

- This initiative is overdue
- It seems like a solution to fill in the gaps in housing
- Local government needs to move housing strategy forward

### Challenges

#### Shortage of Industrial Lands

#### Increasing Demand

- Demand has increased since the COVID-19 pandemic began
- Transition homes and second stage housing is key
- A mix of housing under current rents at the income assistance level is important
- Higher market rent is needed to make up deep subsidies
- Vulnerable people need housing but also need acceptance in the community
- Stigma and NIMBYism against vulnerable people can be a challenge in housing development

#### Community Connection

- Burnaby has the lowest social connectiveness in the Fraser Health Authority region
- High-rises may not help build connectiveness
- New housing development should be built at a scale for connection

#### Issues in the Approval Processes

- Some housing locations shouldn't be publicized, for example, transition shelters for people who have experienced domestic violence, but the development process can unintentionally publicize development locations.

### Opportunities

#### Streamline Funding

- BHA could play a role in leveraging resources from BC Housing and the federal government
- Serve as an incubator for non-profit developments; clear roadblocks, facilitate agreements, invest in projects to make them more attractive

#### Public Transit

- SkyTrain expansion will require adequate density along the route
- The BHA could invest in land along the future route for future development as demand increases

#### Housing Forms

- The common approach is to build high-rises, but many clients feel claustrophobic in that environment
- Buildings need to be designed with big open outdoor spaces to meet client needs
- Buildings need to be accessible or disability friendly
- National occupancy standards can be limiting; some families need to be able to put more than two children in a bedroom
- Focus on different needs for long-term housing with little resident turnover vs short-term housing for populations with increased turnover such as students

#### Mixed Use Development

- Building on top of municipal properties such as schools and fire halls have been very successful
- Integrating housing into community services such as daycares and recreation centres provides residents with access to amenities, services and transit
- Calls to police have gone down in housing integrated with other services
- Connect or add on to other facilities that are currently being built, such as libraries, fire halls, City Hall.

#### Flexibility

- People shouldn't be penalized for improving their economic situation; there should be flexibility to stay in their building or unit
- A model could allow for market ownership within other parts of the model to allow for families to move without having to change schools
- Allow for people to move along the continuum within a neighbourhood
- Build in mentorship and stewardship of tenure

#### Social Purpose Housing

- It is difficult to get funding for treatment centre
- Building from a social purpose housing perspective helps develop sober living housing and second stage housing
- Partnerships with settlement service organizations could provide wraparound services such as education, employment, writing and language training

- Partnerships with health authorities could also provide services at offices or on site

## Governance

- Board should be community governed
- De-politicize the board to avoid influence of NIMBYism
- Establish a framework, length of terms, and mandate to see progress over time

## Target Market

- Newcomer families
- Street-entrenched population
- Women and children
  - Women and children escaping violence need suitable units to live in, not just one bed or bachelor units
- Employee Recruitment
  - Providing housing for staff could make it easier for non-profits to recruit
- Women and Children Fleeing Violence
- People with Disabilities
- Workforce Housing
- Unsheltered Community
- Newcomers
  - Often live in significantly overcrowded housing
  - Need a lot of housing within the first few weeks of arriving
  - Have larger families, often larger than 5 people
- Families with multiple children
  - Families are finding it difficult to find places to live
  - They stay in a location where they don't have to move for schools
- Youth Aging out of Care
  - Trans and gender diverse youth are especially at risk

## Mandate

### Expedited Funding



- To meet demand there needs to be expedited funding and approvals for housing agreements and operating agreements

#### Land Acquisition

- Be strategic with what land is purchased and how it may be used in the future
- Purchase land around future SkyTrain development since it increases land costs and reduces affordability
- Early and ongoing land acquisition

#### Zoning Bylaw

- The BHA could play a role in providing development support and assistance navigating bylaws to non-profits

#### Funding

- Provide developmental grants and capacity funding to support collaboration and innovation
- Provide pre-planning funds and in house expertise to support development projects for priority populations
- BHA could act as a facilitator to build more units; by investing to fill in gaps that currently make developments unfeasible

