

REPORT  
1993 May 10

CITY OF BURNABY  
HOUSING COMMITTEE

HIS WORSHIP, THE MAYOR  
AND COUNCILLORS

Re: Non-Market Housing Component for Oakalla Lands

RECOMMENDATIONS:

1. THAT Council approve the development of and a funding proposal for non-market housing at Oakalla as outlined in Section 3.0 of this report.
2. THAT a copy of this report along with a covering letter from the City Clerk be submitted to British Columbia Housing Management Commission on 1993 May 11 as an indication of Council's support for the funding application to the Federal-Provincial Non-Profit Housing Program.

R E P O R T

The Housing Committee, at its meeting held on 1993 May 03, adopted the attached staff report requesting approval of a funding proposal to the Federal-Provincial Non-Profit Housing Program for non-profit housing units to be developed at Oakalla.

Respectfully submitted,

Councillor L. Rankin  
Chairman

Councillor C. Redman  
Member

Councillor J. Young  
Member

: COPY - CITY MANAGER - DIR. ADMIN. & COMM. SERV. - DIRECTOR PLANNING & BUILDING - DIR. REC. & CULT. SERV.
---

TO: HOUSING COMMITTEE 1993 APRIL 29  
FROM: ACTING DIRECTOR PLANNING & BUILDING OUR FILE: 12.301.1  
SUBJECT: NON-MARKET HOUSING COMPONENT FOR OAKALLA LANDS  
PURPOSE: To obtain approval for the development of and a funding proposal to the Federal-Provincial Non-Profit Housing Program for non-profit housing units to be developed at Oakalla.

---

**RECOMMENDATION:**

1. **THAT** the Housing Committee recommend that Council approve the development of and a funding proposal for non-market housing at Oakalla as outlined in Section 3.0 of this report.
2. **THAT** a copy of this report along with a covering letter from the City Clerk be submitted to British Columbia Housing Management Commission on 1993 May 11 as an indication of Council's support for the funding application to the Federal-Provincial Non-Profit Housing Program.

**REPORT**

**1.0 BACKGROUND**

At its meeting of 1992 October 27, the Housing Committee considered a report from the Acting Director Planning & Building on the non-market housing component at Oakalla Lands. The report noted Council's requirement for British Columbia Buildings Corporation (BCBC) to ensure that 20% (108) of the total 539 residential units to be developed on the lands be non-market. The report was written in response to a letter from the Minister of Government Services outlining BCBC's position on development of the non-market component.

The report identified the non-market parcels as 1, 2a and 2b (see Appendix 1, attached) and agreed with BCBC's proposal to offer each non-market parcel through a proposal call process open to non-profit groups, private developers and any others interested. The report also lent support to BCBC's proposal to release the non-market parcels on a phased basis over the next three years. Finally, the report provided some guidelines regarding a definition of non-market housing and noted that clarification was required on that definition and on appropriate target groups for the non-market housing. The report concluded by noting that staff would report the details of BCBC's approach to the development of the non-market component at Oakalla as they became known.

At its meeting of 1992 November 24, the Committee considered a second report on the non-market component at Oakalla. This report was subsequently considered and adopted by Council at its meeting of 1992 November 30. The report recommended Council support for the development of core-need non-profit housing for seniors on Site 2b at Oakalla. It also noted that staff would keep the Committee and Council apprised of proposals for the remaining non-market sites as they became known.

This report provides the Committee with an update on BCBC's proposal for developing the non-market component and with details regarding the first phase, which will be the subject of a funding proposal to the Federal-Provincial Non-Profit Housing Program on 1993 May 11.

## **2.0 CONTEXT FOR PROPOSAL FOR FIRST PHASE**

### **a. Definition of "Non-Market" Housing**

Non-market housing is housing whose price is not totally influenced by market mechanisms because the housing is outside of the market. Non-market housing is housing which the market is unable or unwilling to provide for those who cannot access housing through normal market mechanisms. Non-market housing is affordable at the outset, often due to innovations in form, tenure or use of mortgage instruments, and remains affordable in the long-term.

### **b. Non-Profit Housing Program Proposal Call**

The deadline for project funding applications under the Federal-Provincial Non-Profit Housing Program, which is administered in British Columbia by British Columbia Housing Management Commission (BCHMC), is 1993 May 11. Unit allocations will be made in 1993 June.

The number of units to be allocated in British Columbia in 1993 under the Program is 404, with 78% (317) of those units targeted to low-income families and 22% (87) targeted to low-income seniors. For the Lower Mainland, the unit total is 215, with 79% (169) of the units targeted to families and 21% (46) targeted to seniors.

