

CITY OF BURNABY

HOUSING COMMITTEE

HIS WORSHIP, THE MAYOR
AND COUNCILLORS

RE: PROPOSED DEVELOPMENT OF A CITY-OWNED SITE
LOCATED AT 4803 CANADA WAY

RECOMMENDATION:

1. THAT the request for the acquisition of City owned land at 4803 Canada Way by the Burnaby Association for the Mentally Handicapped be denied.

REPORT

The Housing Committee, at its meeting held on 1995 September 26, adopted the *attached* staff report responding to a request from the Burnaby Association of the Mentally Handicapped for the acquisition of the City owned site at 4803 Canada Way for the development of a housing project.

Respectfully submitted,

Councillor L.A. Rankin
Chairman

Councillor C. Redman
Member

:COPY - CITY MANAGER
- CITY SOLICITOR
- DIRECTOR PLNG. & BLDG.

Councillor J. Young
Member

TO: CHAIRMAN AND MEMBERS
HOUSING COMMITTEE

1995 JULY19

FROM: DIRECTOR PLANNING AND BUILDING

OUR FILE: 12.301

X. REF.: 17.410

SUBJECT: PROPOSED DEVELOPMENT OF A CITY-OWNED
SITE LOCATED AT 4803 CANADA WAY

PURPOSE: To respond to a request from the Burnaby Association of the Mentally Handicapped for the acquisition of the City owned site at 4803 Canada Way for the development of a housing project.

RECOMMENDATION:

1. THAT the request for the acquisition of City owned land at 4803 Canada Way by the Burnaby Association for the Mentally Handicapped be denied.

REPORT

1.0 BACKGROUND

At its meeting of April 3, 1995 Council received and referred to the Housing Committee the attached correspondence from the Burnaby Association for the Mentally Handicapped. In that letter the Association proposed to develop a unique housing project next to Filby Court on Canada Way.

On April 10 and May 17 staff met with the proponents to discuss the proposal further and obtain more details. Following these meetings the proponents wished to consider further options that would involve leasing the land. Recently, staff were informed by the Association's consultant that only the original proposal that involved purchasing the land for \$1 would meet their objectives for the project. This report provides more information about their proposal and recommends that the request by the Burnaby Association of the Mentally Handicapped for acquisition of 4803 Canada Way for a nominal value be denied.

2.0 THE SITE

The site, located at 4803 Canada Way, (see attached figure 1) consists of two rectangular lots and is 51,496 square feet in area. The western half of the site was acquired by the City in 1985 to provide for a firehall site, while the easterly half was acquired in 1990 for \$274,040 when it was realized that a larger site was needed. A rezoning to permit construction of the firehall was initiated, but in the end was not finalized. A potential alternative use for the site has not been identified.

3.0 THE BURNABY ASSOCIATION'S PROPOSAL

The proposed development would contain strata titled housing for families and seniors as well as units for people with disabilities. The concept is that revenue from the marketing of the market units (about 14) would subsidize the units (6) that would be retained by the Association for use by their clients. The Association proposes that the 6 units be occupied by some association members to live independently or semi-independently. It is also proposed that there be some shared use of the facilities at Filby Court, such as the amenity building, child care facility and open space.

The Association is requesting that the City turn over the site for \$1.00 on a conditional basis:

1. That the City work jointly with the Association, its partners and adjacent residents to devise a development which satisfies the expectations and requirements of all parties.
2. That it be developed for families, seniors, and disabled individuals.
3. That the tenure be freehold strata with all profits from the initial sales used to subsidize the purchase of residences by the association for the exclusive access by disabled individuals.
4. That it be affordable housing enabled by no land cost, with the added contribution of services by the partners (ie. Willingdon Church etc.) serving as further subsidies.
5. That legal agreements between the City and the Association enshrine these principles and objectives.

The possibility of using a market lease (ie. 60 year lease at 75% of market value) was discussed with and dismissed by the Association as not being financially viable. In addition, it is realized that using leased land in the development of stratified condominium units is very difficult in that at the end of the leasehold period, the landowner (the City) would have to compensate the condominium unit owners for the value of their improvements.

The possibility of developing the site on the basis of an assured rental development, including subsidization of the six units was also considered by the proponent. Despite increasing the number of units to 36, it was found that to develop a break-even project a significant investment in equity was required. It was concluded that the only scenario that can work for the proponents was the proposal that is the subject of this report.