#### Education

- Educate housing providers about what the BHA is looking for in applications and proposals

#### Establish Processes

- Transparent processes for how partnerships are created
- Develop a pre-approved list of vendors that can work collaboratively to determine which type of projects make sense for the particular type of development

#### Reduce Red Tape

- Navigate the bureaucratic City process
- Have a specialized team at the City who can work with the BHA and non-profits to expedite developments and create supportive policy. For example, the density bonusing project for single women and children that only created bachelor/one bedroom units.
- If the BHA creates more red tape for non-profits, they will leave Burnaby and focus their resources in other Metro Vancouver municipalities
- There are significant delays within the City's current processes

## Advocacy

- Shift the narrative within the City on behalf of the broader non-profit sector
- Manage public communications and engagement

## Structure

### Equity Positions/Joint Ventures

- Service providers are not interested in operating units developed and owned by the BHA
- The operations role would require equity positions in the units for the non-profits
- A good auditing system within the BHA will help ensure the right people are in the right units and combat abuse of affordable rental units
- Establish an income and property verification process prior to entering the units
- Outline expectations of tenants in the units ahead of time
- Establish reasonable income limits, don't make the regulations so restrictive that families are forced to move frequently

## Partnerships

### Collaboration between Service Providers and Developers

- The Burnaby Housing Authority could explore how to foster partnerships between housing providers, settlement organizations and developers

### Developers

- Developers could provide units to non-profits, but non-profits need to build capacity as well
- BHA could expedite development approvals

### Wraparound Supports

- Provide key services, supports and amenities nearby for people in vulnerable circumstances:
  - Mental Health support
  - Addictions
  - Domestic violence counselling
  - Trauma-informed services
  - Welcome centres for immigrants and refugees
  - Daycares

- Daytime shelters

#### Resident Associations

- There is significant NIMBYism in Burnaby
- Housing providers need to ensure units are spread around Burnaby
- Partnerships could help address community resistance to new affordable housing types

#### Fraser Health Authority

- Has more influence and a larger platform

#### Media

- Media could help address NIMBYism by supporting anti-stigma campaigns

#### City of Burnaby

- Funding, operating subsidy generated by market rent
- Land swapping, City can sit on land longer than a non-profit

#### Non-Profits

- Work with non-profits who have land but isn't in an ideal location

#### First Nation Housing Authorities

#### Post-Secondary Institutions

- Provide off-campus housing
- They have a limitation on how much debt they can take on and limits on available land

#### School District

- Address capacity challenges within the school system
- Attach schools to developments

#### Alternative or New Housing Type Property Owners

- Individual landlords with laneway housing rentals or other rental properties don't want to manage the rentals, so the BHA could be the tenure manager with agreement

#### Sharing Economy

- Partnerships with ridesharing and bike sharing groups to provide services

#### Utility Providers

- Enerpro to monitor usage of energy and water in the buildings to manage operating costs

- Group rates with internet providers to help with affordability, or provide free Wi-Fi in the building

## Barriers to Collaboration

### RFP Process

- RFP process creates competition amongst the non-profit sector
- RFPs should be structured in a way that fosters competition
- Set reasonable timelines for non-profits to respond
- Build in preliminary discussions that foster collaboration
- Transparency with funding and budgets
- Reasonable expectations about non-profit capacity in terms of developing proposals
- Avoid pitting large organizations against small organizations
- RFPs need to include an equity position for non-profits
- Burnaby's current approach to RFPs makes it difficult to get funding from senior levels of government, because City lands contributed to projects are subject to rezoning, which creates uncertainty

### Competition

- The Housing Authority should not compete with the non-profit sector
- The focus should be land acquisition and facilitation of approvals and funding.