In 1992 November, the Provincial Assistant Deputy Minister of Housing informed the Housing Committee that given the Province's low priority on seniors core-need housing, a funding application under the Non-Profit Program for a core-need seniors project on the Oakalla Lands would not be considered favourably by BCHMC. In light of this information, a letter was forwarded to the Province seeking an innovative approach to meeting the need for seniors housing. At the same time, staff were directed by the Committee to continue to seek ways to provide affordable housing for seniors on the Oakalla site.

It is staff's understanding that the Federal Budget brought down on 1993 April 26 terminated federal financial participation in the Non-Profit Program effective in 1994. This would mean that unless the Provincial government finances a unilateral Provincial Non-Profit Housing Program in 1994, 1993 is the last year it will be possible to build subsidized core-need housing units in British Columbia.

**c. Report of Provincial Commission on Housing Options**

The report of the Provincial government's Commission on Housing Options was released in early 1993. Two of the Commission's recommendations were:

- 1) the Provincial government should allocate \$20 million over three years to implement a Housing Demonstration Initiative to be administered by BCHMC, giving preference to proposals which demonstrate new partnership arrangements among the public, non-profit and private sectors.
- 2) an Equity Co-operative Housing Program should be introduced for low and moderate income families who want to purchase their first home.

At this time, there appears to be considerable interest in these recommendations on the part of the Province.

**d. Disposition and Phasing of Non-Market Parcels**

The non-market parcels in the Oakalla lands will be leased by BCBC to the successful non-profit society. The length and terms of the lease will be considered by the BCBC Board at its meeting on 1993 April 29, and the details will be provided in a Supplementary Report to the Committee (APPENDIX 3, attached).

For the purposes of the mixed-income co-operative proposal outlined in this report, Parcels 2a and 2b have been combined. Together, they will be developed as Phase 1 of the non-market site. The current proposal provides for 75% of the 88 non-market units outlined for parcels 2a and 2b in the adopted Community Plan. It appears BCBC may be interested in providing, at a future time, more than the balance of 13 units required for Parcels 2a and 2b as part of their total non-market package for those parcels. Staff will continue to work with BCBC on a proposal to be submitted to the Housing Committee for its consideration.

Recently, BCBC sponsored a proposal call process for Parcels 2a and 2b and selected a non-profit resource group to co-ordinate development of the Phase 1 non-market units. Planning staff assisted BCBC in this endeavour. The successful proponent was Access Building Association. Access will work closely with BCBC's Project Manager, Griggs & Associates, and with City staff to bring Phase 1 on stream.

**3.0 PHASE 1 NON-MARKET PROPOSAL**

BCBC is proposing the development of a 75 unit mixed-income non-profit housing co-operative as Phase 1 of Oakalla's non-market component. Under this plan, the co-operative will be the non-profit society to whom the land is leased.

The project will consist of a mix of townhouses and apartments. The proposed unit size breakdown is 15 one bedroom, 36 two bedroom, 18 three bedroom and 6 four bedroom units. Five units will be designed as accessible for persons with physical disabilities.

The co-operative will include 45 units targeted to core-needy low-income households who will receive Rent Supplements to bring their rent levels down to 30% of income. It will also include 30 units targeted to moderate income households able to pay an affordable market rent.

The 45 core-need units will be subsidized through the Federal-Provincial Non-Profit Program, with 30 of the units designated for families and 15 for senior citizens. The unit mix for the core need component includes 15 one bedroom, 18 two bedroom, 9 three bedroom and 3 four bedroom units. In compliance with Federal-Provincial Core Need Income Thresholds for the Vancouver Census Metropolitan Area, the units will be targeted to families and senior citizens with annual incomes in the \$25,500 to \$42,000 range.

The remaining 30 co-operative rental units are designated for family households. Given the demise of the Federal Co-operative Housing Program in 1992, funding to render the rent levels affordable must be drawn from non-traditional sources. In this case, the non-traditional source is BCBC, which is proposing to provide a financial subsidy to bridge the gap between the economic rent for those 30 units (the level at which they would need to be rented out for the developer to break even) and the market rent (the level at which they can realistically be marketed and still be "affordable"). BCBC is proposing to offer the subsidy for seven years, by which time it is assumed that the gap will have been eliminated. With the bridge subsidy from BCBC, it is anticipated that the monthly rent levels for the units will be as follows:

2 bedroom units	904 sq.ft.	\$900
3 bedroom units	1140 sq.ft.	\$1,150
4 bedroom units	1334 sq.ft.	\$1,335

This will make the units affordable to families with annual incomes in the \$36,000 to \$53,400 range. (See Appendix 2, attached, for project summary.)

The subsidy from BCBC is contingent on approval from the BCBC Board, which is meeting to consider the matter on 1993 April 29. Approval of the subsidy will be confirmed in a Supplementary Report to the Committee.

