

TO: MEMBERS OF COUNCIL 1994 JANUARY 06

FROM: CHAIRMAN AND MEMBERS OUR FILE: 12.301
HOUSING COMMITTEE

SUBJECT: **NOTICE OF MOTION REGARDING
AFFORDABLE HOUSING IN THE CITY OF BURNABY**

PURPOSE: To respond to issues and directions in relation to the Notice of Motion on Affordable Housing presented by the Chairman of the Housing Committee and adopted at the Council Meeting of 1993 January 18.

RECOMMENDATION:

1. **THAT** Council adopt the program outlined in Section 5 of this report as a statement of priority actions to be taken by Planning and Building Department staff to promote the development of affordable housing in Burnaby.

R E P O R T

1.0 BACKGROUND

At its meeting of 1993 January 18, Council adopted a resolution regarding affordable housing in Burnaby that was introduced by the Chairman of the Housing Committee: The motion adopted by Council is contained in *Appendix 1*.

The purpose of this report is to respond to the resolution and to recommend some specific strategies for pursuing the development of affordable housing. Each component of the resolution will be discussed in turn and is highlighted in italics at the beginning of each section beginning at 3.1.

2.0 THE CONTEXT

Historically, the delivery of housing that is affordable to low income families, seniors and singles has been primarily associated as the responsibility of the senior levels of government. However, the federal government has disengaged as much as possible from the development and delivery of housing programs, preferring to focus on its roles in the mortgage market and in housing research.

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This disengagement is demonstrated by the wind up of the Federal Co-operative Housing Program and the Federal withdrawal of funding from the Non-Profit Rental Housing Program administered by British Columbia Housing Management Commission. This, in turn, has resulted in a significant decrease in the number of units committed under this program that serve the "core needy". It has been estimated that in B.C., over a 5 year period, almost 3400 non-profit rental units will not be built because of a reduction in federal spending on housing programs. Due to budgetary pressures of its own, the Province has chosen to maintain its spending on the Non-Profit Housing Program at 1991 levels.

There are some indications that the new Federal Government may be willing to take on an increased role in housing, but the nature of this role is unknown at this time.

2.1 The Role of Local Government

To help identify new directions in affordability and define priorities, the Province established the Provincial Commission on Housing Options. The Commission, undertook an intensive consultation process that included a public meeting held in Burnaby and a meeting with Council hosted by the Housing Committee. The Commission's report was submitted to the Minister of Municipal Affairs, Recreation and Culture in December of 1992. Many of the recommendations of the Commission are referred to in this report as they dealt with, among things, the role of local government in the development of affordable housing.

The conventional role played by local government in the development of housing is significant. Local government is responsible for planning where growth will occur, providing sufficient development capacity for growth, regulating growth through bylaws and regulations and providing property services such as roads, sewer and water to accommodate growth. These policies and tools can become either incentives or disincentives to the development of affordable housing.

In recent years, some local governments, including Burnaby, have extended their interest in housing issues through the development of housing policies and initiatives including the better use of publicly owned land, co-operation with senior levels of government, and consideration of the provision of affordable housing in community planning exercises. The Province's Commission on Housing Options report notes, however, that while local governments are willing to address housing issues, there is a widely shared view that housing is primarily a senior government responsibility and that support must be provided by them. In its report to the Commission on Housing Options, Burnaby reiterated its concern that a downloading of responsibility for affordable housing from senior governments to local governments is occurring without the passing along of the control of programs and funding that goes with that responsibility.

2.2 Bill 57 Amendments to the Municipal Act

On July 29, 1993, Bill 57 which amended the Municipal Act came into force. The impetus for this legislation came from the report of the Commission on Housing Options. The purpose of this legislation is to give local government new powers to increase the supply of affordable housing. Bill 57 has two parts.

First, it makes changes to the community planning powers of local government by allowing extra density to developers for meeting specified conditions, in particular the development of affordable housing. The legislation also gave authority to local governments to enter into Housing Agreements that can be enforced to ensure that affordable housing commitments are carried out.

Second, the legislation provides for cabinet to "empower local governments by regulation," which means that local government can get optional powers by way of Cabinet regulation. This could be used to establish housing reserve funds for housing purposes, borrowing for housing purposes following a referendum or to create a standards of maintenance bylaw for rental housing.

This authority to grant powers by regulation is not unlimited and cannot authorize new taxes, override an outright prohibition in the Municipal Act or retroactively validate something the local government is already doing.

Planning & Building Department staff are reviewing the implications of the new amendments to the Municipal Act to determine how they can be used to address the affordable housing issue.

3.0 MECHANISMS TO PROMOTE DEVELOPMENT OF AFFORDABLE HOUSING

3.1 *"Assessment of alternative implementation approaches for a City Housing Program to facilitate the development of Affordable Housing to be managed and operated by the City or designated operators under established or adopted guidelines."*

In Burnaby, housing issues and initiatives are addressed primarily through the Planning and Building Department. The City Solicitor provides advice and assistance on legal and lands issues. The Finance Department assists with rental property management and provision of budgetary information.

