

COMMUNITY DEVELOPMENT COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

**SUBJECT: COMMUNITY BENEFIT BONUS HOUSING FUNDS
ROYAL CANADIAN LEGION BRANCH NO. 83
REZONING REFERENCE #04-53**

RECOMMENDATION:

1. **THAT** Council provide a grant in the amount of \$227,066 to the Royal Canadian Legion Branch No. 83 Seniors Supportive Housing Project from the Community Benefit Bonus Housing Funds.

REPORT

The Community Development Committee, at the Open meeting held on 2008 May 26, received an application from the Royal Canadian Legion Branch No. 83 seeking consideration for Community Benefit Bonus Housing funds related to the cost of constructing a 70 unit not-for-profit seniors' supportive housing project at 5289 Grimmer Street (Rezoning Reference #04-53).

The Committee recommends that Council grant \$227,066 to the Royal Canadian Legion Branch No. 83 as the application meets Council's adopted policies and criteria for use of Community Benefit Bonus Housing funds for Community Sponsored projects.

Respectfully submitted,

Councillor C. Jordan
Chair

Councillor D. Johnston
Vice Chair

Councillor G. Evans
Member

Copied to:	City Manager Director of Finance City Solicitor Director Planning and Building
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TO: CHAIR AND MEMBERS
COMMUNITY DEVELOPMENT
COMMITTEE

DATE: 2008 May 22

FROM: DIRECTOR PLANNING & BUILDING

FILE: 49500 20
Reference: Rez 04-53

**SUBJECT: COMMUNITY BENEFIT BONUS HOUSING FUNDS
ROYAL CANADIAN LEGION BRANCH 83
5289 GRIMMER STREET
REZONING REFERENCE #04-53
ROYAL OAK COMMUNITY PLAN**

PURPOSE: To seek the Committee's consideration of an application for Community Benefit Bonus Housing Funds to support the Royal Canadian Legion Branch No. 83 Seniors Supportive Housing Project

RECOMMENDATION:

1. **THAT** the Committee receive this report for information.

REPORT

1.0 BACKGROUND

The Royal Canadian Legion Branch No. 83 is proposing to construct a 70-unit Category B Supportive Housing Facility as part of Rezoning Reference #04-53 at its existing location at 5289 Grimmer Street. The proposed development includes wheelchair accessible units with cooking facilities; a dining room where a minimum of one meal is provided to residents each day; and other amenities including a library, living room and salon/spa. The development proposal includes the construction of a new 100 seat Legion Liquor Licence facility occupying approximately 501.5 m² (5,326 sq.ft.) and a commercial retail unit of approximately 207.8 m² (2,237 sq.ft.). The supportive housing component of the development will be managed by a not-for-profit housing agency and, through a Section 219 Covenant registered on title, will be required to remain as seniors housing for residents over 55. The Legion's intent with the supportive housing is to give priority to low-income Legion members, veterans and their spouses, while also accommodating other low-income seniors as units become available. Rezoning Reference #04-53 fulfilled all its outstanding prerequisites and received Final Adoption of the Rezoning Bylaw by Council on 2008 March 17.

On 2007 December 18, Council adopted recommendations from the Community Development Committee regarding the use of funds obtained for housing purposes through the Community

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Benefit Bonus Program. The adopted approach is to allow both City Initiated and Community Sponsored Projects to be considered for support through the allocation of Community Benefit Bonus Housing Funds. A report received by Council on 2008 May 05 provided further discussion and guidance on the use of Community Benefit Bonus Housing Funds to offset costs for non-market housing projects. With respect to Community Sponsored initiatives, such as the one being advanced by the Legion, bonus housing funds are intended to augment the development budget and enhance the overall viability of the project.

On 2008 February 27, the Royal Canadian Legion Branch #83 submitted a request for grant funding to offset specific development costs under Council's Community Benefit Bonus Program. Under the approach adopted by Council, the Committee receives requests for consideration to determine recommended grant amounts for approval of Council. This report presents the funding request received from the Royal Canadian Legion.

2.0 FUNDING REQUEST

The Royal Canadian Legion Branch No. 83 has submitted the attached letter to the Planning and Building Department, dated 2007 February 27. The letter outlines the Legion's request for a Community Benefit Housing Fund allocation. The proposed supportive housing development being advanced under Rezoning Reference #04-53 meets the criteria for consideration by Committee and Council for an allocation of Community Benefit Bonus Funds.

