

COMMUNITY DEVELOPMENT COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

**SUBJECT: COMMUNITY BENEFIT BONUS HOUSING UNITS – REZ. #03-69
4833 LOUGHEED HIGHWAY (BRENTWOOD GATE)
REQUEST FOR PROPOSALS PROCESS**

RECOMMENDATION:

1. THAT Council direct staff to initiate a Request for Proposals process to select a non-profit organization or partnership to operate and manage the six units of affordable housing at 4833 Lougheed Highway (Brentwood Gate), obtained through the Community Benefit Bonus policy for Rezoning #03-69, according to the process described in this report.

REPORT

The Community Development Committee, at its meeting held on 2007 September 18, received and adopted the *attached* report seeking Council's authorization to commence a Request for Proposals process to select a non-profit organization to operate the housing units obtained by the City through the Community Benefit Bonus policy.

Respectfully submitted,

Councillor C. Jordan
Chair

Councillor D. Johnston
Vice Chair

Councillor G. Evans
Member

Copied to: City Manager Director Finance City Solicitor Director Planning & Building

TO: CHAIR AND MEMBERS
COMMUNITY DEVELOPMENT COMMITTEE

DATE: 2007 September 13

FROM: DIRECTOR PLANNING AND BUILDING

FILE: 71000 01
Reference: Brentwood Gate/Rez #03-69

SUBJECT: COMMUNITY BENEFIT BONUS HOUSING UNITS – REZ #03-69
4833 LOUGHEED HIGHWAY (BRENTWOOD GATE)
REQUEST FOR PROPOSALS PROCESS

PURPOSE: To seek authorization to commence a Request for Proposals process to select a non-profit organization to operate the housing units obtained by the City through the Community Benefit Bonus policy.

RECOMMENDATION:

1. **THAT** the Community Development Committee recommend that Council direct staff to initiate a Request for Proposals process to select a non-profit organization or partnership to operate and manage the six units of affordable housing at 4833 Lougheed Highway (Brentwood Gate), obtained through the Community Benefit Bonus policy for Rezoning #03-69, according to the process described in this report.

REPORT**1.0 BACKGROUND**

On 2004 December 6, Council approved a recommendation of the Community Development Committee to endorse, in principle, a community benefit bonus of approximately 464.5 sq.m. (5,000 sq.ft.) of non-market housing for rezoning #03-69 located on the north side of Lougheed Highway between Beta and Delta to the east of Brentwood Mall (*see Attachment #1*). The development, known as Brentwood Gate, will include one high-rise and six low-rise multiple family residential buildings with a total of 665 units. On 2005 February 07, Council subsequently endorsed a proposal that the bonus contribution consist of six two bedroom non-market family housing units to be owned by the City within an air space parcel.

The rezoning bylaw received Final Reading on 2006 September 18. The purpose of this report is to recommend that a Request for Proposals (RFP) process be initiated to determine the interest of non-profit organizations in operating the six units on behalf of the City.

2.0 DESCRIPTION OF UNITS AND POTENTIAL RESIDENTS

The Brentwood Gate development has excellent access to the Brentwood Town Centre SkyTrain Station and to Brentwood Mall to the west. The six two bedroom units are located side by side at ground level on the south elevation of the high-rise tower, which is at the southeast end of the

site. Each unit has two levels and a small, private patio. The units have their own entries accessible from a common exterior pathway. The pathway can be accessed either from the underground parking area, from stairs on the Lougheed Highway frontage, or from another pathway on the east side of the site. The units are not accessible to, nor considered appropriate for, people with physical disabilities due to the two level design. As the units have two bedrooms, they will be targeted to low income households of two or more people (e.g. single parent families).

There is no funding subsidy available for the units, with the possible exception of Shelter Aid for Elderly Renters (SAFER) and the Provincial Government's Rental Assistance Program for low income working households. The lease agreement, however, will require that the units be rented to households in Core Housing Need with incomes below the Canada Mortgage and Housing Corporation Core Need Income Thresholds for the Vancouver area.¹ The income threshold for a two bedroom unit is currently set at \$38,500. Rents will be established at below market rates to reflect this income level.

3.0 OWNERSHIP AND OPERATION OF THE UNITS

As was the case with the nine units of affordable housing secured at the Renaissance development (RZ#02-03), the City will retain ownership of the units at Brentwood Gate, with management to be undertaken by a non-profit organization. Through this approach, the City will retain ownership of an affordable housing asset, ensuring that the units can be made available to households in need, without being involved in the daily management of the housing. The units will be operated through a lease agreement between the City and the selected non-profit organization.

