

TO: MAYOR & COUNCIL
FROM: GENERAL MANAGER PLANNING AND DEVELOPMENT
SUBJECT: **BURNABY HOUSING AUTHORITY COMMUNITY ENGAGEMENT**
PURPOSE: To seek Council authorization to start community engagement on the elements of a Burnaby Housing Authority.

RECOMMENDATION

THAT staff collect feedback to refine the proposed elements and supporting business plan for a Burnaby Housing Authority using the engagement framework as generally outlined in Section 4.0 of the June 19, 2023 “Burnaby Housing Authority Community Engagement” report.

CHIEF ADMINISTRATIVE OFFICER’S COMMENTS

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

1.0 POLICY SECTION

Establishing a Burnaby Housing Authority to help facilitate the creation of new non-market housing aligns with several City policies, including the *Corporate Strategic Plan (2022)*, *HOME: Burnaby’s 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’s involvement primarily consists of creating housing-friendly policies, plans and regulations, reviewing and approving non-market development applications, advocating for funding from other orders of government and providing municipal lands and financial supports to facilitate affordable housing developments.

While the City has been successful in facilitating the development of new non-market housing in recent years, these developments 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 a new Burnaby Housing Authority (BHA) as a “one-stop shop” for non-market housing development, management and administration.

Efforts to define elements of a BHA have been underway since early 2023. This report summarizes and shares the currently defined elements of the BHA, and seeks Council authorization for staff to start community engagement activities as per the proposed engagement framework outlined in Section 4.0.

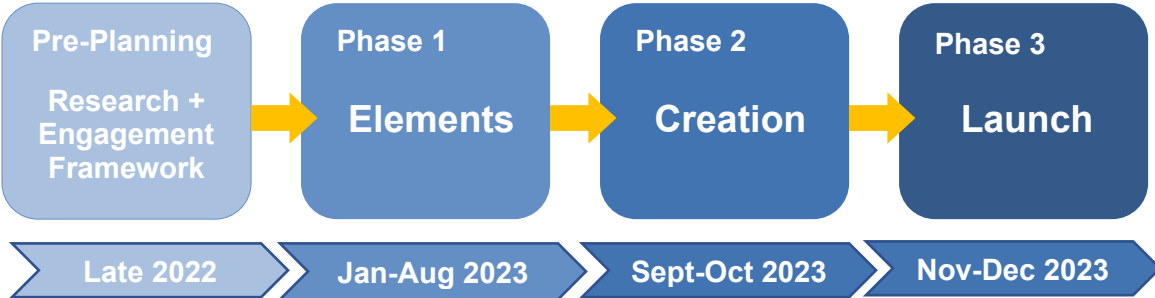
3.0 GENERAL INFORMATION

The following sections outline the specific elements of the BHA based on Council direction to date. Council direction has been informed by research of other housing authorities and development corporations, in addition to a desire to expand the City’s role in non-market housing delivery in Burnaby. Overall, the BHA strives to:

- Be nimble, innovative and bold to deliver new non-market housing in Burnaby to meet community housing needs;
- Add to, rather than replace, existing housing supply;
- Position itself to help fill gaps in Burnaby’s housing supply; and
- Contribute to the larger housing ecosystem through collaboration, not competition.

3.1 Process and Timeline

The process to create the BHA comprises:



The pre-planning phase involved research of other housing authorities and development corporations across Canada, along with interviews of subject matter experts, to determine success factors for the BHA. Based on this research, staff have been seeking Council direction on defining key elements in Phase 1, with additional elements still needing Council input. Council has indicated a desire to establish the BHA in 2023.

3.2 Organizational Structure

Council has directed staff to structure the BHA as an arms-length municipal corporation, with the City as the sole shareholder. The municipal corporation model was selected as the structure best able to meet the following objectives identified for a BHA:

- Facilitate delivery of non-market housing;
- Leverage senior government funding programs;
- Operate under separate governance;
- Generate positive net income for long-term sustainability;
- Improve market agility;
- Exercise greater control over operations;
- Expand role in delivery of solutions;
- Improve access to external resources, innovation and expertise;
- Allocate and manage risk; and
- Minimize administrative complexity and costs.