The Legion has requested the following:

1. The Legion has requested a grant in the amount of \$154,521 to recover approximately 88% the Parkland Acquisition Fee applied to the residential component of the project. The required Parkland Acquisition Fee for the project was \$175,249.88 (\$3.84 / sq.ft. of residential floor area). The legion request would reduce the amount expended for the Parkland Acquisition fee to \$20,728.88.

Staff Comment: The Committee and Council are able take into consideration the use of Community Benefit Bonus Funds to off-set the total amount of Parkland Acquisition Fees paid equalling \$175,249.88.

2. The Legion has requested a grant in the amount of \$38,768.33 to recover its GVS&DD Sewerage Charge. However, it is noted that the total amount paid to Metro Vancouver for the GVS&DD charge was \$29,245.58 given a credit received for existing commercial floor area of \$13,900.54.

Staff Comment: This charge is not a City initiated cost charge; it is collected by the City on behalf of Metro Vancouver. Metro Vancouver has previously expressed its intent to waive this fee for non-profit housing projects, as such, the

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applicant may wish to request a reduction or elimination of this charge from Metro Vancouver. In this regard staff does not consider it necessary, or appropriate for the City to off-set this charge.

3. The Legion has requested an unspecified grant amount in reference to its current property tax at 5289 Grimmer Street. At the time of Final Adoption, the Legion paid its outstanding 2007 property taxes in the amount of \$47,790.22. The 2008 taxes to be paid are \$33,775.46. Of these 2008 taxes, \$17,191.71 or 50.9% is attributable to City taxes. Pro-rated to the housing portion of the proposed development (85.78% of gross floor area), the arising amount for consideration in assessing the grant is \$14,747.04.

Staff Comment: The Committee and Council are able to take into consideration the use of Community Benefit Bonus Funds to off-set general development and start-up cost for non-market housing development including fees, cost charges, and other items related to the development. As reported to Council in 2008 May 5, such consideration for property taxes should be limited to a one time consideration of the current portion of applicable City taxes for a non-market housing project. In this instance, the applicable tax amount for 2008 is \$14,747.04.

4. Other direct costs attributable to the Legion Development, which are not part of the Legion's request include:

• Application Fees (Rezoning, PPA and Subdivision)	=	\$19,458.33
(\$3,658.33 paid – \$16,000 pending)		
• Site Servicing Costs Estimate	=	\$54,058.00
• Building Permit Fee	=	\$75,555.75
(\$5,325 paid -- \$70,230.75 pending)		
• <u>Document and Examination Fees</u>	=	<u>\$2,255.50</u>
Total	=	\$151,327.58

Staff Comment: On a proportional square footage basis, the share of these costs related to the non-market housing component is \$129,808.79, based on 45,637.99 square feet of non-market housing floor area (85.78% of gross floor area) and 7,563 square feet of commercial floor area space (14.22% of gross floor area).

The Royal Canadian Legion has specifically requested funding in the amount of \$227,065.36, inclusive of total 2008 taxes. However, not all items, such as payment of the GVS&DD, are supportable under the Community Benefit Bonus Housing Fund program. Notwithstanding, additional costs such as application, servicing and permit fees may be taken into consideration in establishing a grant amount. Therefore, the total amount of these items is \$319,805.71, exclusive of GVS&DD charges.

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3.0 COMMUNITY BENEFIT BONUS HOUSING FUND

The Royal Canadian Legion proposal is generally consistent with the objectives established for use of the Community Benefit Bonus Housing Funds. The current unallocated balance of available funds on deposit in the account for non-market affordable housing purposes is \$792,756, inclusive of \$500,000 recently approved by Council for transfer from the General Purpose sub-account to the Housing sub-account. In determining an allocation for this application, the Committee may also wish to consider the application for Community Benefit Bonus funds from the Marguerite Dixon Society, which appears elsewhere on the Committee's Agenda, and that the Norman Bethune Housing Co-operative may also submit an application in the future.

In summary, the Committee may wish to give consideration to the above referenced items and those outlined in Section 2.0 in the determination of an allocation of Community Benefit Bonus Housing Funds to the Royal Canadian Legion non-market Housing project.

4.0 DISBURSMENT AND CONDITIONS OF FUNDING

With Committee and Council approval of a specific allocation, the funds would be released to the applicant on issuance of the Building Permit for the project. Should a Building Permit not be issued within the two year period of approval of Council for the allocation of funds, the applicant would need to seek Committee and Council approval to have the funding commitment extended for a further period; otherwise the reservation of the approved allocation of funds would be cancelled.

