



Item.....	
Meeting.....	2017 March 06

## COUNCIL REPORT

**TO:** CITY MANAGER **DATE:** 2017 March 01

**FROM:** DIRECTOR PLANNING AND BUILDING **FILE:** 71000 01  
*Reference: Community Benefits  
from Density Bonuses -  
General*

**SUBJECT:** CITY LANDS PROGRAM FOR NON-MARKET HOUSING PROJECTS –  
RESULTS OF THE REQUEST FOR EXPRESSIONS OF INTEREST  
(RFEOI) PROCESS

**PURPOSE:** To review results of the Request for Expressions of Interest (RFEOI) process for the City Lands Program for Non-Market Housing Projects and provide recommendations for a revised Phase 3 selection process.

**RECOMMENDATIONS:**

1. **THAT** Council amend Phase 3 of the adopted program to provide for an expedited selection process, as outlined in Section 3.0 of this report.
2. **THAT** Council approve preliminary selection and further review of the proposals submitted by SUCCESS and the New Vista Society for the sites at 3802 Hastings Street and 7898 Eighteenth Avenue respectively.
3. **THAT** correspondence be sent to all RFEOI respondents, to update them on the status of the selection process.

**REPORT****1.0 INTRODUCTION**

On 2015 November 23, Council amended the Community Benefit Bonus Housing Fund ("Housing Fund") policy to include a new program, the City Lands Program for Non-Market Housing Projects ("City Lands Program"). The new program allows designated City lands to be leased at nominal cost to providers of non-market affordable housing, including non-profit and/or co-op housing associations and senior levels of government, through use of Housing Fund resources. The Housing Fund allocates density bonus funds for affordable housing projects.

As approved by Council, the City Lands Program was to be implemented in three phases. Phase 1 identified two City-owned sites suitable for non-market housing at 7898 Eighteenth Avenue and 3802 Hastings Street. This report presents the results of Phase 2, which consisted of a Request for Expressions of Interest (RFEOI) process intended to generate and evaluate interest in development of non-market housing on the two sites. This report also provides recommendations

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for an expedited Phase 3 selection process, to include preliminary selection and detailed review of one proposal for each site.

This report recommends preliminary selection of the following proposals:

- 3802 Hastings Street: SUCCESS
- 7898 Eighteenth Avenue: New Vista Society

Lastly, this report recommends updating all RFEOI participants of the status of the review.

## 2.0 RFEOI RESULTS

On 2016 April 04, Council adopted recommendations for an RFEOI process that would generate and evaluate interest in the development of non-market housing on the two selected City-owned sites.

The RFEOI generated nine submissions from seven respondents, including five submissions for 3802 Hastings Street and four submissions for 7898 Eighteenth Avenue. Overall, the quality of submissions was high. Although the specifics of each submission are confidential, the proposals generally met expectations for affordability, responded to site-specific development guidelines, and met all eligibility requirements.

In concept, all of the submissions appear financially viable. More detailed financial review will be undertaken at further stages in the selection process.

### 2.1 Results for 3802 Hastings Street

Five respondents submitted EOIs for the site at 3802 Hastings Street. Four out of five proposals were for non-market housing developments that spanned the entire site. The fifth proposal involved construction of non-market housing only on the eastern portion of the site. All of the proposals included ground floor commercial uses fronting Hastings Street.

The RFEOI included guidelines for each site that reflected adopted area plan designations and zoning standards, so that submitted projects would meet plan objectives and fit well into the surrounding community. The guidelines for 3802 Hastings Street are attached as *Appendix A*.

Based on review of the submissions, it is recommended that the proposal submitted by SUCCESS be selected for further review. This proposal distinguishes itself with the following features:

- **Number of units:** This proposal includes 22% more units than any other submission and the highest FAR (3.0).
- **Unit mix:** This proposal includes a range of unit sizes, from studio to 3-bedroom units. While most are studio or 1-bedroom units, the proposal offers more family sized (2- and 3-bedroom) units than any other proposal.