The municipal corporation model has not been used by the City to date. The authority to establish municipal corporations to provide services that benefit the community, including the delivery of affordable housing, is set out in the *Community Charter* and *Local Government Act*. Municipalities are required to obtain approval for proposed corporations from the provincial Inspector of Municipalities. The Inspector's role is to ensure that the process through which a municipal corporation is established, and the structure of the corporation itself, are consistent with provincial legislation. To seek approval from the Inspector, the City will need to submit various documents to the Ministry of Municipal Affairs, including draft articles of incorporation and a business plan for the BHA.

3.3 Governance

As a municipal corporation, the BHA will be governed by its own, autonomous board of directors. Appointed by City Council, the BHA Board will provide strategic direction to the BHA and help the BHA leverage the knowledge, resources and connections it needs to deliver its mandate. Council has decided to structure the Board with a majority of Council/City representatives in order to strengthen oversight of the use of City assets provided to the BHA, and to ensure ongoing alignment between BHA and City objectives, especially during the formative years of the organization. The full composition of the BHA Board is still to be determined, but is expected to include subject matter experts and representatives of groups with proficiency and expertise in real estate development, real estate law and financing, construction management, housing operations and non-market housing.

3.4 Affordability Mandate and Alignment with City Policies

Council has directed that the BHA focus on the following affordability levels and housing tenures:

- Non-market rental housing;
- Non-market ownership housing; and
- Market rental housing, in cases where revenues from such housing would help support the delivery of non-market housing through cross-subsidization.

The affordability mandate of the BHA aligns with the *Burnaby Housing Needs Report (HNR)*, a provincially-mandated document that provides key insights into community

housing needs, including the number and type of units that will be needed to meet housing demand over the next five and 10 years. For reference, the executive summary of the *HNR* is provided in *Attachment 1*. The aim of the BHA is to deliver units to meet the housing needs identified in the *HNR*, in addition to aligning with other City housing policies, plans and regulations, including *HOME*, which has the following vision:

“Burnaby is a place where everyone can find a home, afford a home and feel at home.”

3.5 Scope of Work

Council has defined the scope of work for the proposed BHA to include four main functions:

1. *Acquisition*

The BHA would 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 would develop new housing units, with dedicated staff hired as development managers to oversee design, approvals and construction, or partner with the development sector 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 the City’s existing non-market housing operators, the BHA would partner with NPOs, government agencies and other qualified entities to operate non-market housing units, especially 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 would 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 City of Burnaby non-market housing administration and inquiries.

As a new municipal corporation, the currently proposed scope of work will require the BHA to progressively develop capabilities, proficiency and expertise. The scope

is anticipated to evolve over time to ensure the BHA has the flexibility it needs to capitalize, leverage and respond to new opportunities as housing market conditions change.

3.6 Potential Tools and Assistance

The specific set of tools being provided by the City to the BHA is yet to be determined, but may include some or all of the following:

- Transfer of City land and buildings;
- Investment of City funds;
- Pre-zoning of development sites;
- Servicing of development sites;
- Fast-tracking of development approvals;
- Provision of dedicated staff resources;
- Extension of preferred financing rates; and
- Offers of loan guarantees.

The assistance provided by the City to the BHA would be formalized through a Partnering Agreement, as permitted by the *Community Charter*. A Partnering Agreement enables a local government to provide assistance to organizations such as public authorities, societies or private corporations to provide a service on behalf of the local government.

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

The City has engaged extensively with the public and key interested parties on the topic of housing in recent years, including through the *Your Voice. Your Home. Community Recommendations Workshop*, the *Mayor's Task Force on Community Housing*, the *HNR*, and *HOME*. Building on these previous efforts, an engagement framework has been created to involve the community in the creation of a BHA.

The framework contemplates engagement of the following five community streams:

1. Four host First Nations of Musqueam, Squamish Nation, Tsleil-Waututh Nation, and Kwikwetlem First Nation;
2. Urban Indigenous Peoples;
3. General public;
4. Key interested parties, including housing NPOs, organizations within the development sector, funding providers, social service providers and neighbouring municipalities; and
5. City staff and CUPE 23 - Burnaby Civic Employees Union.

