

THE CORPORATION OF THE DISTRICT OF BURNABY

HOUSING AND CIVIC DEVELOPMENT COMMITTEE

HIS WORSHIP, THE MAYOR
AND ALDERMEN

MUNICIPAL LAND FOR INNOVATIVE HOUSING

RECOMMENDATIONS:

1. That Council authorize the Planning & Building Inspection Department, in collaboration with the Finance Department and the Municipal Solicitor, to prepare a policy framework for the development of innovative housing using municipal land, and that the Planning & Building Inspection Department report back in two months time.
2. THAT those indicating interest in the development of innovative housing on Municipal land be so advised.

R E P O R T

"1.0 BACKGROUND

The Municipality has, in the last two years, leased municipally owned land to Non-Profit Societies and Co-operatives who wish to build non-market housing under programs funded by senior governments. Lately, the Planning & Building Inspection Department has been receiving inquiries from agencies who wish to utilize municipal land, on a leased basis, to develop more innovative forms of housing. The purpose of this report is to suggest a plan of action for further work towards developing a policy for the development of innovative housing on municipal lands.

2.0 THE DEVELOPMENT OF NON-MARKET HOUSING ON MUNICIPAL LAND

Council has authorized two procedures for the selection of groups to develop non-market housing on municipal land. In the case of co-operative housing, the resource groups themselves have created a queue system to choose the particular resource group to develop a housing cooperative on a municipal site designated for that type of housing. In the case of housing developed under the Non-Profit Rental Housing Program administered by BCHMC, the Municipality asks for expressions of interest from sponsoring agencies and their development teams and then evaluates the responses and chooses the team deemed most able to develop and manage housing in a manner acceptable to the Municipality and the neighbourhood.

It should be noted that it is necessary to have processes to select sponsoring agencies for these forms of housing since the number of groups interested in developing non-market housing far exceeds the number of municipal sites that are potentially available.

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- DIRECTOR PLANNING & BUILDING INSPECTION

3.0 THE DEVELOPMENT OF INNOVATIVE HOUSING ON MUNICIPAL LAND

The Planning & Building Inspection Department has recently received many inquiries about the development of innovative housing schemes on municipal land. For the purpose of this report, innovative housing is defined as housing that does not depend on senior government funding for construction, and is meeting a need not being addressed by the private housing market, and which may combine financial mechanisms, management strategies and tenure forms in a novel way. Innovative housing does not mean housing that requires a departure from adopted land use policy (e.g. a significant increase in density) to make it financially viable.

Most of these schemes would result in the development of non-market forms of housing such as limited equity co-operatives, housing co-operatives using the Index-Linked Mortgage without a supply subsidy, and life tenancy arrangements. Most of the proposals, under the category of 'innovative housing' would not require senior government assistance, and most would prefer a long term lease with a write down from fee simple value in order to reduce the land cost portion of the development costs. In this way, the final cost of the housing may be reduced as compared to a traditional housing development based on fee simple ownership.

Many of the proposals could potentially result in the addition of affordable housing that is meeting needs currently not being addressed by the senior governments' housing programs nor by the private market. In addition, with the continuing decline in units being produced through the senior governments' programs, innovative housing schemes represent another viable alternative to introduce more affordable forms of housing within the municipality and encourage productive partnerships between various levels of government and the private non-profit sectors.

However, as with sponsors desiring to develop non-profit rental housing on municipal land, there are not enough municipal sites appropriate for housing available to meet the demand by groups wishing to develop innovative housing. Therefore, in order to be fair to all groups, if Council should decide that it is desirable to use municipal land for the development of innovative housing, there is need for a creation of method to select innovative housing projects for development on municipal land.

4.0 POLICY DEVELOPMENT

A number of issues, outlined below, will have to be addressed in the development of a policy regarding the development of innovative housing on municipal land. Addressing these issues will involve the collaboration of the Planning & Building Inspection Department, Finance Department and Municipal Solicitor's Department.

- i. Identification of municipally owned site(s) for the development of innovative housing.

The sites would, of course, be appropriate for their intended use from a community planning/zoning perspective. It is recognized that since there are very few municipally owned sites available for multi-family development, assurance would have to be made that sufficient sites are set aside for other affordable housing priorities, i.e. co-operatives and non-profit rental. It may be advisable, for instance, to start with one 'pilot' project to test the success of the innovative housing approach before more sites are made available for future development.

ii. Review of financial implications.

The fiscal impact and budgetary priority of making municipal land available for innovative housing will have to be made explicit. As noted above, many of the proponents desire a long term lease with a write down from freehold market value to lower the land cost portion of the development costs.

iii. Review of legal implications.

The Municipal Solicitor will be asked to comment on the Municipal Act implications of making municipal land available for innovative housing.

iv. Development of a method to select innovative housing projects to be developed on municipal land.

Unlike the process used to select a sponsor for non-profit rental housing where the product is essentially the same, with the emphasis on the suitability of the sponsor, the product will differ considerably between proponents in the case of innovative housing.

The development of criteria for selection of a project will be more difficult than that for non-profit rental housing, with the focus on the project itself as well as the sponsor, and will have to reflect that different innovations will benefit different groups. Indeed, the criteria used to judge proposals may differ for each site reflecting the locational attributes and planning priorities for different sites. As well, the criteria will no doubt differ at each point in time reflecting current needs.

5.0 CONCLUSION

It is recommended that Council authorize staff to develop a policy to deal with innovative housing proposals on municipal land. Given the current interest in developing innovative housing, if Council should adopt the recommendation, staff will report back to the Housing & Civic Development Committee in two months time with a recommended policy framework for the development of innovative housing on municipal land. In addition, staff will inform those interested in developing innovative housing of the time frame for this policy work."

Respectfully submitted,

Alderman L.A. Rankin
Chairman

Alderman D.R. Corrigan
Member

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