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- **Affordability:** This proposal is unique in offering 13% of its units at the shelter allowance rate of \$375. This rate is significantly lower than rents offered by the other proposals. The affordability of the remainder of the units is also good, with rents for most units affordable to those at or below BC Housing Household Income Levels (HILs) for subsidized housing. In addition, all units are affordable to households with Very Low, Low, or Moderate Incomes based on regional median household incomes.
- **Flexibility:** This proposal emphasizes a collaborative approach to ensure consistency with community planning objectives.
- **Organization:** SUCCESS is a large, well-established multi-service agency with non-market housing experience.

For all of the above reasons, it is recommended that this proposal be selected for priority consideration.

## 2.2 Results for 7898 Eighteenth Avenue

Four non-profit organizations submitted EOIs for the site at 7898 Eighteenth Avenue. As noted above, the RFEOI included guidelines for each site that reflected adopted area plan designations and zoning standards, so that submitted projects would meet plan objectives and fit well into the surrounding community. The guidelines for 7898 Eighteenth Avenue are attached as *Appendix B*.

Based on review of the submissions, it is recommended that the proposal submitted by the New Vista Society be selected for further review. This proposal distinguishes itself with the following features:

- **Number of units:** This proposal includes a substantial number of units (26) while still providing a mix of senior and family size dwellings.
- **Unit mix:** This proposal combines 1-bedroom and 3-bedroom units in an integrated design for both families and seniors.
- **Affordability:** This proposal offers rents below HILs levels for all units, with 80% of the units affordable to Low Income households.
- **Synergy:** The project site is located in close proximity to other New Vista Society developments, including its main campus near Canada Way and Edmonds Street, raising the potential for efficiencies that would enhance available services, facilitate transitions for aging residents, and integrate the project into existing New Vista Society programming.
- **Organization:** The New Vista Society is a well-established, Burnaby-based non-profit organization providing housing and care to seniors and families.

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For all of the above reasons, it is recommended that this proposal be selected for priority consideration.

### 3.0 PHASE 3 SELECTION PROCESS

As initially approved, Phase 3 of the City Lands Program was to include a Request for Proposals process. However, given the strong response to the RFEOI, the quality of the submitted proposals, and the desire to advance the early development of these sites for non-market housing, it is recommended that the selection process be revised to consist of the following steps:

1. Preliminary proposal selection, as recommended in this report.
2. Further review of selected projects, including:
  - a. full review of submitted financial statements by Internal Audit;
  - b. interviews with project proponents; and
  - c. reference checks.
3. Report to the Planning and Development Committee with:
  - a. results of further review;
  - b. recommendations for next steps; or recommendations for alternative proposals to undergo further review; and
  - c. recommendations for lease terms and Housing Fund contributions, as discussed in Sections 3.2 and 3.3 below.
4. Pursuit of necessary development approvals, as discussed in Section 3.2 below, concurrent with negotiation of legal agreements with proponents.

It is also recommended that, upon Council action on the recommendations of this report, correspondence be sent to all RFEOI respondents updating them on the status of the selection process.

Lastly, it is recognized that the submitted EOIs are of a preliminary nature, and that further review will result in refinement of the proposals prior to their advancement through the development and funding approvals processes.

### 3.1 Development Process and Fees

The lease of each City-owned site would be subject to the successful completion of a rezoning application to the CD Comprehensive Development District (based on the appropriate site specific zone districts and development guidelines discussed above). Necessary servicing of each site would be required as a condition of rezoning approval. Preliminary Plan Approval and Building Permits would also be required prior to construction. Rezoning, permit, and servicing fees may be offset through the Housing Fund, subject to Planning and Development Committee and Council approval.

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As part of the development approval process, staff would work with the proponent to complete the lease agreement as well as a housing agreement, a document that specifies the provisions for securing the non-market basis and affordability levels of the provided housing.

### 3.2 City of Burnaby Contributions

The City's contributions to the project would be provided by the Housing Fund and may include:

- Off-setting of land costs to support a nominal lease rate over the specified term; and
- Offsetting of development costs, including:
  - rezoning application fees;
  - Preliminary Plan Approval and building permit application fees;
  - civil servicing costs; and
  - City development cost charges.

