

Meeting 2023 January 23 COUNCIL REPORT

то:	CHIEF ADMINISTRATIVE OFFICER	DATE:	2023 January 6
FROM:	GENERAL MANAGER PLANNING AND DEVELOPMENT	FILE: Reference:	49500 20 <i>RZ</i> #18-09
SUBJECT:	TIKVA HOUSING SOCIETY / POLYGON HOMES HOUSING AGREEMENT BYLAW 6438 BYRNEPARK DRIVE REZONING REFERENCE #18-09		
PURPOSE:	To seek Council authorization to permit Tikva I units of non-market housing being achieved at 6 Rental Use Zoning Policy using income eli	438 Byrner	bark Drive through the

Housing's Community Housing Fund program.

RECOMMENDATION:

THAT Council direct the City Solicitor to bring forward a bylaw to authorize entering 1. into a Housing Agreement in respect to the 20 non-market housing units developed under the Rental Use Zoning Policy at 6438 Byrnepark Drive, substantially on the terms outlined in this report.

REPORT

1.0 **INTRODUCTION**

On 2020 July 27, Council adopted Rezoning #18-09, authorizing Polygon Homes (Polygon) to develop the property at 6438 Byrnepark Drive with a five storey apartment building of 53 apartment units along with 43 townhouses. Subject to the initial 2019 Rental Use Zoning Policy, 20 units on the site are required to be inclusionary non-market rental units rented at Burnaby Affordable rates (i.e. 20% below CMHC Average Rents) and these units will be accommodated within the apartment building on the site. Tikva Housing Society (Tikva) successfully applied for BC Housing funds through the Community Housing Fund (CHF) program and approached Polygon to purchase and operate the nonmarket units.

On 2022 May 9, Council adopted housing agreement business terms for all projects developed under the Rental Use Zoning Policy (RUZP). The adopted business terms have formed the basis of a forthcoming housing agreement template for all RUZP projects to facilitate expediency. The project at 6438 Byrnepark Drive is the first RUZP project that staff have been advised of potential non-profit society purchase and operation of the non-market units within the development and the use of BC Housing funding.

To:	Chief Administrative Officer
From:	General Manager Planning and Development
Re:	Tikva Housing Society / Polygon Homes
	Housing Agreement Bylaw
	6438 Byrnepark 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 Byrnepark 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 Byrnepark Drive in accordance with the requirements of Rezoning Reference #18-09.

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CS:sa

Copied to: Deputy Chief Administrative Officer and Chief Financial Officer General Manager Community Safety General Manager Engineering Sr. Manager Legislative Services General Manager Corporate Services General Manager Parks, Recreation and Cultural Services City Solicitor Sr. Manager Legislative Services

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