The City of Burnaby is involved in facilitating the development of affordable housing through a variety of means including:

- policy initiatives (e.g. the 20% affordable housing unit requirement)
- working with non-profit agencies to find sites and develop non-market housing
- providing a resource to community-minded institutions who are looking for guidance in developing affordable housing
- working closely with senior levels of government to implement their policies
- ensuring that community plans are sensitive to affordable housing needs
- offering city-owned land on a leasehold basis to non-profit groups for development of non-market housing under senior government programs.

The City has not been involved in the direct building and managing of affordable housing. In terms of management, there are numerous agencies and non-profit housing societies proficient at managing housing. These agencies are usually involved in advertising, tenant selection based on a needs analysis, tenant skills development and education, rent calculation and collection, grievance procedures, maintenance and organization of social activities. Many of these tasks go beyond the normal property management services associated with rental buildings and involve a significant number of specialized staff to undertake the functions.

It is recognized that constructing affordable housing is extremely expensive. Even with using leased land, housing for core-needy clients requires a significant subsidy to bridge the gap between economic rent or what it cost to build the unit, and actual rent, or what one can actually pay. Both the Greater Vancouver Housing Corporation and the Capital Region Housing Corporation, which hold large portfolios of affordable housing, utilize the funding programs of senior governments to develop housing. Therefore, without either significant redistribution of the City's budgetary priorities, or the development of a very large housing reserve fund, it is considered untenable for the City to directly develop affordable housing on its own as an initial priority in the City's efforts to facilitate the development of more affordable housing.

Unless there are major policy and program changes from other levels of government, it appears that Burnaby can have a bigger impact on the development of affordable housing by facilitating others through land use policies and the innovative development of city-owned land. Ways by which this role can be expanded are described later in this report.

3.2 *"Pursuing joint ventures with other levels of government, non-profit corporations, private corporations, or institutions so that land and capital resources can be combined with expertise and innovation to create Affordable Housing."*

In the recent past, Burnaby has worked closely with other levels of governments to help deliver new non-market housing through the leasing of city-owned land. Currently, staff are working with the non-profit sector and a private institution in pursuing the development of family non-profit housing on top of a city owned parking facility. We are also providing technical assistance to a religious institution who are interested in developing underutilized land for a seniors' Abbeyfield house in North Burnaby that is currently the subject of a rezoning application.

Staff will continue to pursue any opportunities where joint action between public and private sector organizations may prove fruitful in producing affordable housing.

3.3 *"Using innovative programs, leasing mechanisms and zoning regulations to promote the development of Affordable Housing."*

Many of the tools contained in the Bill 57 amendments to the Municipal Act and that are referred to in the Province's Report of the Provincial Commission on Housing Options should prove to be useful in encouraging the development of affordable housing. The Commission realized that many local governments are willing to accept an increasing role in encouraging the development of affordable housing as part of the planning, regulation and property service function, but require additional tools to do the job effectively.

Some of these tools include authority to implement bonus zoning provisions, inclusionary housing policies (ie., 20% requirement for affordable housing) transfer of density and potentially clearer authority to permit leasing of land for development of affordable housing.

Further, as part of the review of the Residential Growth Management Strategy currently under way, the development of affordable housing has been identified as an issue by many participants. Some participants have commented that the City should consider innovative forms of infill housing in appropriate single family neighbourhoods such as suites, accessory units, small lot infill, two-family dwellings and quadraplexes. A qualification was that the affected residents needed to be involved in a locally based planning process. Similarly, some residents felt that it was timely to consider allowing housing as part of the development of some of the smaller community commercial areas as a way to increase the diversity of the housing stock. Some of these innovations will be incorporated within the Norfolk area review presently underway.

Members of the development community requested that staff review issues such as reducing minimum suite sizes for condominium development as a method to assist in the creation of more affordable housing. Others in the community have suggested 'rental only' zoning as a possible desirable initiative. As the review of the Residential Growth Management Strategy continues, these issues will be pursued and if found appropriate, incorporated into the draft strategy that will receive scrutiny by the Housing Committee, Council, residents and all others interested in the development of affordable housing.

4.0 THE POTENTIAL SOURCE OF FUNDS TO FACILITATE THE DEVELOPMENT OF AFFORDABLE HOUSING IN BURNABY

4.1 *"Development levies relating to the creation of higher density land uses, particularly when lower cost rental housing is being replaced."*

i) Development Levies

Under the Municipal Act, local governments can levy Development Cost Charges (DCC's) on new development to help offset the costs of "hard" infrastructure such as roads, water and sanitary sewer and park land acquisition. There is no authority to levy DCC's for 'soft' services such as human services or housing. Burnaby sponsored in 1991 a resolution to the UBCM convention requesting that local governments be given the authority to levy DCC's for such services. To date, the Province has not enacted such legislation. The reason that DCC's are often opposed is that the extra levy on housing units is passed on as a cost to the final consumer and thus, the levy can decrease affordability. On the other hand, a development levy approach provides greater equity between developers of large sites who may be subjected to the 20% affordable housing requirement and developers of small sites who are not required to consider the inclusion of affordable housing.

The new amendments to the Municipal Act clearly give local governments the ability, through the bonus zoning provisions, to provide extra density to developers in exchange for meeting specified conditions such as the provision of affordable housing or amenities. The provision is apparently not broad enough to allow the taking of money in lieu of providing affordable housing or amenities.