The proposed framework envisions different engagement activities for each phase of the creation of the BHA, with the main engagement opportunities planned for *Phase 1 – Elements* to seek input on the key elements of the BHA, including its structure, governance, mandate, scope, tools and other considerations. This engagement is

envisioned to occur from June to August 2023, beginning with the launch of a dedicated BHA webpage on the City’s website.

A What We Heard report summarizing input from *Phase 1 – Elements* will be provided to Council in fall 2023. Engagement in *Phase 2 – Creation* and *Phase 3 – Launch* will focus on informing the community on how the input from Phase 1 has contributed to shaping the BHA.

5.0 FINANCIAL CONSIDERATIONS

The successful creation and operation of a BHA is anticipated to require significant financial and non-financial resources. Funding requirements will include costs for initial start-up and operation, acquisition of land, capital development, and housing operations. In addition, the BHA may look to the City to continue historic practices around the contribution of land and associated servicing for non-market housing sites.

Over the years, the City has been allocating monies received through Community Benefit Bonus payments to the Community Benefit Bonus Affordable Housing Reserve and Housing Operating Reserve for the purpose of funding non-market housing developments. The balances in the housing reserves are anticipated to be sufficient to establish the BHA.

The engagement activities outlined in Section 4.0 will be supported by third-party consultants, including trained facilitators. The fee for the third-party consultants will be paid from existing approved budgets.

Respectfully submitted,

Edward Kozak, General Manager Planning and Development

ATTACHMENT

Attachment 1 – Burnaby Housing Needs Report Executive Summary

REPORT CONTRIBUTORS

This report was prepared by Wendy Tse, Planner 3, and reviewed by David Clutton, Planner 2, Richard Mester, Manager Business Process and Reporting, Jennifer Wong, Assistant City Solicitor, Sarah Alexander, Director Business Operations Lands and Facilities, Bob Klimek, Deputy General Manager Finance, Karin Hung, Director Strategic Initiatives, Carl Isaak, Director Community Planning and Lee-Ann Garnett, Deputy General Manager Planning and Development.

EXECUTIVE SUMMARY

Burnaby, along with many communities in Metro Vancouver, is experiencing significant housing pressures with accelerating home sale prices and rising rents. The community has experienced a loss of rental stock in recent years, which has exacerbated housing challenges. In 2019, in response to growing housing challenges across the province, the provincial government introduced changes to the *Local Government Act* requiring local governments to complete housing needs reports to better understand current and anticipated housing needs. These documents are intended to inform local plans and policies and provide publicly available information on housing.

In early 2020, the City of Burnaby was awarded a grant through the Union of BC Municipalities (UBCM) to complete this Housing Needs Report. The City retained a consulting team led by Urban Matters in partnership with New Commons Development to complete this work. This summary presents key findings from the Burnaby Housing Needs Report.

The Burnaby Housing Needs Report brings together extensive statistical data and feedback from a wide range of residents and stakeholders. It draws from the findings of the 2019 Mayor's Task Force on Community Housing and the Your Voice. Your Home. process, as well as the feedback of 42 stakeholders engaged through focus groups and interviews and nine in-depth interviews with Burnaby residents facing housing challenges. This report exceeds the requirements for Housing Needs Reports outlined in the *Local Government Act* and provides additional data and analysis on issues specific to Burnaby.



Condominium on Hastings Street and Rosser Avenue

REPORT HIGHLIGHTS

Community Overview

- Burnaby is a diverse and growing community with a relatively stable age distribution.
- 38% of households are renters and 62% are owners.
- Burnaby's median household income was \$64,737 in 2016, much lower than \$72,662 for the region overall. Median renter household income (\$45,839) was far lower than median owner household income (\$80,492).