4.0 ANALYSIS OF THE PROPOSAL

The proposed development and the request for acquisition of City owned land at a nominal value reflect the difficulties inherent in developing affordable housing in the absence of government assistance. While plans for the proposed development are still very preliminary, staff believe that the proposal has some positive aspects to it, including:

- ▶ **Philosophy:** The philosophy underlying the proposal is that those people with disabilities who have the increasing capability to live independently or semi-independently should have the opportunity to do so in a supportive, integrated setting.
- ▶ **Need:** The proposal would provide for much needed family oriented housing in the City, and fulfil a need for housing for their members identified by the Association.
- ▶ **Partnership:** The proposal combines the expertise and resources of the Association with the Willingdon Church and the Mennonite Central Committee, an experienced non-profit housing society.

Despite these positive features, the following significant concerns exist with the proposal:

- ▶ **Land Use:** The status of the land use of the site and its availability for development remains uncertain. Any use other than single family residential would require an area plan review followed by a neighbourhood based consultation process. At this point it is premature to predict the outcome of such a process.
- ▶ **Legal Considerations:** Last year, the Province adopted Bill 31 (Sec. 536.1 of the Municipal Act), which removed the requirement that municipalities must offer, to the public at large, sites for sale or lease for non-market housing through a posting process. The Bill also clearly authorized municipalities to sell or lease land at below market value (See Attachment 2). A key consideration contained in Bill 31 is that property can be sold for less than market value if **private gain is absent** from the purpose for which the property is to be used. In this case, 4 of the 20 units will be used by the Association, with the balance being sold in the private market. While it is proposed that the profits from the sale of the 14 units be used to subsidize the 6 units, the 14 units will remain in the private market and be subject to increases in value along with the housing market. The City Solicitor has advised that the proposal falls outside the scope of Section 536.1.
- ▶ **Precedent and Policy Considerations:** Precedents exist for Burnaby to lease sites for affordable and special needs housing developments. In the past, the City has made land available for co-operatives, family and senior non-profit rental housing and special needs facilities. In the last decade, City owned land has been available to non-profit groups for the development of senior government subsidized co-

operatives and rental housing on a prepaid lease basis, with the lease rate being set at the market value for the term of the lease. In the more distant past the City did lease land to selected non-market housing develops at \$1 per year with periodic renegotiation. In this case, the Association is asking for the sale of land for \$1, for the development of what is primarily a fee simple market housing development in that only 6 of the 20 units would be subsidized. Therefore, two potentially precedent setting conditions exist; firstly, the sale of City land for \$1 for housing, and secondly, the use of subsidized City land for what is primarily a market development.


- ▶ Fairness: The City frequently receives requests from groups who would like to access City owned land to develop affordable or special needs housing. In leasing land for non-market housing, the City's past practice has been to call for expressions of interest of interest from groups wishing to develop housing on a City owned site. This allows all of those that are interested in developing affordable housing to have an opportunity to be considered for the site, and so that no group or organization is preferentially treated.

4.0 CONCLUSION

It is concluded that while the proposed development model has some merit, there are a number of significant concerns related to the proposal:

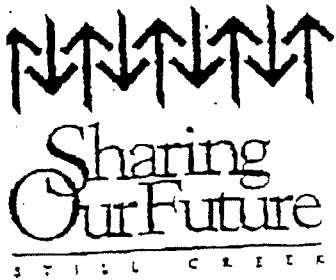
- ▶ from a legal perspective, it appears that the City cannot sell land at below market value for what is primarily a freehold market condominium;
- ▶ even if there were no legal obstacles, the proposal to sell land for a nominal amount for primarily a market project would set an undesirable precedent;
- ▶ the choice of a group to develop housing on City owned land in absence of either an expression of interest process or a posting procedure would be viewed as not fair by others with similar expectations;
- ▶ the proposed land use designation of the land is premature;
- ▶ the status of the site in terms of other City needs is uncertain.

In view of the above, it is recommended that the request by the Association to acquire the site for \$1 for development of the housing project be denied.


D.G. Stenson, Director
PLANNING AND BUILDING

BG\db

cc: City Manager
City Solicitor



Attachment 1

Burnaby Association Mentally Har

2702 N. Venue
Burnaby, B.C. V5B 3A6

President: Rick Maruyk
Executive Director: Cam Dord

March 7, 1995

Mayor William (Bill) Copeland,
City of Burnaby,
4949 Canada Way,
Burnaby, B.C. V5G 1M2

Dear Mayor Copeland,

Re: City Owned Site - 4803 Canada Way

We are writing to request your help and that of Council.

We propose a unique housing development next door to the Filby project on Canada Way. It will contain cityhomes for families, seniors and people with disabilities. It will be different than other multiple residential developments because the families and individuals who choose to live here will understand that some of their next door neighbours living on their own will have disabilities.

Everyone living here will be special. Those with disabilities will be striving to live normal, independent, neighbourly lives. Those without disabilities will choose to live here because they have the compassion and desire to be supportive of their neighbours.