These contributions would require review through the established Housing Fund process, including Planning and Development Committee and Council approval. Regarding the lease, while a 60 year term was anticipated, a specific proposal for the lease term will be presented in a future report.

### 3.3 BC Housing/CMHC Funding

Both groups recommended for preliminary selection indicated that they would seek BC Housing funding, and BC Housing has expressed support for working with the City on this program. BC Housing programs provide both equity grant funds (i.e., a leasehold interest in the property), as well as construction and take-out financing through their Community Partnerships Initiative (CPI).

In addition, the City will explore needs and options for start-up development funding for the selected groups, through the CMHC Seed Funding for Affordable Housing program. This program offers non-repayable contributions of up to \$50,000 and repayable interest-free loans up to an additional \$200,000. These funds can apply to a wide range of activities, including preliminary design and project analysis, site assessments and geotechnical work, legal and consulting fees, financial planning, and development and application fees.

The City will also work with the selected groups to explore the potential for funding through the CMHC's Affordable Rental Innovation Fund, which provides grants for affordable rental housing with innovative financing or design features.

## 4.0 CONCLUSION

The RFEOI process confirmed that significant interest exists in the development of non-market housing at 3802 Hastings Street and 7898 Eighteenth Avenue, including among housing providers with significant experience, resources, and innovative ideas for meeting Burnaby's non-market housing needs. This report presents the results of the Phase 2 RFEOI process, and

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provides recommendations for an expedited Phase 3 selection process. This process would involve preliminary selection of one proposal for each site, specifically the SUCCESS proposal for 3802 Hastings Street and the New Vista Society proposal for 7898 Eighteenth Avenue, for more detailed review. This report also recommends that correspondence be sent to all RFEOI respondents updating them on the status of the selection process.

  
Lou Pelletier, Director  
PLANNING AND BUILDING

LF:  
Attachments

cc: City Solicitor  
Director Finance

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## **3802 Hastings Street Development Guidelines Heights Area Plan**

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### **Property Characteristics**

- Site Area:** One lot measuring approximately 4,744 m<sup>2</sup> (51,064 sf)  
- The eastern portion of the site is approximately 1,981 m<sup>2</sup> (21,323 sf)
- Current Zoning:** CD Comprehensive Development District (utilizing the C8 Urban Village Commercial District (Hastings) and the Heights Area Plan as guidelines).
- Planned Zoning:** CD Comprehensive Development District (utilizing the C8a Urban Village Commercial District (Hastings) and the Heights Area Plan as guidelines).

### **Development Guidelines**

The subject City-owned property is being offered for lease through an RFEI/RFP process to advance the development of affordable multiple family residential development under the Council adopted City Lands Program for Non-Profit Housing. Guidelines for development are as follows:

#### **Rezoning:**

The lease of the City lands is subject to the successful completion of a CD Comprehensive Development Rezoning Application (using the C8a Urban Village District (Hastings) and Heights Area Plan as guidelines).

#### **Preliminary Plan Approval:**

The lease of the City lands is subject to the submission of a Preliminary Plan Approval Application in line with the proposed zoning, in advance of submitting a Building Permit Application for the site.

#### **Servicing:**

The site has not been serviced to its final standard and will require detailed site servicing including, but not limited to:

- The provision of separated sidewalks, complete with concrete curb and gutter and street lighting, as necessary, along the Hastings Street and Esmond Avenue frontages.
- The undergrounding of all adjacent overhead utility lines on any fronting road and on-site to the point of connection.
- Standard requirements for water main, sanitary sewers and storm sewers.
- Provision of a bus shelter on Hastings Street.
- Provision of lane improvements, including pedestrian lighting.

**Site Options:**

The site consists of an approximately 2,773 m<sup>2</sup> (29,848 sf) western portion and an approximately 1,981 m<sup>2</sup> (21,323 sf) eastern portion. Development on the site could occur under any of the following models:

- Development of the entire site with all non-market housing.
- Development of the entire site with a mix of market rental and non-market housing to achieve maximum aggregate affordability.
- Development of the eastern portion of the site with all non-market housing.