Current Housing Stock

- Burnaby has a diverse housing stock with a range of densities.
- The stock of purpose-built rental housing decreased from 13,017 in 2008 to 11,871 in 2019, a loss of 1,146 units, or 8.8% of the rental stock.
- The secondary market is an important source of housing for residents with approximately 22,439 households, or 64.1% of renter households, renting in the secondary rental market in 2016. 66% of secondary suites are estimated to be unauthorized.
- Burnaby has seen significant new development in recent years primarily in high rise developments, adding more apartment units to our stock

Housing Needs

- Affordability is the most significant housing challenge in Burnaby, with 23.7% owner households and 36.9% of renter households experiencing unaffordability in 2016.
- 19.9% of Burnaby household were in core housing need in 2016.
- Rental housing is moderately or extremely unaffordable for most renter households earning the median income in Burnaby.

- Homeownership is beyond the reach of most households except those making very high incomes.
- BC Housing reports a significant waitlist in Burnaby for non-market housing (1,805 households) and supportive housing at the shelter rate (90 households). The need for non-market housing is likely higher as not all households in need are on the BC Housing waitlist.
- As of the 2020 Homelessness in Metro Vancouver report, 124 individuals were identified as experiencing homelessness. An additional 430 individuals are estimated to be experiencing hidden homelessness.

Anticipated Housing Needs

- Burnaby is expected to continue experiencing significant growth in coming years, with an additional 27,300 residents and 14,990 households between 2021 and 2030.
- Burnaby is anticipated to need an additional 14,940 units to keep up with population growth over the next ten years, including 5,690 rented units and 9,310 owned units. Most of Burnaby's housing stock is apartment buildings and single detached homes. More diversity in the housing stock through ground-oriented multi-family housing is needed.
- There is significant unmet need for non-market housing in Burnaby with 1,805 households on BC Housing's waitlist.
- There are an estimated 554 individuals experiencing counted or hidden homelessness in Burnaby as of 2020.
- The City will need to continue working with local housing and service providers to monitor trends in homelessness and the need for shelter rate housing and housing with supports.
- A range of affordability levels are required among new units, with a particular need for deeply affordable and below-market rental.
- While Burnaby is expected to continue experiencing significant development, the number of rental units currently in development fall far short of anticipated need.
- Stakeholders and community members see affordable housing as a key priority across a variety of unit types with amenities and services to support diverse community needs.

HOUSING INDICATORS

Housing standards and core housing need are two key national indicators on housing. The results show that renter households are far more likely to face housing challenges than owner households, though affordability is a significant challenge for both Burnaby owner and renter households.

Housing Standards

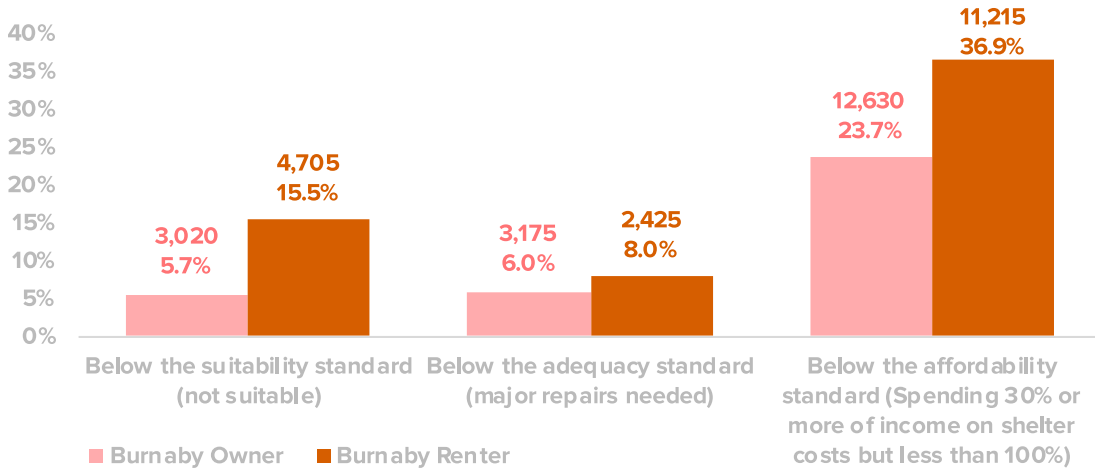
Housing standards are a national measure that looks at three aspects of housing:

- **Adequate housing**, which is housing that does not require any major repairs, according to the residents.
- **Affordable housing**, which is housing that costs less than 30% of total before-tax household income.
- **Suitable housing**, which is housing that has enough bedrooms for the size and makeup of the resident household, according to National Occupancy Standard (NOS) requirements.