Through an amendment to its Charter, the City of Vancouver gained the ability to assess a development cost levy of six dollars per square foot of new development in the Downtown South area (residential and commercial) to help fund replacement housing. This initiative is seen to address the needs of a specific neighbourhood where significant stocks of existing affordable housing is at risk. It is recommended that staff further pursue legislation changes to allow a similar initiative. This could be used in relation to the development of a comprehensive community plan amendment in an area that could be disruptive to the existing affordable housing stock.

ii) Demolition Fees

The City of Vancouver under the authority of its City Charter charges a demolition fee of \$500 per unit for single family dwellings and \$5,000 per unit for multiple family units to help fund the Housing Centre and Tenant Assistance Program that provides assistance for dislocated tenants.

Municipalities have the authority under the Building provisions of the Municipal Act to levy fees for construction permits, including demolition permits. However, those provisions refer to the fees being collected on a cost recovery basis. They would therefore not allow a scheme similar to that of the City of Vancouver.

The regulation of the demolition of affordable housing including the imposition of demolition fees by local governments is a topic that would be appropriate to approach cabinet for authority under the provisions of Bill 57. It is recommended that the issue of the regulation of demolition be examined further in the context of the preservation of the existing affordable housing stock. Subsequent to this review, if deemed desirable by Council, Provincial Cabinet could be approached to grant special powers to Burnaby to regulate demolitions, similar to those held by the City of Vancouver.

iii) Other Development Charges

The City of Richmond accepts 'gifts' from developers of conventional housing who do not wish to include affordable housing in their developments. Collected at time of rezoning, the funds have been pooled to purchase a site that was leased to Greater Vancouver Housing Corporation and was developed under the Non-Profit Rental Housing Program.

4.2 "Contributions of senior levels of government arising from redevelopment of land held by them or by their Crown Corporations."

Burnaby has required senior levels of government to participate in the 20% affordable unit inclusionary policy that was first established by Burnaby on City-owned Cariboo lands. This policy will result in the creation of more balanced new neighbourhoods at George Derby, the Oaklands and the old Burnaby South site. It will also help with the creation of much needed, well located affordable housing. Burnaby's policy has been viewed as a model by other local governments and has resulted in the creation of innovative programs to meet the affordable housing requirements.

Where feasible and appropriate, staff feel it is desirable that the 20% requirement be met on site, otherwise affordable housing may be concentrated in a few neighbourhoods where land costs are lower. However, in cases where the development of affordable housing on site is not feasible or desirable, it would be useful to consider an 'in lieu' policy where fees can be collected as an alternative to providing land for affordable housing directly on site. Development of policy or specific implementation to be achieved should be through dialogue with the appropriate Ministries and Crown Corporations.

4.3 "Contributions from private citizens, non-profit organizations and other philanthropic organizations to a Housing Foundation."

The purpose of a Housing Foundation would be to act as a catalyst to develop affordable housing. As entities that issue tax receipts, a Foundation could receive land as donations in kind or in cash and provide mortgage lending assistance. A Foundation may accept, for example, funds raised by service clubs earmarked for housing purposes. A Foundation could work singly, or in partnership with others having similar objectives.

A charitable foundation has been established in Coquitlam to fund a new arts centre. Most of the contributions to the foundation have come from the developers and builders of the Westwood Plateau lands.

As well as setting up a Housing Foundation, local governments could tap into existing foundations that have an interest in housing to undertake a joint venture. The Real Estate Foundation, the Vancouver Foundation and the Law Foundation could possibly have an interest. The Vancity Community Foundation has a mandate to act as a catalyst for the growth and empowerment of disadvantaged groups and communities throughout the Lower Mainland. One of the key areas of focus for the foundation is affordable housing. The Foundation would therefore be a logical body to approach regarding a joint venture in Burnaby.

Staff will look further into opportunities that may be provided by a new Foundation or working with existing foundations as a vehicle to attract charitable contributions.

4.4 *"Creation of a Capital Reserve fund, using proceeds from the sale of specified City lands such as the sale of lands for other forms of residential development."*

It is evident that if fees, levies and other revenues are collected for the creation of affordable housing, there should be a fund established for the specific purpose of facilitating the development of affordable housing. This fund could be used to:

- buy land and/or existing developments for subsequent lease back to bona fide non-profit housing societies;
- buy lands set aside for the 20% affordable housing units where a landowner/developer is unwilling or unable to achieve funding for these units.
- contribute to joint ventures with other parties.
- provide funds for consultants or designers to develop innovative affordable housing initiatives.

One recommendation of the Province's Commission on Housing Options is to amend the Municipal Act to permit the establishment of special reserve funds for housing purposes. Such a fund could be used to collect revenue generated by demolition fees, 20% affordable housing 'in lieu' funds, development levies (if allowed), proceeds from leased land for affordable housing, and possibly an appropriate portion of proceeds from the sale of City land sold for residential development. The pooling of this type of revenue should help create a fund of sufficient size to undertake land acquisition or help fund special initiatives. Vancouver's Property Endowment Fund is an example of this type of fund. It is recommended that Council support the amendment to the Municipal Act recommended by the Commission that would explicitly permit the establishment of special reserve funds for housing purposes.