We need your help to make it happen by making the land available to us. If the City can see its way to sell it to us for \$1, we can ensure that the housing built is really affordable to everyone who might live here. It is the only way we can create both affordable housing and the level of care and program support needed to be self-financing and successful.

Projects like this do not happen without considerable volunteer and non-profit time, energy and expertise behind them. We are very excited to be part of a coalition of organizations who have joined to undertake this development.

In addition to our own society, our housing action group is comprised of Burnaby Fire Fighters Local 323, Willingdon Church and the Mennonite Central Committee of British Columbia Social Housing Society.

As you may recall, this site was owned by our Association up until the early 1980's. It is now owned by the City and was rezoned some years ago to accommodate a future firehall. Community opposition altered Council plans for the site. The Fire Fighters have joined forces with us and fully support our unique residential proposal.

1 COPY - CITY MANAGER DESIGNATE
- DIR. PLNG. AND BLDG.
- CITY SOLICITOR
- FIRE CHIEF



Page 2

Mayor William (Bill) Copeland

Re: 4803 Canada Way

A portion of the site is currently zoned P2, while the remainder is zoned R3. It would need to be rezoned to suit our requirements. Naturally, we are prepared to work closely with City staff, immediate neighbours and the community to ensure a compatible, well-designed development is built.

The site is a natural for the proposed use. Next door, we operate day care and other amenities for children and seniors. We envision including the amenities and automobile access to the adjacent cityhome development from Filby II as part of the site planning and overall design process.

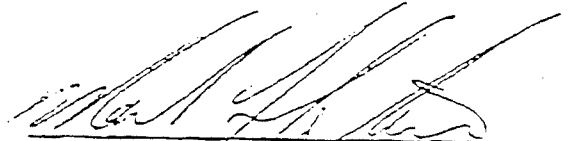
We hope the idea generates as much enthusiasm for you as it does for us. We ask that the City join our coalition and become a partner with us to build new, affordable and supportive housing opportunities for families, seniors and disabled people at 4803 Canada Way.

We look forward to working with you, Council members, City staff and the community to make this exciting concept become a reality.

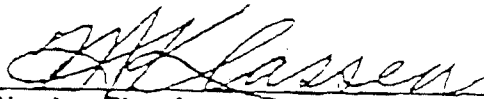
Yours truly,



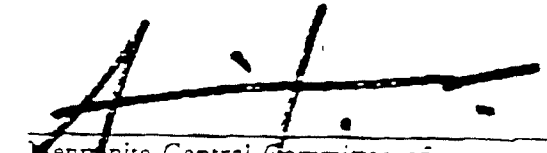
Burnaby Association for the Mentally
Handicapped



Fire Fighters Local 323



Willingdon Church



Menneite Central Committee of
British Columbia
Social Housing Society (MCC BC SHS)

WOOL JIRH STREET

140' (42.59M)

RESPIRE

HOTELIER DAYCARE

PLAYGROUND

AMENITY BUILDING

FILBY COURT APARTMENTS

PARKING

OPEN SPACE

336'(102.71M)

LING COL

LANE

200' (60.98m)

EXISTING SINGLE FAMILY

260' (79.23m)

LANE

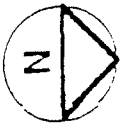
PROPOSED COMMUNITY HOUSING SITE

4911 CANADA WAY
LOT 5, PLAN 86028, DL 74

260' (79.19m)

196' (59.8m)

CANADA WAY



RONI-MADDISON
Architects

16 • 415 West 6th Avenue Street
Vancouver, B.C. V6B 1H5
Tel: 688-5891 Fax: 687-1141

PROJECT:
BURNBURY ASSOCIATION
FOR THE AFFILIATED
INDIVIDUALS

DATE: 5/11/11
SCALE: 1/8" = 1'-0"

DATE: 04/10/11
DRAWN: [Name]
CHECKED: [Name]

BILL 31 -- 1994
MUNICIPAL AMENDMENT ACT, 1994

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:

1. The Municipal Act, R.S.B.C. 1979, c. 290, is amended by adding the following section:

Disposal of real property for non-profit uses

536.1 (1) Subject to the requirements of this Division and Division (3), nothing in the Act prohibits a council from selling or leasing the interest of the municipality in real property to a non-profit corporation at less than market value if private gain is absent from the purpose for which the property is to be used.