A household is considered to be experiencing housing issues if it doesn't meet any of the housing standards defined above. A high number of Burnaby households, especially renters, are living in unaffordable or unsuitable housing.

Core housing need is a key measure for examining the health of a community's housing system. CMHC defines core housing need as a household whose housing falls below at least one of the adequacy, affordability, or suitability standards and who would have to spend 30% or more of its before-tax income to afford the median rent of an alternative unit that is acceptable. Those in extreme core housing need meet the definition of core housing need and spend 50% or more of their income on housing. Renter households are far more likely to be in core housing need than owner households due to typically lower incomes.

Private Households That Do Not Meet Housing Standards by Tenure, 2016

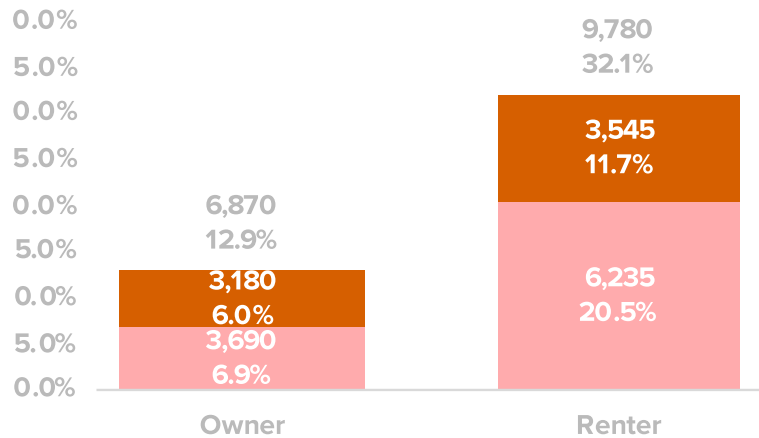


Renters in Core Housing Need



- 49% of lone-parent families
- 47% of senior-led households
- 45% with at least one senior
- 41% of one-person households
- 41% of recent immigrant households
- 36% of renter households with children
- 33% of Indigenous renter households

Core Housing Need, 2016



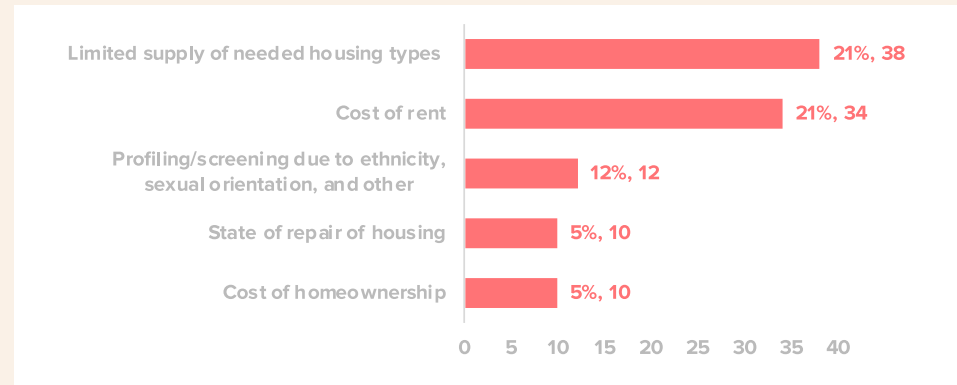
■ Core Housing Need (Excluding Extreme CHN)

■ Extreme Core Housing Need

Source – Statistics Canada

WHAT WE HEARD:

Top 5 Housing Challenges Reported by Stakeholder Survey



Ideas for Improving Housing In Burnaby, Reported by Stakeholder Survey

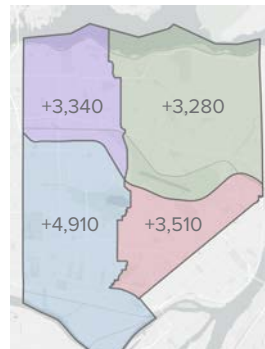
- Increase supply of affordable rental, non-market rental, and co-operative housing
- Increase available supports and supportive housing options for people experiencing homelessness, refugees, people with intellectual disabilities, women and children fleeing violence, seniors and Elders, and others.
- Increase partnerships between City and Indigenous housing organizations to improve housing for Indigenous households
- Create peer support opportunities for those experiencing homelessness
- Create subsidies for rental housing to move those experiencing homelessness into housing quickly
- Continue City Land Lease program
- Increase supply of accessible housing
- Reduce costly design requirements for rental and non-market housing
- Increase income diversity in buildings and neighbourhoods
- Support temporary modular housing and low-barrier supports for people experiencing or at risk of homelessness.

ANTICIPATED UNITS

Population growth estimates show a need for an additional 14,940 housing units in Burnaby over the next ten years. The figures below summarize anticipated unit projections across Burnaby's four quadrants: northeast, northwest, southeast, and southwest. They also show anticipated units by size.

Anticipated Units Needed, 2021 to 2030

Geography	2021 to 2025	2026 to 2030	2021 to 2030
Burnaby	8,100	6,940	15,040
Northeast	1,710	1,570	3,280
Northwest	1,850	1,490	3,340
Southeast	1,940	1,570	3,510
Southwest	2,600	2,310	4,910



Anticipated Units Needed by Size, 2021 to 2025 (5 years)

Family Type	Studio / 1 Bedroom	2 Bedroom	3+ Bedroom	Total
Couple without Children	1,110	1,110	0	2,220
Families with Children and Other Families	0	1,160	2,330	3,490
Non-Family	1,900	350	120	2,370
Total	3,010	2,620	2,450	8,080
% by bedrooms	37%	32%	30%	100%

Note that due to the projections methodology, the total number of anticipated units by family type may differ slightly from the total number of units in Figure 65 (figure on the left).

Anticipated Units Needed by Size, 2026 to 2030 (5 years)

Family Type	Studio / 1 Bedroom	2 Bedroom	3+ Bedroom	Total
Couple without Children	780	780	0	1,560
Families with Children and Other Families	0	1,100	2,200	3,300
Non-Family	1,600	300	100	2,000
Total	2,380	2,180	2,300	6,860
% by bedrooms	35%	32%	34%	100%

Note that due to the projections methodology, the total number of anticipated units by family type may differ slightly from the total number of units in Figure 65 (figure on the left).

KEY AREAS OF LOCAL NEED

Rented Homes

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 median rent grew by 66.6% between 2005 and 2019 to \$1,250. Newer rental units are typically much more expensive than the median rent which includes units of a variety of ages and sizes. Between 2008 and 2019, Burnaby's rental housing stock declined by 8.8% through redevelopment: from 13,017 in 2008 to 11,871 in 2019, putting additional pressure on the rental housing market.

A comparison between the number of renter households in the community and the number of primary rental units shows that only 35.9% of renter households were in the primary rental market (as of 2016). The remainder (64.1%) are estimated to be in the secondary market, though there is limited information available on the availability or affordability of these units.

There were 6,754 households in Burnaby receiving some type of housing support through BC Housing in 2020, ranging across independent social housing, rental assistance in the private market, supportive housing, assisted living, and transitional units. The demand for non-market housing in Burnaby is very high with 1,805 households on BC Housing's Housing Registry waitlist.

With the rising cost of renting and owning in the community, the demand for greater affordability is significant.

It is estimated that Burnaby will need an additional 5,690 rental units over the next ten years (2021 to 2030) to meet growth in renter households. The affordability of these units will be a key factor in responding to housing needs in the community. There is a greater need for rental rates that are affordable to those making very low (less than \$35,000) and low (\$35,000 to \$59,999) incomes.

Owned Homes

Sales prices for Burnaby have risen rapidly, especially since 2015. As of 2019, benchmark prices were as follows:

- Single-detached home: \$1,358,000
- Townhouse: \$710,800
- Apartment: \$670,000

The affordability gap analysis completed for this report shows that homeownership is far out of reach for households earning median incomes in the community. A very high income is now required to purchase a home in Burnaby.