Currently, the establishment of a special reserve fund for the development of affordable housing is not explicitly set out in the Municipal Act. However, under the provisions of Bill 57, a local government can directly request authority to establish a housing reserve fund. It is recommended that staff from the Planning & Building Department and Finance Department examine the advisability of establishing a special reserve fund for housing purposes and report back to the Housing Committee and Council.

4.5 "Revenues from rental property held by the City"

Currently revenues from rental properties are put into General Revenue, with the costs of upgrading and maintaining the rental properties coming out of the Engineering Department's budget. Diverting these revenues for housing purposes would therefore require reassessment of the City's budget with respect to priorities.

4.6 "Other sources of revenue identified by staff"

Within this report, other sources of revenue such as demolition fees and a payment in lieu provision for sites subject to the 20% inclusionary affordable housing policy have been identified. Other cities, such as Seattle, have funded the development of affordable housing initiatives through special tax draws that are included in the City referenda process. This type of initiative is usually reserved for projects reflecting a high degree of public concern, such as housing for the homeless, and also reflect the greater authority that American cities have with regards to housing issues.

Planning & Building staff will, through liaison with other municipal and senior government officials, strive to remain aware of viable opportunities to raise revenue for the development of affordable housing.

4.7 "Changes in the City's land acquisition policies to facilitate the development of affordable housing."

Currently, land is acquired for specific needs such as future road improvements, future park and open space needs and land consolidations for civic facilities or large scale redevelopment. In the Cariboo area redevelopment, land acquisitions that the City acquired in the 1930's is being used for development of affordable housing in the 1990's.

It is realized that the purchase of privately owned lands for the development of housing would be very expensive and have significant budgetary implications for the City. For this reason, it is recommended that the City continue with the past strategy of identifying lands that are already owned by the City that are appropriate for the development of affordable housing and use policies that have been identified previously in this report for the development of other affordable housing opportunities.

4.8 *"Designation of City-owned sites for the development of Affordable Housing"*

In recent years, city owned sites have been designated and developed with affordable housing under senior government programs, using land leases to help reduce the cost of the land component. One site in the Cariboo area and one in the Montecito area have been designated for non-market housing, but have not yet been developed.

Designation of City sites has provided an important source for new non-market housing in Burnaby. In most cases, the projects would not have been feasible without the reduced land costs due to leasehold tenure. There are two constraints, however, to the designation of city owned lands for non-market housing. The first is from the diminishing supply of non-market housing funded through the senior government programs. The second is the limited supply of city owned land that is appropriate for affordable housing.

Arising from the Province's Commission on Housing Options, it has been suggested that a new housing program be established to take advantage of lands that are offered for lease by public agencies and by lands reserved through inclusionary zoning policies (20% units). This may provide a new opportunity to be involved in an innovative housing project. It would be appropriate for Burnaby to express its interest to the Minister of Municipal Affairs, Recreation and Housing to participate in such a program. Meanwhile, staff will continue to monitor city owned lands for opportunities to develop affordable housing as well as continue to liaison with senior levels of government to be aware of opportunities to take advantage of programs and demonstration projects.

4.9 *"Assembly of appropriate sites as part of the Community Planning Process"*

As recommendations evolve from the review of the Residential Growth Management Framework or new community plans are developed, staff will look for appropriate opportunities to designate sites for affordable housing. These sites may be city owned lands, or may be privately owned as part large redevelopments. The 20% affordable housing inclusionary zoning policy and the use of bonus zoning could provide tools to designate sites for affordable housing as part of the community planning process for larger areas.

Unless land is offered to the City at a significant discount, it will be difficult to move beyond site identification and actually assemble land for the development of affordable housing. A necessary component may be the development of a housing reserve fund that contains revenues earmarked for land acquisition for affordable housing.

As a starting point, however, it is recommended that the Planning & Building Department staff consider alternate measures to promote the development of affordable housing and the identification of sites for affordable housing as part of the normal process of developing new community plans.

4.10 *"Assisting other organizations such as religious or philanthropic organizations to redevelop appropriate under-utilized land for the development of Affordable Housing."*

An example of this type of initiative is the application to rezone a portion of Margaret's Anglican church property for the creation of a seniors' Abbeyfield housing development. This initiative involves the co-operation of the Anglican Diocese, who agreed to donate the land, the Burnaby Centennial Lions Club, who is donating some funds bequeathed by a member and the City in assisting with the rezoning application. A second example is the potential rezoning of land on currently owned and occupied by a church to be leased for the development of controlled price affordable housing.

Using underutilized land that is owned by religious or philanthropic organizations for housing may reduce the cost of the housing. This is because such organizations are often willing to accept below market returns for their lands if they perceive that a broader public good is being addressed. Such organizations are also amenable to using tools such as land leasing to reduce the land cost component of the housing. It is important, however, that the housing be appropriately located with respect to the needs of the people that would be housed and to larger community planning considerations.