The proposal outlined above relates to Phase 1 which will incorporate 75 of the required 108 non-market units. Details pertaining to subsequent phases (and the remaining 33 non-market units) are being worked out. Whether or not the present funding application is successful, and in light of the federal government's apparent intention to eliminate financial assistance for social housing in 1994, innovative approaches for producing affordable non-market housing, such as equity co-operatives, land trusts and index-linked leases, will need to be examined for the remaining non-market units on the site.

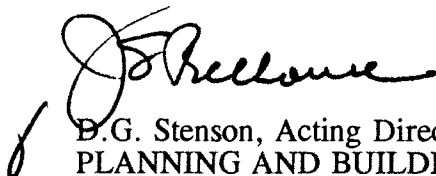
#### 4.0 CONCLUSION

In staff's view, the proposal for a 75 unit mixed-income non-profit housing co-operative as Phase 1 of the Oakalla non-market component meets Council's affordable housing requirement. Council's desire to house seniors on the Oakalla site has been partially satisfied by 15 Phase 1 units (20% of Phase 1 units). Future phases do afford further opportunities for providing additional non-market options for seniors. Staff propose to continue working with BCBC to investigate such options and to keep the Committee and Council apprised of progress.

Staff recommend that the Housing Committee and Council approve the proposed development of a mixed-income non-profit housing co-operative as outlined in Section 3.0 of this report for Phase 1 of the Oakalla non-market site.

In light of BCHMC's desire to receive with each funding application an indication that the proposal meets the City's Community Plan requirements and housing objectives, staff also recommend that a copy of the approved report be submitted to BCHMC.

As the Committee and Council are aware, the development of market sites at Oakalla has been tied to provision of the required non-market units. If the application for this 75 unit non-market project, which represents 70% of the required non-market units, is successful, it would seem to equate to allowing BCBC to market up to 70% of Oakalla's market sites. This would mean that the three rezoning applications for market housing currently being processed by the Planning Department would be advanced. The requirement for the remaining 30% of non-market units would need to be satisfied prior to the City's entertaining rezoning applications for the balance of market sites.