Between 2021 and 2030, it is estimated that Burnaby will need an additional 9,310 ownership units across a range of densities and types. The affordability of these units will be a significant factor for the types of households that will be able to stay in or move to Burnaby.

Homes with Supports

Homes with supports includes residential care and assisted living options for seniors and those with disabilities.

The population of seniors is expected to grow significantly through population growth. Between 2021 and 2030, the number of seniors 65 and over is expected to grow by 17,140, including 2,640 seniors 85 and over. While many of these seniors will continue to live independently, it is estimated that 3,150 additional assisted living and residential care beds will be needed over the next ten years to keep up with the growth in the seniors population, based on national rates of seniors living in housing with supports.

Demand for housing for women and children fleeing violence is increasing. In 2019, 1,300 women and children were turned away from transition housing in Burnaby due to lack of space.

Those experiencing homelessness are aging and many are facing complex health needs that require appropriate housing with supports and additional treatment beds.

Stakeholders and residents with lived experience of disability reported that there is a need for more accessible units in the community and units affordable to those on Disability Assistance.

Without Homes

Burnaby has experienced an increase in the number of individuals counted as experiencing homelessness in recent Point-in-Time Homelessness Counts. As of 2020, 124 individuals were counted as experiencing homelessness in Burnaby, with an additional 430 individuals estimated to be experiencing hidden homelessness. The needs of those experiencing homelessness are diverse and a range of unit types are required at levels affordable to those on Income or Disability Assistance, including independent social housing, supportive housing, scattered site supportive housing, and transitional units. Addressing homelessness requires monitoring and rapidly responding to individual needs with appropriate housing and supports.

Key Areas of Local Need

Accessible Housing

More accessible housing options are needed across the housing system to meet the diverse needs of those with mobility challenges, including owned homes, rented homes, and homes with supports.

Refugees and New Immigrants

More affordable housing options are needed for refugees and new immigrants, as well as supports to assist with finding suitable and affordable housing.

Indigenous Households

More Indigenous housing and shelter options are needed.

Youth Aging Out of Care

Youth aging out of care often face the risk of homelessness or living in inappropriate housing when they turn 19. This has a significant impact on mental health and well-being, as well as the ability of youth to pursue post-secondary education. Affordable options are needed to help youth aging out of care transition to adulthood in a safe and supported manner.

Families

The cost of larger units in both the homeownership and rental markets is significant. There is a need for more affordable options for families.

Seniors

Burnaby's population of seniors 65 and over is expected to increase by 17,140 over the next ten years. 3,150 units/beds of housing with supports for seniors are estimated to be needed.

Women Fleeing Violence

There is an urgent need for more transition housing for women and children fleeing violence. 1,300 women and children were turned away due to lack of space in 2019.

People with Intellectual and Developmental disabilities

A range of housing options are needed for people with intellectual and development disabilities, including shelter rate independent rental housing for those on Disability Assistance and housing with a range of supports for those that need it.

Post-secondary Students

More on-campus student housing options are needed, as well as affordable rental near transit and amenities.

Housing for Homeless

As of 2020, it is estimated that there are at least 554 individuals experiencing counted or hidden homelessness in Burnaby. There is an urgent need for a range of housing options, including scattered site, transitional, and supportive units.

Emerging Trends

1. All types of market housing are increasingly unaffordable in Burnaby and Metro Vancouver, including rental housing.
2. The face of homelessness is changing with an aging population and increasingly complex care needs.
3. The COVID-19 pandemic has had significant economic effects on households and the true impact on the housing system remains uncertain.
4. Senior government funding programs have shifted in recent years, creating new opportunities and a sense of urgency to act.
5. There are needs across all demographic groups and the needs are becoming more complex.

NEXT STEPS

This Housing Needs Report is intended to inform the HOME Strategy which will outline the City's strategies and actions on housing over the next ten years. As part of provincial legislation on Housing Needs Requirements, this report must be updated every five years.



Two-Storey Townhomes