5.0 CONCLUSION

In the last few years, Burnaby has had significant success in the development of affordable housing within the City, especially considering the reduction in the spending of senior levels of government on housing. Burnaby's successes have been related to its policies requiring 20% affordable housing on large redeveloping sites and by using land leases on City owned land to encourage the development of affordable non-profit housing. Burnaby's experience has not gone unnoticed by other municipalities, the Minister of Municipal Affairs, Recreation and Housing and by the Province's Commission on Affordable Housing Options.

While continuing to acknowledge that housing is primarily a responsibility of the senior levels of government, it is proposed that the Housing Committee recommend that Council:

- i) Review the opportunities provided by the Bill 57 amendments to the Municipal Act to determine their applicability to the affordable housing initiative of Council. Specifically, staff will address the implications of:
 - requiring the provision of affordable housing in major developments;
 - requiring developers to provide affordable housing in order to achieve maximum density;
 - the use of Housing Agreements to secure affordable housing in the longer term.

- ii) Through the provisions of Bill 57 and the recommendations of the Provincial Commission on Housing Options, examine the advisability of approaching Cabinet for special powers to allow Burnaby to:
 - regulate demolition of housing, including the ability to impose demolition fees;
 - levy development fees on new housing as an alternative for developers to the direct provision of affordable housing in new developments;
 - establish a housing reserve fund.

- iii) Direct staff to work, in pro-active manner, to promote the development of affordable housing. To this end, staff should pursue joint ventures with public and private sector interests so that land and capital resources can be combined with expertise and innovation to create affordable housing. Staff should also continue to work with religious and other philanthropic organizations that may want to develop affordable housing on appropriately located surplus land.

- iv) As part of the Review of the Residential Growth Management strategy, direct staff to ensure that issues relating to the provision of affordable housing are included as part of the review, including the consideration of introducing innovative infill housing options as part of a neighbourhood planning process and development of certain smaller commercial areas. Staff should also include the consideration of reviewing any current zoning practices and regulations identified by the development community that may be perceived as discouraging the development of affordable housing.

- v) Direct staff to consider opportunities and constraints to the development of affordable housing as an explicit part of any program involving the development or review of a major community plan area.

- vi) Direct staff to continue to monitor City owned lands for opportunities to develop affordable housing and to actively liaise with senior and local governments to remain aware of opportunities to take advantage of programs and demonstration projects and to communicate Burnaby's willingness to participate in such projects.
- vii) Direct staff to pursue the issue of raising revenue, as opportunities arise, that could be used to encourage the development of affordable housing by purchasing land and/or existing developments for subsequent lease back to bona fide housing societies, and contribute to joint ventures in developing innovative housing initiatives.

The above strategies do not include an expanded role for the City in the direct development and management of affordable housing at present. It is acknowledged that the development of affordable housing is expensive and requires extensive expertise both in relation to its physical development and management over time. A key ingredient to the development of a local government housing corporation is the ability to raise significant amounts of revenue that can be used as capital to invest in land and buildings, or at least the ability to obtain significant funding from senior levels of government. As suggested in this report, neither situation currently exists. A housing corporation would divert resources away from the City's current budgetary priorities.

The recommended strategies involve the continuation of Burnaby's record of success in the development of affordable housing, albeit in a more consciously pro-active way. Staff believe that the new provisions in the Municipal Act and many of the other recommendations of the Province's Commission on Affordable Housing Options, if implemented into legislation, and some initiatives arising from the Review of the Residential Growth Management Strategy will provide both tools and directions to encourage the development of affordable housing. One of the outcomes of the Review of the Residential Growth Management Strategy will be a policy statement on affordable housing that will be included in a revised Official Community Plan.

Respectfully Submitted,

Councillor L. Rankin,
Chair

Councillor C. Redman,
Member

Councillor J. Young,
Member

NOTICE OF MOTION ON AFFORDABLE HOUSING

"WHEREAS there is a strong demand for quality Affordable Housing in the City of Burnaby,

AND WHEREAS the Federal Government has reduced its commitment to Affordable Housing by cancelling the Co-operative Housing Assistance Program and has not so far responded positively to requests to increase federal support for Affordable Housing,

AND WHEREAS the Province of British Columbia has endorsed the concept of affordability by adopting a Municipal Act amendment requiring municipalities to address the issue of affordability in their Official Community Plans,

AND WHEREAS the City of Burnaby has demonstrated its leadership in Affordable Housing by offering leased City land for Affordable Housing initiatives and by designating 20 percent of major publicly-owned housing sites for Affordable Housing projects,

AND WHEREAS the development of Affordable Housing is a high priority for Burnaby City Council;

BE IT THEREFORE RESOLVED THAT:

- a) City staff investigate and report on the feasibility and advisability of implementing mechanisms to promote the development of Affordable Housing, including:
 - i) Assessment of alternative implementation approaches for a City Housing Program to facilitate the development of Affordable Housing, to be managed and operated by the City or designated operators under established or adopted guidelines.
 - ii) Pursuing joint ventures with other levels of government, non-profit corporations, private corporations, or institutions, so that land and capital resources can be combined with expertise and innovation to create Affordable Housing.
 - iii) Using innovative programs, leasing mechanisms and zoning regulations to promote the development of Affordable Housing.