As part of the RFP process, proponents will be required to submit project budgets which provide details on the clients being served, the selection criteria, the amount of rents that will be charged, project operating costs (regular project maintenance, management, taxes, replacement reserve, contingency fund) and potential revenues (e.g. B.C. Housing Rental Assistance Program). It is expected that the rent revenue will cover the operator's costs for maintenance, operations and taxes. The operator will also be expected to establish a replacement reserve for the units which will be transferred to the City at the end of the five year lease. It is also expected that any surplus (rent minus operating costs) would be returned to the City for future use for unexpected expenses that may arise over time. The RFP document would outline the general requirements of the non-profit organization including:

- managing the units through a five year lease agreement;
- giving preference to Burnaby residents in allocating units;
- undertaking all operational duties such as advertising, wait list management, income verification of tenants, rent calculation and tenant relations;
- conveying the interests of the City and tenants to the adjacent strata corporation and maintaining strata/tenant relations based on good neighbour policies;
- obtaining and maintaining liability insurance as required by the City;
- undertaking property maintenance of the units and providing a 24 hour response to property emergencies;

¹ Core Need Income Thresholds represent the annual income needed to pay the average market rent for an appropriate sized unit in the private market.

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From: Director Planning and Building
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- submitting annual audits and monitoring information as specified by the City;
- applying any surplus revenue to unexpected costs that may arise in the future.

The RFP respondents will be requested to supply information and a business plan based on a lease agreement approach. The above list of general requirements could be modified in response to specific proposals received through the RFP process.

4.0 SELECTION OF NON-PROFIT ORGANIZATION TO OPERATE UNITS

It is expected that non-profit organizations that have experience in managing housing would be interested in operating the units. It is recommended that the RFP process be targeted to organizations that meet the following criteria:

- manage a stock of non-profit rental housing, preferably in Burnaby;
- have a track record of good management and maintenance practices;
- have established application and wait list procedures in place that are available to the general public;
- have offices that are easily accessible to Burnaby residents.

It is recommended that this RFP be sent to a variety of agencies with experience in managing rental family housing to ensure that a broad range of proposals is received. The RFP will also be posted on B.C. Bid and made available to any housing provider that requests it. At minimum, it is suggested that the proposal be sent to:

- Affordable Housing Societies;
- B.C. Housing Management Commission;
- Burnaby Association for Community Inclusion;
- Entre Nous Femmes Housing Society;
- Fraserside Community Services Society;
- Greater Vancouver Housing Corporation;
- Lougheed Lions Housing Society;
- Mainstream Association for Proactive Community Living;
- Marguerite Dixon Transition Society;
- More than a Roof Mennonite Housing Society;
- New Vista Housing Society;
- Progressive Housing Society; and
- Red Door Housing Society.

Proponents will be evaluated according to the following criteria:

- quality and thoroughness of the proposal submitted;
- quality and thoroughness of the project management plan;
- clarity and thoroughness of budgeting and auditing procedures;
- clarity and thoroughness of the business case for management of the units;
- demonstrated experience and ability to operate and maintain non-profit housing in a professional and independent manner ;
- demonstration of an unmet housing need for the proposed client group;

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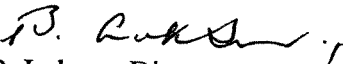
- ability and history in serving Burnaby residents;
- experience in partnering with other organizations, if such a partnership is proposed;
- ability to manage a small number of units in an efficient and effective manner;
- ability to establish and maintain a yearly monitoring and auditing protocol with the City of Burnaby; and
- additional factors which may be of benefit to the broader Burnaby community.

If the above approach is endorsed by Community Development Committee and Council, the next action would involve the preparation and distribution of an RFP document to the targeted organizations and for posting on BC Bid.

5.0 CONCLUSION

On 2005 February 07, Council endorsed a community benefit bonus for rezoning #03-69 located on the north side of Lougheed Highway to the east of Brentwood Mall. The Brentwood Gate development will include one high-rise and six low-rise multiple family residential buildings with a total of 665 units. The community benefit bonus is for six affordable housing units which will be owned by the City and operated by a non-profit organization through a lease agreement.