To secure the City's investment of Community Benefit Bonus Funds in the project, the applicant would also be required to execute the applicable Section 219 Covenant and legal agreements which would indicate that:

- a) the project is in receipt of the Community Benefit Housing Funds from the City
- b) the property is intended to be used for affordable housing purposes in accordance with its adopted plan of development
- c) if the project fails to advance to completion within a five year period, or if the project reverts to a use other than non-market affordable housing at a future date, the City would be repaid the funds received with applicable interest

5.0 CONCLUSION

The Royal Canadian Legion Branch No. 83 has requested funding through the Community Benefit Bonus Housing Fund to assist in off-setting the costs of constructing a 70-unit not-for-profit seniors' supportive housing development proposed on its property at 5289 Grimmer Street (Rezoning Reference # 04-53). This report has summarized the Legion's request and assessed its

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concurrence in relation to funding considerations established by Council in the adopted approach for the use of Community Benefit Bonus Housing Funds and a subsequent housing report received by Council on 2008 May 5.

It is concluded that the Legion's request generally meets the Council adopted criteria for Community Sponsored projects under the community Benefit Housing Fund. While not all aspects of the Legion's requests are supportable, the Legion has specifically requested grant funding in the amount of \$227,065.36, inclusive of total 2008 taxes. As outlined in this report, the funding amount consistent with Council's general directions for use of amenity bonus funds totals \$319,805.71, exclusive of GVS&DD charges. This information is presented for the Committee's consideration in order to recommend a grant amount for Council consideration.

This is for the information of the Committee.



B. Luksun, Director
PLANNING & BUILDING

LP/JBS:gk/tn

Attachment

cc: City Manager
Director of Finance
City Solicitor



THE ROYAL CANADIAN LEGION

BRANCH No. 83

5289 GRIMMER STREET, BURNABY, B.C. V5H 2H3

PHONE: 604 433 8010

February 27, 2008

Mr. Johannes Schumann,
Community Planner,
Burnaby Planning & Building Department,

Dear Mr. Schumann,

Re: **Density Bonus Program Housing Funding - South Burnaby Legion #83**

We understand, through discussions with Mayor Corrigan and Don Jantzen that we may be able to obtain sponsorship funding through the City's density bonus program. We feel our project would be a great fit for this sponsorship program because of the following reasons:

- The Royal Canadian Legion South Burnaby Branch #83 has been an entity in the South Burnaby area for over 80 years.
- We have provided many community services such as the Remembrance Day and Veterans Day celebrations, have donated several million dollars during the past 80 years to a number of Burnaby based charities, veterans hospitals, Burnaby General Hospital, St. Michaels in addition to providing funding in the form of Bursary's for students and our continued sponsorship with the 637 Arrow Squadron Air Cadets.
- We are a not for profit organization.
- Many of our members volunteer and participate in our daily operation but also in a number of other community services.
- A new Legion facility will allow us to escape from the current building that in much need of repair, expensive to operate, deteriorated and dated. A new facility will grow our membership and participation in the community.

- The attached Seniors rental-housing component is available to members and non-members who are over the age of 55. There is a great demand for this type of housing in the South Burnaby area.
- The rental rates are among the lowest rates in Burnaby for similar new facilities.
- We will be providing rental assistance programs through BC Housing for tenants who qualify.
- The Seniors rental component will also be a not for profit operation.
- A reduction in fees or a subsidy would allow us to keep our costs lower and subsequently reduce our rental rates further. This can only benefit low income seniors.
- As we provide amenity space open to the public on various occasions at no charge we see ourselves as providing public space much like a community park thus the second request below.

1. We offer the following request for your consideration:

The Legion Area of 5,398 square feet x \$3.84/square feet Parkland Acquisition Fee = \$20,728.32 payment in place of the current \$175,249.88.

2. We would like to request funding that would cover the GVS and DCC's for the Seniors residence area of the building and pay for the Legion area of the building only. The Legion area 5,398 square feet x \$.811 square feet GVS & DD DC Fee = \$4,377.78 payment in place of the current \$43,146.12.
3. If at all possible, a reduction in our current property tax burden would be much appreciated to help us get off to a good start with the new facility. We intend to use those funds for our amenity space that would be used during public events and community Seniors programs.

In closing, The Royal Canadian Legion would like to remain a good standing organization within in your community and continue to provide important services to the Veterans and general public of Burnaby. With your assistance we can also provide this Seniors facility and related services to the public at a reasonable cost in a not for profit capacity.

Sincerely,



Stephanie Watts
President
RCL South Burnaby Branch #83

cc: Mayor Derek Corrigan