- b) City staff investigate and report on potential sources of funds to facilitate the development of Affordable Housing in Burnaby, including:
- * Development levies relating to the creation of higher density land uses, particularly when lower cost rental housing is being replaced.
 - * Contributions of senior levels of government arising from redevelopment of land held by them or by their Crown Corporations.
 - * Contributions from private citizens, non-profit organizations or other philanthropic organizations to a Housing Foundation.
 - * Creation of a Capital Reserve fund, using proceeds from the sale of specified city lands, such as the sale of city-owned land for other forms of residential development.
 - * Revenues from rental properties held by the City.
 - * Other sources of revenue identified by staff.
- c) City staff investigate and report on the need for changes to the City's land acquisition policies to facilitate the development of Affordable Housing including:
- * Designation of City-owned sites for the development of Affordable Housing.
 - * Assembly of appropriate sites as part of the Community Planning process.
 - * Assisting other organizations such as religious or philanthropic organizations to redevelop appropriate under-utilized land for the development of Affordable Housing.
- d) City staff investigate and report on any necessary legislative amendments or approvals required to effect the above actions."

Specific Questions Raised at January 11 Council Meeting:

The following responds to issues and questions that were raised by members of Council at the Regular Meeting of 1993 January 11 when the Notice of Motion was discussed.

1. **The Housing Committee should meet with architects, realtors, developers to review the innovations they propose.**

The Housing Committee and Planning Department staff regularly meet with architects, developers, realtors and others associated with the development of affordable housing to discuss ideas, specific proposals and suggested changes to procedures and regulations. Many bylaw changes, for example reduced parking requirements for non-profit housing and priority processing for affordable housing came out of such consultations. The process adopted to review the Residential Growth Management Framework also involves consultation with those involved with the development and management of non-profit and market affordable housing. Such consultations should continue to be an important part of the Committee initiatives in relation to the affordable housing question.

2. **Location of affordable housing in Burnaby and land that is available for future affordable housing.**

Attached to this Appendix (Attachment 1) is a list of all non-market housing developments in Burnaby, indicating their address, categorized into family non-market rental, seniors non-market rental and non-profit co-operative. Also, a listing of all social housing units by program type for municipalities located in Greater Vancouver is included as Attachment 2. Burnaby's social housing stock comprises about 7.4% of the total housing stock. This compares with Langley City which has the highest percentage at 8.9% followed by Vancouver at 8.5% and Port Moody at 7.4%.

The number of affordable housing units built under senior government programs in Burnaby in the future will be most affected by the severe reduction in the number of units funded resulting from the pull-back in government funding, especially at the federal level. It is expected that in the medium term, new housing built under senior government's housing programs will be built on sites where non-market housing is an integral component of a comprehensive development plan, including the George Derby site, the Oaklands neighbourhood, the former Burnaby South lands and the Cariboo Heights neighbourhood where one designated non-market site remains. Given the very limited number of new non-market units available, emphasis will be placed on achieving development of these sites.

As the review of the Residential Growth Management Strategy and the Official Community Plan proceed, it is probable that further sites will be identified for the development of affordable housing. These sites may include land owned both by the government and the private sector identified for conventional non-market housing development built under existing and possibly new programs. They may also include affordable forms of housing development undertaken by the private sector in response to incentives offered by the public sector.

As a result of initiatives undertaken by Provincial Government referred to in the Report of the Provincial Commission on Housing Options, as well as initiatives by the City, tools such as exclusionary zoning, achieving maximum density through providing affordable housing, transfer of density and innovative housing forms may become more important in contributing to the stock of affordable housing. Each of these tools would be carefully analyzed before implementation to determine their efficacy and effectiveness in resulting in the development of affordable housing while maintaining the overall goals of the City.

The location of future affordable housing, both market and non-market, will also be considered in the context of City land use allocation goals of creating balanced neighbourhoods and a variety of housing opportunities in each residential sector centres. In this way, concentrations of housing serving only one group in specific neighbourhoods will be avoided.

3. Cost and recovery of Hedges Housing Co-operative.

Burnaby purchased the land and improvements at Hedges Housing Co-operative (3802-3898 Hertford St.) for \$4,500,000 and leased back the land and improvements for 60 years to the Co-op for \$3,450,000, resulting in a net cost to the City of \$1,050,000. The lease value represents 75% of the value of the land without improvements (\$4,200,000). From the perspective of CMHC, BCHMC and the City of Vancouver, such a lease arrangement is considered a "market value" lease in that there is no inherent subsidy involved since 75% of value is what the market would pay for a 60 year lease.

4. What is the cost of the write down of existing leased lands that we have made available? What are the lengths of the terms of the leases?

In recent years, the City has leased city-owned land to permit development of non-market housing in the following locations:

- i) Mulberry Place, Cariboo Heights area for Non-Profit Family housing.
- ii) Ridgelawn/Springer, Brentwood/Parkcrest area for Non-Profit Family and Seniors housing.
- iii) Cariboo Road, Cariboo Heights area for Family Co-operative housing.
- iv) Hertford Street, Metrotown area for Family Co-operative housing.
- v) Hastings/Pender, Hastings Street area for Non-Profit Family and Singles housing (in progress).