**Land Use and Density:**

- The subject site is to be developed to a maximum Floor Area Ratio of 3.0 FAR with underground parking, with a maximum height of between four and six storeys and 16.0 m, and with a potential unit count range of 135 – 150 units.
- Uses on the subject site are limited to C8a District commercial uses at grade level and Non-Profit Rental Housing on the upper floors.
- Development setbacks and massing are to be determined through the Comprehensive Development Rezoning process.
- At least 20% of all units, and 100% of units for seniors, shall be adaptable housing units.
- Parking ratios for the development are to be determined by use as part of the Comprehensive Development Rezoning process.
- Site access from the rear lane to be determined through the Comprehensive Development Rezoning process.
- Development design should integrate Crime Prevention through Environmental Design (CPTED) and Universal Accessibility Standards.
- The development application will require the provision of a comprehensive stormwater management plan for the site.

**Development Cost Charges:**

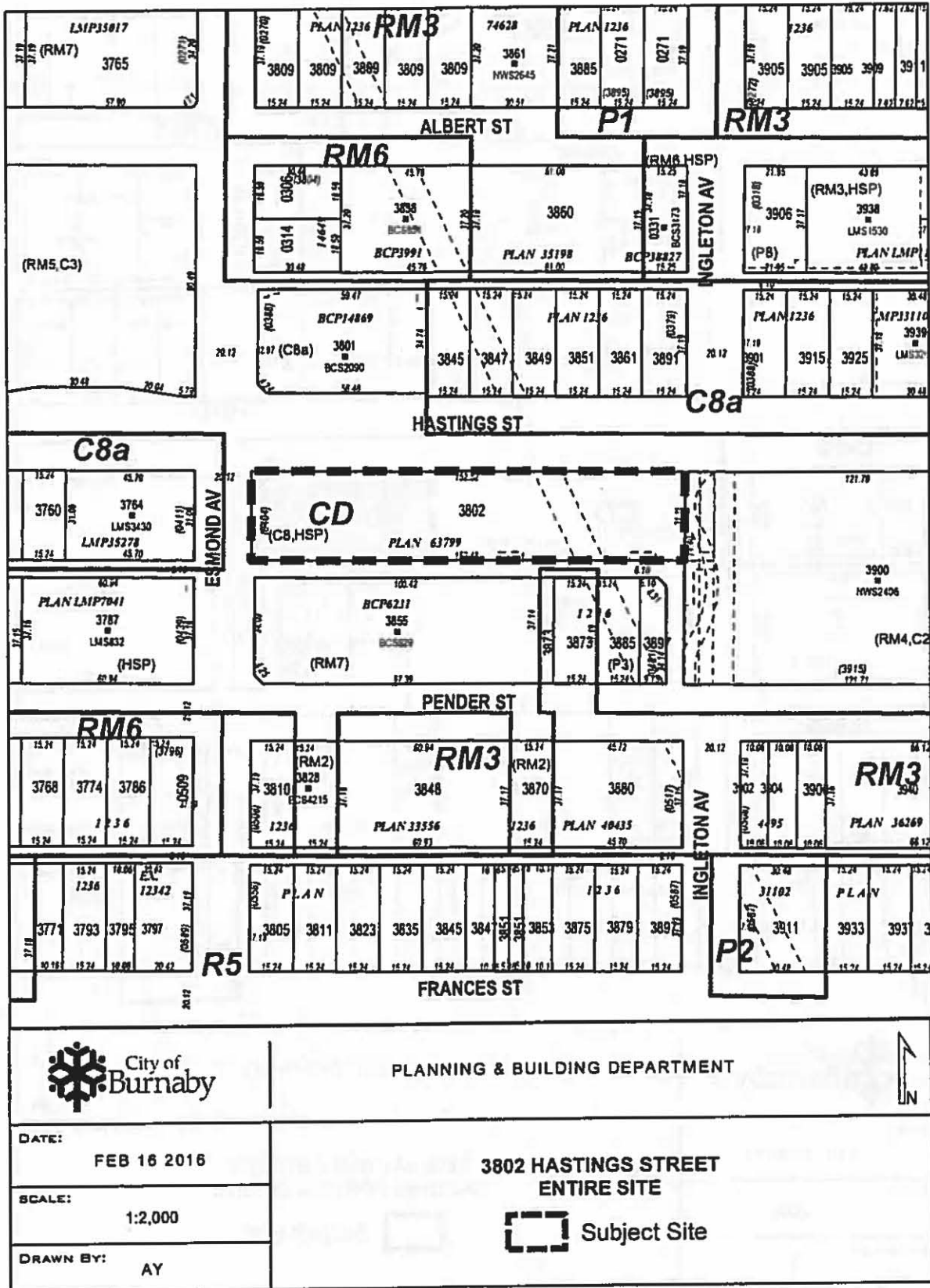
Development Charges attributable to this development may include:

- Greater Vancouver Sewerage and Drainage District Charge
- Burnaby School Site Acquisition Charge
- Burnaby Parkland Acquisition Charge

**Potential CBBHF Grants:**

City related rezoning, permit, and servicing fees and development cost charges may be offset through the Community Benefit Bonus Housing Fund (CBBHF) Grant program, subject to Planning and Development Committee and Council approval.





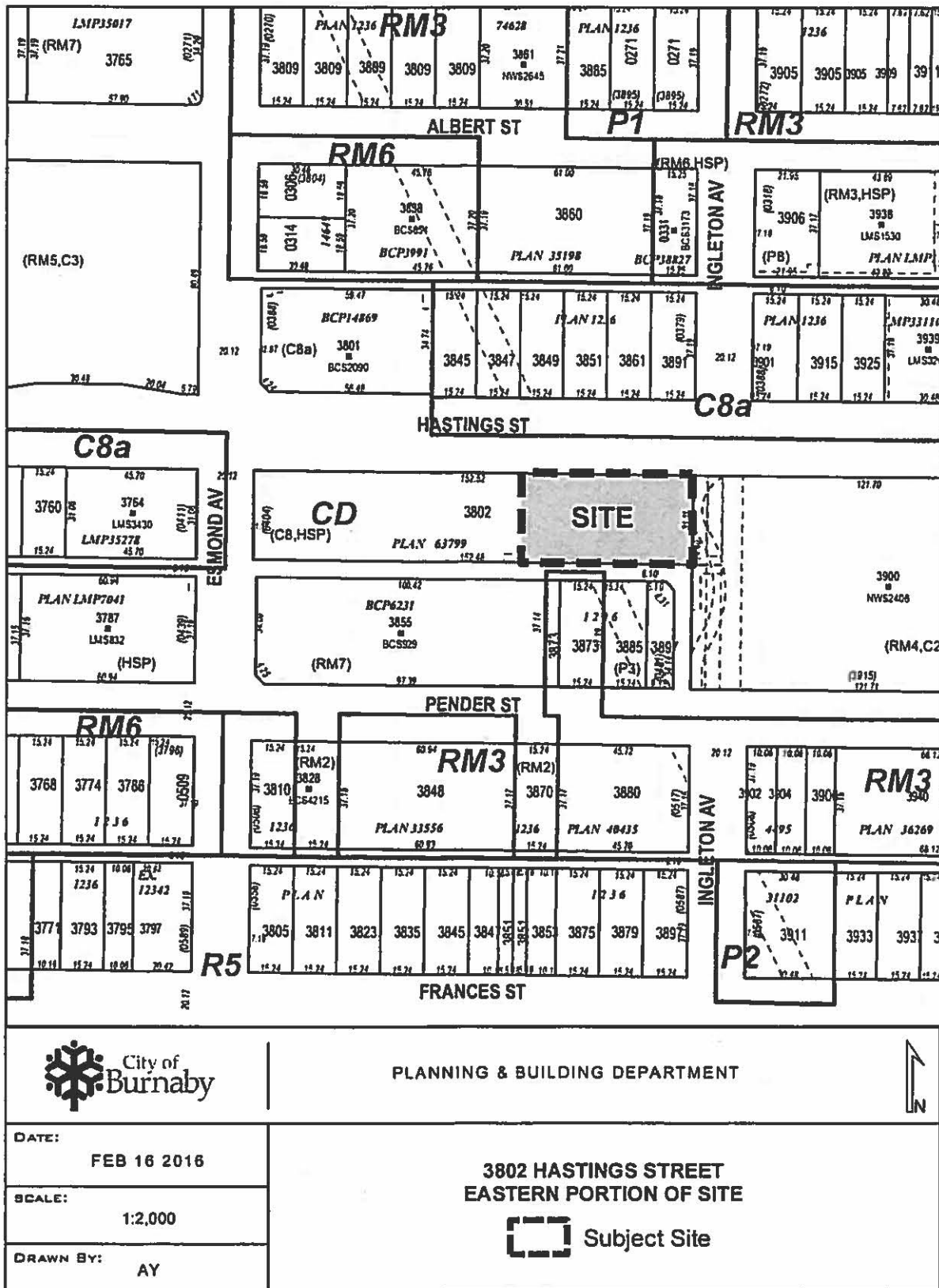
PLANNING & BUILDING DEPARTMENT

DATE: FEB 16 2016  
 SCALE: 1:2,000  
 DRAWN BY: AY

3802 HASTINGS STREET  
 ENTIRE SITE

Subject Site

Sketch #1



Sketch #2

## **7898 Eighteenth Avenue Development Guidelines Sixth Street Area Plan**

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### **Property Characteristics**

Site Area:	One lot measuring approximately 1,740 m <sup>2</sup> (18,729 sf)
Current Zoning:	CD Comprehensive Development District (utilizing the RM2 Multiple Family Residential District and the Sixth Street Area Plan as guidelines).
Planned Zoning:	CD Comprehensive Development District (utilizing the RM3 Multiple Family Residential District and the Sixth Street Area Plan as guidelines).

### **Development Guidelines**

The subject City-owned property is being offered for lease through an RFEOI/RFP process to advance the development of affordable multiple family residential development under the Council adopted City Lands Program for Non-Profit Housing. Guidelines for development are as follows:

#### **Rezoning:**

The lease of the City lands is subject to the successful completion of a CD Comprehensive Development Rezoning Application (using the RM3 Multiple Family Residential District and Sixth Street Area Plan as guidelines).