### Social Acceptance

- Resistance from community can pose a challenge to development
- Units need to be distributed throughout the community and still be near transit/amenities
- Proactive approaches should be taken to help prevent community backlash on affordable housing, such as public education and pre-zoning

### Timelines

- A short-term initiative will not be helpful
- There needs to be a 50-year mandate

### Political Will

- Change in political will has impacted the progress of other affordable housing projects
- Removing barriers to get projects through the system faster would help

## Bureaucracy

- Projects require funding from all three levels of government, which adds requirements and time
- Approvals within the City run into challenges with internal conflict between departments

## Appendix D: Mixed Stakeholder Engagement Session Summary

### Level of Support

#### Purpose

- There needs to be a clear purpose for the BHA
- Be clear about the gaps that need to be filled

### Challenges

#### Competition

- Surrey's development corporation was restricted because it was competing too much
- BHA should facilitate non-profits to build or provide housing rather than competing with them
- The BHA has the potential to knock non-profits out of competition

#### Redundancy

- This seems like it's reinventing the wheel and at risk of competing with non-profits and non-market developers

#### Bureaucracy

- Housing Authority with City oversight is ultimately run by government
- There will be political, bureaucratic influence
- It will be difficult to be nimble

### Opportunities

#### New Housing Models

- Laneway housing; could lend to owners to develop alternatives

#### Conversion of underutilized assets

- Office spaces, retail properties, underdeveloped land and brownfield

#### Integration into Broader Community

- Create entrepreneurial opportunities and incentives for marginalized spaces connected to BHA properties
- This can support integration into the community through employment and community cohesion

## Governance

### Composition of Board

- You need the right people on the board to be successful
- The board needs to be diverse, with people who understand development, non-profit politics, social services, senior staff, and no more than 4 to 5 councillors
- Include representation from a number of sectors and people living in the housing market
- Having Councillors on the Board of Directors will help provide them with more education on the importance of development and help influence policy decisions

## Target Market

### Continuum

- Include a variety of income levels
- Consider affordable ownership as well

### Seniors

- Seniors tend to be isolated or at risk of losing their housing

### Families

### Workforce Housing

### Single people with moderate income

- Don't have access to subsidy supports but are still in significant need

### Students

- High need for affordable housing, especially those from outside the lower mainland

## Mandate

### Protection of Land

### Development that serves a range of segments

### Building Considerations

- Accessibility, adaptable or accessible units
- Variety of locations and unit sizes to serve different needs, including families and mothers with children
- Access to transportation and green spaces
- Ensure key amenities are nearby such as daycare, shopping, and schools

- Build in strategic locations where developers are building
- Cultural preservation through design

#### Flexibility

- Develop a rent-to-own model to help tenants move along housing spectrum

#### Collaboration with developers

- Co-invest with developers to take over some stock from the development rental portfolio

#### Partnerships

##### Land Acquisition

- BHA could purchase land and lease it to non-profits
- This could speed up projects quickly and would work well for co-operative housing

##### Streamlining Processes/Approvals

- Provide non-profits with guidance in navigating the permit and development process
- BHA can serve as a bridge between the City of Burnaby and non-profit developers
- Ensure funding is available throughout the project to make it viable

##### Non-Profit Operators

- Non-profits can maintain waitlists, establish regulations, provide supports
- Increase transparency between service providers and provide a space for them to advocate for clients

##### Inclusionary Housing Policy

- Facilitate matchmaking between developers required to provide inclusionary units and non-profits who have an interest in these units
- There are a lot of housing providers with capacity and interest, but need to be matched up with it

##### Aboriginal Land Trust

##### BC Housing

##### New/Smaller Non-Profits

- There are opportunities for partnership with smaller and newer community organizations that don't have as much capacity

##### Early and Upfront Consultation

- Engage with non-profit providers early to avoid delays in the process



- There's a wealth of expertise in the non-profit sector that can be drawn on

#### Developers

- Capture non-market units from development to bridge the gap between developer units and non-profit operators

#### Accessibility Consultants

- Include accessibility consultants at each stage of property development so the physical space does not increase barriers to accessing housing

#### Barriers to Collaboration

##### Indigenous Collaboration

- There hasn't been strong connections between service providers and land-based Nations
- We need to validate what outreach has taken place with Indigenous housing services providers and Indigenous Nations
- It's important to understand who plays what role in the system and build on that foundation

##### Duplication of Services

- Concern about duplication between BHA and City services

##### Cultural Considerations

- Cultural sensitivity needs to be incorporated into partnerships with Indigenous Nations and organizations

##### Competition

- There's significant competition for land because it's so scarce

##### RFP Process

- Requirements for funding need to meet organizational abilities and capacity

## Appendix E: Public Engagement Session Summary

### Housing Models

How will the BHA look at innovative ways to provide housing?