The land involved was leased to the various non-profit housing societies on the basis of a 'market value' lease as described above, where the term of the lease is 60 years based on 75 % of the market value of the land. Generally, this is the form of lease required by both CMHC and BCHMC in order to obtain funding for the units. The only exception to this was the leasing of land for the development of the Mulberry Place complex for 40 years based on 50% of land value. This exception was granted by CMHC and BCHMC due to very high land costs during the year this project was developed.

5. The mandate and role of the City of Vancouver Housing and Properties Department

The Housing and Properties Department is the focus for the development of housing strategies, analysis and operations; management of the City's real estate portfolio; and planning maintenance and development of civic buildings and facilities. A description of the function of Department is attached as Attachment 3. The budget for the entire department is about \$25 million.

Of note is the Housing Centre that is responsible for housing programs, policy and research, the City's role in the provision of social and other housing initiatives. The Centre operates a comprehensive Tenant Assistance Program, delivers the Residential Rehabilitation Assistance Program (RRAP) and is currently undertaking research and policy work on secondary suites. It also is involved with Single Room Occupancy (SRO) unit rehabilitation and increasing housing capacity through comprehensive redevelopments (ie. Coal Harbour), rezoning industrial lands for housing and encouraging housing along commercial streets. Support for social housing includes the leasing of land and the establishment of the 20% social housing requirement for major rezonings of lands to multiple unit residential. The Housing Centre presently consists of 12 full time staff including 5 staff administering RRAP, 6 in policy and research and 1 tenant assistance officer. The \$6 million dollar budget for the Housing Centre comes mainly from a demolition fee of \$5,000 for multiple units and \$500 for single family units.

The Non-Market Housing Division operates housing facilities for about 850 people, mostly hard to house people in the Downtown Eastside.

CO-OP HOUSING

DEVELOPMENT NAME	DEVELOPMENT ADDRESS	Unit Total	Handicapped Units
115 Place	9380 Cardston Court, V3N 4R5	244	0
Andras Place	4371 Mayberry Street, V5H 4H8	94	9
Antrim Place	222-5300 Rumble Street, V5J 2B6	38	2
Bounty	7495 Sandbourne Avenue, V3N 4V4	70	4
Brambles	6750 Station Hill Court, V3N 4V2	42	15
Byrne Creek	7028 - 17th Avenue, V3N 1K5	74	4
Centennial Park	4160 Bond Street, V5H 1G2	30	0*
Chances	7235 - 18th Avenue, V3N 1H4	44	2
Edmonds Place	17 - 7220 Edmonds Street, V3N 1A6	52	4
Garden Square	5116 Smith Avenue, V5G 1W8	58	0
Halston Hills	8868 Horne Street, V3N 4T1	90	2
Hillside Place	173 - 8400 Forest Grove Dr., V5A 4B7	176	0
Medina Housing Coop	500 - 7095 Stride Avenue, V3N 1T3	44	2
Misty Ridge	71 - 9201 Forest Grove Dr., V5A 4R3	70	0
Mosaico Housing Coop	9 - 3869 Dominion Street, V5G 1C1	29	0
Norman Bethune	8752 Centaurus Circle, V3J 7E7	24	0
Nova Vita	99 - 7166 Barnet Road, V5A 4B8	55	6
Pine Ridge Place	15 - 8763 Ashgrove Cresc, V5A 4B8	88	0
Post 83	2204 - 4221 Mayberry St, V5H 4E8	181	4
Spectrum	45 - 3850 Dominion Street, V5G 1C2	44	0
Sunset Heights	3798 Laurel Street, V5G 1M7	49	5
Whattlekaimen	80 - 8780 Forest Grove Dr, V5A 4C9	103	0
Cariboo Heights	7251 Cariboo Road, V3N 4A6	56	0
TOTAL	23 DEVELOPMENTS	1,755	59

* Technically has one 2 bedroom handicapped unit, but townhouse with stairs.

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NON-PROFIT SENIORS' HOUSING
(INDEPENDENT LIVING/SELF CONTAINED UNITS)

DEVELOPMENT NAME	DEVELOPMENT ADDRESS	# of Units	Handicapped Units	SOCIETY/ OPERATOR
Chelsa Terrace	5895 Kincaid Street, V5G 1V6	206		New Chelsea
Dania Lodge	4215 Norland Ave, V5G 3S8	16		Dania
Dania Manor	4155 Norland Ave, V5G 3S7	55		Dania
D. Drummond Manor	6077 Kingsway, V5J 5A6	125		BCHMC
E. Winch Tower	7216 Mary Avenue, V5E 3K5	174		New Vista
Hall Tower 1	7272 Kingsway, V5E 1G4	214		BCHMC
Hall Tower.2	7264 Kingsway, V5E 3Z5	117	12	BCHMC
Kingsway Court	5560 Inman Avenue, V5H 2L9	117		Central Park Senior Citizen Housing Soc.
Lambert House	7581 Fourth Street, V3N 3P3	12		New Vista
Laurelyn Place	3896 Laurel Street, V5G 4C7	71	4	BCHMC
New Vista - 11th	8234 11th Avenue, V3N 2P2	90	3	New Vista
New Vista - Holly	7520 Holly Street, V5E 2C5	8		New Vista
Douglas Manor	7530 Rosewood St, V5E 2G7	51		New Vista
Salishan Lodge	9210 Salish Court, V3J 7C4	188		Society for Christian Care of the Elderly
Stratford Garden	6005 Pandora Street, V5B 4X1	127		BCHMC
Swedish Cdn Manor	1812 Duthie Avenue, V5A 3R3	63		Swedish Canadian
Vista Tower	7210 Mary Avenue, V5E 3K4	174		New Vista
Chaffey Lane	4385 Grange Street, V5H 1P4	40	3	Affordable Housing
Concordia Court	5550 Beresford, V5J 5G8	42	4	German Canadian Benevolent Society
Affordable	5160 Ridgelawn Drive	34	2	Affordable Housing
Carl Mortensen Manor	4025/4093 Norland Avenue	49		Dania
Gustav Wasa (Swedish Canadian)	7250 Halifax Avenue	80		Gusta Wasa
TOTAL		2,053	28	

