

To: Chief Administrative Officer
From: General Manager Planning and Development
Re: Tikva Housing Society / Polygon Homes
Housing Agreement Bylaw
6438 Byrnegpark Drive
Rezoning Reference #18-09

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Pursuant to Section 483 of the *Local Government Act*, local governments may secure non-market or special needs housing through a Housing Agreement. Housing Agreements secure details such as rent levels, income testing requirements, and target populations, and are filed on land title under Legal Notations. Housing Agreements are the legal instrument that can be used to secure provisions when the local government does not own the land. All current and future owners of the development are subject to the terms of a Housing Agreement. Housing Agreements are adopted by bylaw and generally, are accompanied by Section 219 covenants for enforcement.

Staff recommend the 20 non-market housing units within the larger development be secured through a Housing Agreement bylaw and Section 219 covenant.

2.0 POLICY CONTEXT

There are several City policies that support the provision of non-market housing in Burnaby including: the *HOME: Housing and Homelessness Strategy* (2021), *Burnaby Housing Needs Report* (2021), *Mayor's Task Force on Community Housing Final Report* (2019), *Corporate Strategic Plan* (2022), *Burnaby Social Sustainability Strategy* (2011), *Burnaby Economic Development Strategy* (2007), and *Official Community Plan* (1997). The City's *Rental Use Zoning Policy* encourages non-profit operation of inclusionary non-market units.

3.0 DISCUSSION

Tikva was selected as a successful proponent for BC Housing CHF funding for its proposal to purchase and operate 20 non-market rental housing units in Polygon's development at 6438 Byrnegpark Drive. The CHF program specifically targets housing for families, seniors and persons with disabilities, and has prescribed rental rates and income eligibility criteria for all funded housing. The program requires three levels of affordability in each funded project: deep subsidy, rent geared to income and affordable market rental.

The Housing Agreement terms for this project align with the terms for RUZP projects adopted by Council in 2022, except for affordability and income eligibility requirements. At its meeting on 2022 December 12, Council authorized staff to use an average of overall Inclusionary Unit rents for this and other RUZP projects that will be operated by non-profit societies using operating subsidies from BC Housing, as long as the average rent meets or exceeds the City's required affordability level under the Rental Use Zoning Policy.

Additionally, the RUZP requires that all inclusionary unit tenants have incomes at or below BC Housing's Housing Income Limits (HILs). The CHF funding program allows for households with incomes above HILs to tenant the affordable market units. As such, Council authorized staff to allow tenant households of the affordable market units to have incomes not greater than BC Housing's low and moderate income limits.

In summary, the Housing Agreement for this development will align with the Council adopted terms for RUZP projects, except that an averaging of rents will be used to meet the affordability requirement,

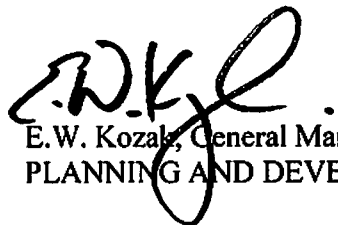
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and tenant households with incomes above HILs and not higher than BC Housing's low and moderate income limits will be permitted to tenant the inclusionary units that will be rented at affordable market rates in this development.

4.0 CONCLUSION

The City's Rental Use Zoning Policy was adopted to increase the supply of rental housing at a specific affordability rate in Burnaby. The policy encourages non-profit operation of the non-market units created through the implementation of this policy and the use of operating funding from other levels of government to achieve greater affordability. Tikva Housing Society was selected to receive BC Housing CHF funding for the operation of 20 inclusionary units developed by Polygon and have proposed a mix of rents that meet the City's affordability requirements through an averaging approach by capping the Affordable Market rents at rates lower than that permitted by the CHF funding program. Staff recommend that Council direct the City Solicitor to bring forward a bylaw to authorize the City to enter into the proposed Housing Agreement and prepare the accompanying Section 219 covenant. Staff also recommend that Council consider granting First, Second, and Third Readings of this bylaw at one meeting and Final Adoption of the bylaw at a subsequent meeting. The purpose of the Housing Agreement and Section 219 Covenant is to secure Tikva and Polygon's obligation to provide and maintain non-market housing at 6438 Byrnegpark Drive in accordance with the requirements of Rezoning Reference #18-09.



E.W. Kozak, General Manager
PLANNING AND DEVELOPMENT

CS:sa

Copied to: Deputy Chief Administrative Officer and Chief Financial Officer
General Manager Community Safety
General Manager Engineering
Sr. Manager Legislative Services
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