- This engagement with the community will inform the initial structure of how the housing authority will operate. The more specific details and innovation will be left to the CEO and staff. Innovations will be identified in the strategic planning process and partnering with other organizations.

Seniors only get around 1600 per month for their CPP and there are no units available at 30% of this income.

- The lack of deeply affordable units and lack of housing appropriate for seniors has been identified in the City's work.

Does the City have any say in how SFU has developed their housing? There's little to no reduced pricing for students in their condo developments on site.

- We have engaged with post-secondary institutions through this process and there is a desire for the BHA to partner with post-secondary institutions to explore how it can provide that kind of housing.

Are any of the developers in Brentwood required to provide a mix of market and non-market housing? And if they did, can somebody find out what buildings have non-market options?

- The City's Rental Use Zoning pPolicy requires 20% of units in all new developments in town centres to be rented at 20% below the Canada Mortgage and Housing Corporation median rents.
- The tenant assistance policy also applies, which requires tenants to receive top ups while they are displaced from existing rental units and then be given a unit in the new building that is approximately the same rent as what they were paying before.

Eventually, I would like to see the housing authority consider market housing such as tiny homes and land lifts. I don't want the Housing Authority to be restricted to only non-market and rental housing.

- This might be considered once the Housing Authority gets off the ground.

Have tiny homes being considered as a stopgap measure to provide immediate housing for certain Burnaby residents?

- Burnaby is exploring all types of density in the community and recognizes that small homes are part of the missing middle housing that may be beneficial for the community.

Will the majority of this housing be strata based? Based on my experience, strata fees have been going up exponentially and would be a significant barrier to certain income constrained groups.

- This is something that will be considered under non-market housing. A variety of different types of management structures will be considered and reviewed in terms of the affordability of those models.

Will the City of Burnaby be able to fast-track non-market housing?

- The BHA is one of the ways the City can support the development of non-market housing and fast track approvals.

What types of non-market housing are we looking at developing with the Burnaby Housing Authority?

- The intent is to look at non-market rental, non-market ownership and some market rental to subsidize deeper affordability for non-market rental units.
- The specifics around unit mix will be worked out in the strategic planning phase with the CEO, staff and board of directors.

When fourplexes are allowed on single family lots, will those be eligible for homeowners to use as rentals? Then the Housing Authority could act as the landlord to save the homeowner the headaches of tenancy.

- This is an innovative way for homeowners to provide units to the Housing Authority that will be investigated further once the Housing Authority has been created.

## Co-op Housing

Will the BHA provide more support for co-ops?

- As a member in a co-op there's a difference in how management interacts which has an effect on quality of life. This will be considered in how the housing authority interacts with tenants and will take best practices from co-ops to ensure a positive experience for tenants.
- Co-op housing will be considered as a form of non-market housing by the BHA.

I second other forms of housing like co-ops.

- That is something that has been noted throughout this process and the City is looking to address missing middle density on the policy side.

## Community Partnerships

Will the Housing Authority support existing non-profits that are already working to provide below-market housing in Burnaby?

- The intent is for the Burnaby Housing Authority to be a partner in the community and be strategic about how and where it provides services. The intent is to be additive rather than competitive with existing service providers.

Will the Burnaby Housing Authority still have a kind of partnership with BC housing or fully operate independently?

- The Housing Authority will partner with other levels of government to access funding or support the development of units. The BHA may also enter into partnerships or joint ventures with BC Housing or other levels of government.

Will the Burnaby Housing Authority coordinate or work with non-profits or land trusts?

- The Housing Authority will be set up to partner with existing organizations in the community to support the great work they are already doing.