15/12/92

NON-PROFIT FAMILY HOUSING USING

DEVELOPMENT NAME	DEVELOPMENT ADDRESS	# of Units	Handicapped Units	SOCIETY/ OPERATOR
BCHMC - Inman Complex	4613 Inman Avenue, V5G 2X9	16		BC Housing Management Commission
BCHMC - Inman Complex	5618 - 5650 Inman, V5J 1Y9	6		BC Housing Management Commission
Burnaby Court	7459 Twelfth Avenue, V3N 2K2	86	3	Affordable Housing Advisory Association
Cedar Place	7121 Fourteenth Avenue, V3N 1Z3	90		BC Housing Management Commission
Eastburn Square	7730 Sixth Street, V3N 4S3	30		Greater Vancouver Housing Corporation
Greystone Village	7485 Woodbrook Place, V5A 4G4	96		Greater Vancouver Housing Corporation
Glenrobin Place	9180 Halston Court, V3N4L8	54		BC Housing Commission
Ran Beamish Place	8750 Maple Grove Cres, V5A 4G5	122		Greater Vancouver Housing Corporation
Lions Kingsway Terrace	7480 Kingsway, V3N 3B6	32	2	Burnaby Lougheed Lions
Concordia Court	7155 MacPherson Avenue, V5J 4N8	58	4	German Canadian Benevolent Association
Lions Mulberry Place	7420 Mulberry Place, V3N 4X3	65	0	Burnaby Lougheed Lions
Affordable Housing Advisory Association	5850 Sunset Street, V5G 4A2	44		Affordable Housing Advisory Association
Affordable Housing Advisory Association	5160 Ridgelawn Drive, V5C 3Y2	38		Affordable Housing Advisory Association
Thurston House	3762 Thurston Street, V5H 1H7	37	2	Burnaby Lougheed Lions

TOTAL	14 DEVELOPMENTS	772	11
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LIST OF SOCIAL HOUSING PROJECTS

GVRD COMMUNITIES

City	Total Dwelling Units - 1991	Family	Seniors	Singles	Total Social Housing	% Total stock subsidized
Burnaby	63,036	2,491	2,194	0	4,685	7.4
Coquitlam	29,520	1,078	308	0	1,386	4.7
Delta	29,024	282	482	0	764	2.6
Langley City	7,652	79	606	0	685	8.9
Langley Township	21,786	132	157	0	289	1.3
New Westminster	21,282	596	748	0	1,344	6.3
North Vancouver City	18,406	402	489	0	891	4.8
North Vancouver District	27,275	473	206	0	679	2.5
Port Coquitlam	12,134	341	473	0	814	6.7
Port Moody	6,202	387	70	0	457	7.4
Richmond	43,974	1,644	839	0	2,483	5.6
Surrey	82,430	1,960	1,184	0	3,144	3.0
Vancouver	203,648	7,880	8,706	684	17,324	8.5
West Vancouver	16,674	32	356	0	388	2.3
White Rock	7,982	147	212	0	359	4.5

CITY OF VANCOUVER

HOUSING AND PROPERTIES DEPARTMENT

CONTRIBUTION STATEMENT

The Housing and Properties Department advises Council on policies and programs which help ensure a balance in housing production in the City, and on sensitive use of its real estate assets to meet City financial and housing goals. The department is the focus for the development of housing strategies, analysis and operations; management of the City's real estate portfolio; and planning, maintenance and development of civic buildings and facilities.

The Housing and Properties Department's contributions to the City's Purpose include:

- Facilitating the production of social, non-market and moderate rental housing in the City;
- Developing housing strategies and programs, maintaining housing information networks and monitoring and evaluating progress toward City housing goals;
- Operating a non-market housing portfolio for disadvantaged City residents;
- Providing relocation and referral assistance to displaced tenants;
- Acquiring, managing and marketing real estate holdings valued at nearly one billion dollars;
- Developing City-owned land for housing and other purposes;
- Managing and maintaining civic buildings;
- Planning and developing civic buildings and facilities; and
- Assisting City homeowners through delivery of the Residential Rehabilitation Assistance Program.