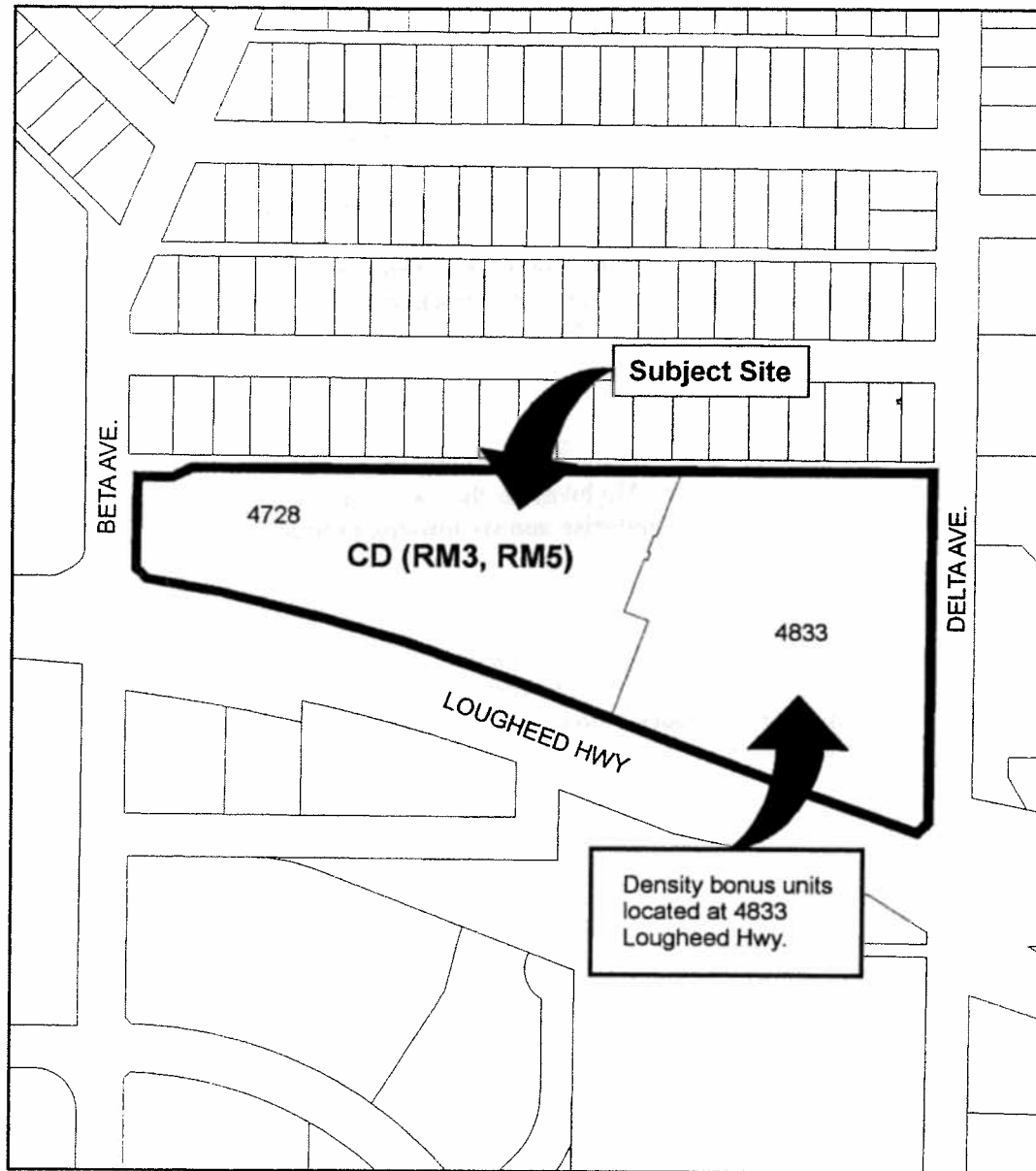
This report presents a suggested approach for operation of the units and recommends that an RFP process be initiated to determine the interest of non-profit organizations in managing the units. The responses to the RFP process, along with staff recommendations, will be reported back to the Community Development Committee.




B. Luksun, Director
PLANNING AND BUILDING

SF/sla/sa
Attachment

Copied to: City Manager
Director Finance
City Solicitor

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Date: July 07	 City of Burnaby Planning & Building Dept. Rezoning Reference #03 - 69 Brentwood Gate	
Scale: NTS		
Drawn By: DWD		