Hearing what the other stakeholders had to say would be helpful to advance our thinking around this.

- The process will be provided through a What We Heard report that summarizes the commentary from stakeholders and the public.

## Board of Directors

How can Burnaby taxpayers be sure that no collusion of favoritism will occur with City council and property development companies who may have donated large sums of money for re-election campaigns?

- The benefit of having a separate municipal corporation is that the board of directors are bound to act in the best interest of the corporation. This means taking care of the interests and goals of the corporation and not their personal interests or interests as a Councillor. There will also be other members of the community on the board of directors to provide checks and balances and make sure the strategic plan is being followed.

How will the board be chosen?

- Every effort is going to be made to have a non-political process. That is part of having a separate municipal corporation, which is set up as a separate business from the City.

What's the plan around stepping up the Burnaby Housing Authority and seeking out and screening candidates?

- This specific process is part of the business planning that's underway right now. As a starting point, a leader for the BHA as CEO is needed and then likely one or two other staff to serve as development managers. City and council members will also be permitted to sit on the board.

If you select developers for the board, they should be disqualified from developing housing in Burnaby during their tenure on the board to avoid conflict of interest around development and their activities on the board.

- The composition of the board is part of the business planning process that is underway right now. We will evaluate the requirements for board members to provide effective strategic direction to the BHA.

How will board members be selected? Will for profit real estate industry individuals be excluded from consideration?

- One of the considerations in selecting board members is getting subject matter experts. The four functions of the Housing Authority will be unit and land acquisition, development, operations and administration. We're weighing the pros and cons of whether any people should be excluded or if it should be open to all.

How was the decision to have the majority of board from Council made?

- That decision was made by City Council and was based on a review of how other boards are composed in BC for organizations that have a housing mandate or general development mandate.
- There will be significant City assets including capital funding and land going to the Authority so that was a major consideration in terms of Council being on the board, at least in the initial period.

How many board members will be Councillors?

- This is still under consideration. We are still looking at different models and we are not sure how many board members there will be, but the majority will be City Council and Staff.

The board should be semi-autonomous, not completely autonomous. They should report at least annually to the City of Burnaby.

- The need for an entity to operate independently from the City and be accountable to the residents of the community is being considered in the design of the corporation.
- The City of Burnaby will be the sole shareholder of the Burnaby Housing Authority. As a municipal corporation, it needs to get approval of the provincial inspector of municipalities and follow requirements from the province, including the requirement that municipal corporations have an annual general meeting that is open to the public.

## Market

For someone who is living with their mother and is being told to seek individual units for eligibility purposes as opposed to living as a family, how will the BHA approach these situations?

- The BHA is going to be accommodating as possible to the community.

Will renters who lose their homes to development and qualify for TAP be housed by the housing authority?

- That level of detail is yet to be determined.

Are there any reports on Burnaby's need for workforce housing?

- The Housing Needs Report takes workforce housing into account but the Housing Authority will likely not be solely focused on workforce housing.

## Structure

Is the Burnaby Housing Authority going to be modeled after others such as the Whistler Housing Authority?

- The Whistler Housing Authority is a good model for what the BHA could look like, but the WHA focuses on providing workforce housing. The BHA mandate will be broader around non-market rentals, non-market ownership and market rental housing.

The Burnaby Housing Authority is only in phase one and is still trying to get caught up from 2016 stats to 2021, and much has changed since 2021. How will reality come up to speed with the need going forward?

- The City is updating statistics at the same time as moving forward with the Housing Authority.

## Funding and Start-up Costs

Will the City use land they already hold to reduce costs?

- Yes, the City is looking at providing land to the BHA to develop to move forward with development as quickly as they can. The City is also working to update its Official Community Plan (OCP), which will help inform the strategic direction of City lands as well.

Why wasn't the housing authority started years ago when land prices, labour, building materials and interest rates were lower?

- The market is constantly changing and the need for non-market housing is going to grow going forward. The opportunity is to act now regardless of cost and interest rates.
- The City has also been working on setting policy and housing strategy over the past few years, which has led to the development of the BHA.