  
D.G. Stenson, Acting Director  
PLANNING AND BUILDING

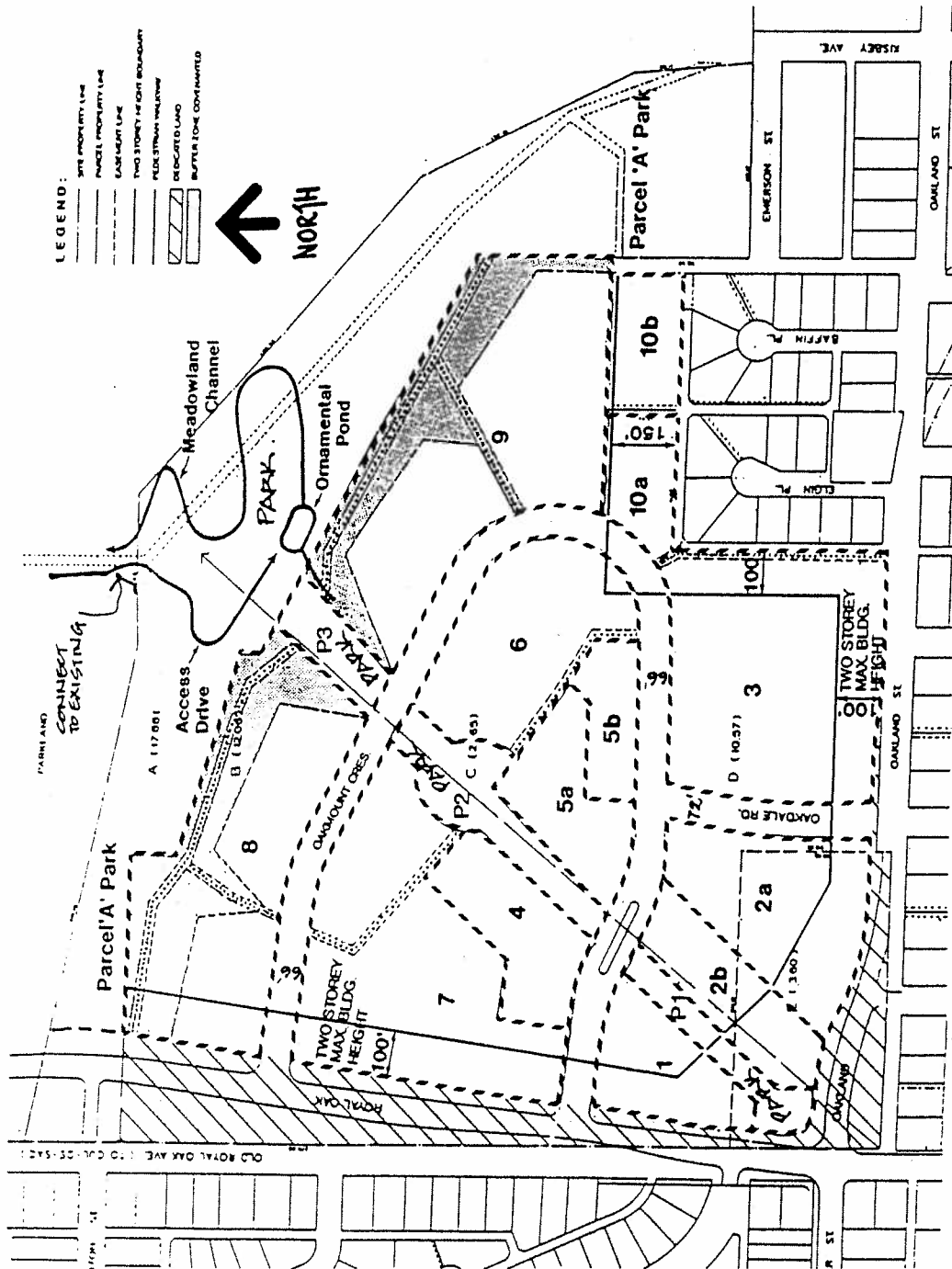
JS/db

Attachment

cc: City Manager  
Director Recreation & Cultural Services  
Director Administrative & Community Services

# OAKALLA DEVELOPMENT PLAN

## Site Designations Sketch 1



# OAKALLA

## Mixed-Income Non-Profit Co-op

Housing Type	# of Units	Approximate Unit Size	Approximate Monthly Rent	Estimated Maximum Annual Income
<b>Family a: Core Need</b>				
2 Bedroom	16	904 sq.ft.	30% of income	\$33,000
2 Bedroom (handicapped)	2	969 sq.ft.	30% of income	\$33,000
3 bedroom	9	1,140 sq.ft.	30% of income	\$39,000
4 bedroom	3	1,334 sq.ft.	30% of income	\$42,000
Subtotal	30			
<b>Family *b: Rental</b>				
2 Bedroom	18	904 sq.ft.	\$900	\$36,000
3 bedroom	9	1,140 sq.ft.	\$1,150	\$46,000
4 bedroom	3	1,334 sq.ft.	\$1,335	\$53,400
Subtotal	30			
<b>Seniors Core Need</b>				
1 Bedroom	12	538 sq.ft.	30% of income	\$25,500
1 bedroom (handicapped)	3	603 sq.ft.	30% of income	\$25,500
Subtotal	15			
Total	75			

\* Subject to BCBC Board approval.



NOTE: The Housing Committee, at its meeting held on 1993 May 03, received this report for information.

**TO: HOUSING COMMITTEE** **1993 APRIL 29**  
**FROM: ACTING DIRECTOR** **OUR FILE: 12.301.1**  
**PLANNING AND BUILDING**  
**SUBJECT: NON-MARKET HOUSING COMPONENT FOR OAKALLA LANDS**  
**PURPOSE:** To provide the Committee with additional information to that contained in the report of 1993 April 29 regarding Phase 1 of the non-market housing component of the Oakalla lands.

---

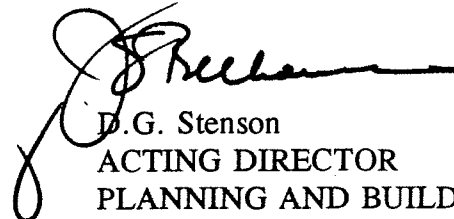
**RECOMMENDATION:**

1. THAT the Committee receive this report for information.

**REPORT**

In a 1993 April 29 report to the Committee, staff outlined British Columbia Buildings Corporation's (BCBC) proposal for the development of a 75 unit mixed-income non-profit housing co-operative as Phase 1 of non-market housing on the Oakalla lands. The viability of the co-operative was contingent on funding being found to render the 30 non-core-need units affordable to moderate income families. The report noted that the BCBC Board was meeting on 1993 April 29 to consider the provision of that funding and the terms of the land lease to the co-operative, and that the outcome of that meeting would be provided to the Committee in a Supplementary Report.

Staff have been informed that the BCBC Board has agreed to dispose of the 3 1/2 acre site for the 75 unit mixed-income co-operative, which includes 45 core need units and 30 co-operative rental units. The Board committed to finding a way to make the latter 30 units financially viable. The land will be provided to the co-operative on the basis of a 60 year, prepaid lease.

  
D.G. Stenson  
ACTING DIRECTOR  
PLANNING AND BUILDING

JS/jp  
cc: City Manager  
Director Administrative and Community Services  
Director Recreation and Cultural Services