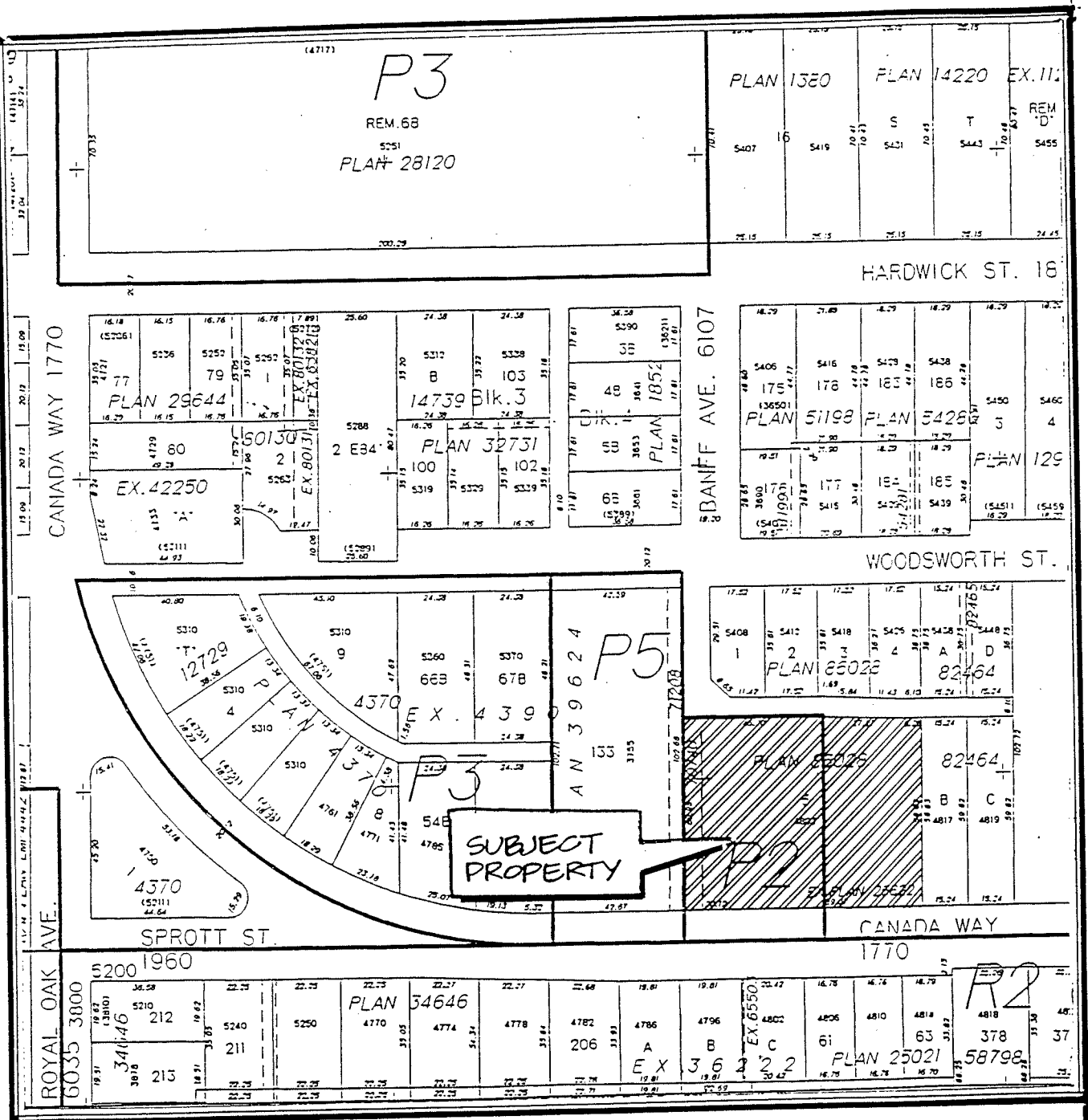
(2) A sale or lease referred to in subsection (1) may include any terms and conditions in favour of the municipality, including that a covenant under section 215 of the Land Title Act be registered against the land in favour of the municipality.

(3) Before selling or leasing an interest in real property as referred to in subsection (1), notice of the proposed disposition and the consideration to be received by the municipality for it

(a) must be posted on the notice board or usual place for publishing notices at the municipal hall, and

(b) in the case of real property on which there is a building or structure of any kind, must be published in a local newspaper at least one week but not more than 3 months before the disposition.

(4) Sections 535 and 538 do not apply to a sale or lease referred to in this section.



Date:
1995 07

Scale:
1:2000

Drawn By:
RCN

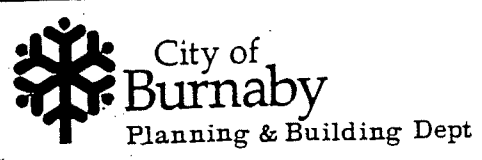


FIGURE 1