How much money is the Housing Authority going to need to get things going? What happens if the City reserve fund runs dry?

- The idea is for the housing authority to be self-sustaining over time and leverage the capital funding the City provides through partnerships.

The City of Burnaby owns a large amount of land which affords citizens lower costs, such as property tax. Will this continue or will property tax be increasing?

- The initial model for the Burnaby Housing Authority is that it's not taxpayer funded. All the funding is coming from housing reserve funds that the City has already required so it's not anticipated that there will be a rise in property taxes.

## Appendix F: Staff Engagement Session Summary

### Challenges

- Potential conflict of interests

### Opportunities

- Explore successful housing authority structures in other jurisdictions

### Governance

- The BHA will have a small number of staff and will need to rely on connections and networks of the board

### Interaction with City Departments

- There should be synergies and efficiencies between the BHA and City departments
- Some services may be better suited to BHA than City staff; these could be defined and delegated in a partnering agreement
- City-owned lands that may be considered for development by the authority may be more marginalized or environmentally sensitive. The OCP should identify lands for conservation, not just housing.
- The transition will need to be as smooth as possible to avoid rushing departments, making mistakes, and ensure efficient project delivery.
- The BHA board will determine if the authority should take on any existing housing assets.
- City staff will need to help expedite projects.

### Autonomy

- There needs to be a balance between autonomy and having the City as a sole shareholder
- There needs to be a suitable level of control for the City

### Board Composition

- It's important to have some connection with Council or senior staff, but it's not common for a housing authority to have Council or City staff make up the majority of the board members
- It may be important to have representation from the constituencies the organization serves
- As the sole shareholder, the City will have control but it needs to be a suitable level of control

- The BHA should be independent and focused on its own mandate
- There could be voting members and non-voting members on the board, which is a common practice on other boards.
- This way the City could be at the table, but voting members would have autonomy
- Articles can outline which decisions can only be made by Council

#### Funding

- The City will provide start up funding and financial support for capital development and housing operations.
- The BHA would seek funding from other levels of government once established for the construction of new housing and fund its operations through its own income.

#### Mandate

- The BHA could build supportive housing, but would partner with non-profits and health authorities to operate it
- The BHA will collaborate rather than compete with non-profit operators



## Selection Criteria for BHA Board of Director Candidates

- **Functional expertise** – potential directors should have the functional expertise required for at least one of the BHA’s activities (e.g. residential development, housing operations, finance, etc.);
- **Strategic vision and leadership** – potential directors should be able to provide strategic insights, solve problems and possess the leadership skills and collaboration abilities to help shape the long-term goals of the BHA;
- **Industry expertise** – some potential directors should possess industry-specific knowledge regarding the nuances and challenges of the housing industry;
- **Corporate governance skills** – potential directors should have an understanding of corporate governance principles, including the fiduciary duties owed to the corporation;
- **Risk Management** – potential directors should be able to identify risks and oversee the corporation’s risk management efforts;
- **Time commitment** - potential directors should have the time to prepare for active participation in board meetings, committee work, and strategic discussions;
- **Conflicts of interest** – potential directors should be able to identify and evaluate potential conflicts of interest that could arise in light of their affiliations, business interests, or relationships;
- **Ethical standards and integrity** – potential directors should have strong ethical standards and moral integrity and understand the power and privilege of their position on the BHA Board brings and use it for the betterment of the BHA and Burnaby in general;
- **Relevant networks** – potential directors with strong industry networks can open doors to partnerships, investors, and potential hires;
- **Diversity** – diversity (e.g. gender, ethnicity, age, geographic location, professional background, etc.) brings a broader range of perspectives and ideas;
- **Independence** – the composition of directors should reflect the right balance of insider and outsider perspectives;
- **Legal, financial and regulatory knowledge** – some (if not all) directors should be familiar with local laws, regulations, and any industry-specific governance standards, including financial literacy; and
- **Commitment to the mission of the BHA** – potential directors should have a passion for delivering housing that improves the lives of Burnaby residents.