#### **Preliminary Plan Approval:**

The lease of the City lands is subject to the submission of a Preliminary Plan Approval Application in line with the proposed zoning, in advance of submitting a Building Permit Application for the site.

#### **Servicing:**

The site has not been serviced to its final standard and will require detailed site servicing including, but not limited to:

- The provision of separated sidewalks, complete with concrete curb and gutter, 1.8m tree and grass boulevard, 1.5m concrete sidewalks, 1.2m grassed rear boulevard and street lighting, as necessary, along the site's Eighteenth Street frontage.
- The undergrounding of all adjacent overhead utility lines within road rights-of-way and on-site to the point of connection.
- Standard requirements for water main, sanitary sewers, and storm sewers.

**Land Use and Density:**

- The subject site is to be developed to a maximum Floor Area Ratio of 1.1 FAR with underground parking, with a maximum height of two to four storeys, and with a potential unit count range of 20 – 23 units.
- Uses on the subject site are limited to Non-Profit Rental Housing.
- Stacked townhouse or apartment building forms are supported.
- Development setbacks and massing are to be determined through the Comprehensive Development Rezoning process.
- At least 20% of all single-level units, and 100% of single-level units for seniors, shall be adaptable housing units.
- Parking ratios for the development are to be determined by use as part of the Comprehensive Development Rezoning process.
- Site access to be provided from Eighteenth Avenue as determined through the Comprehensive Development Rezoning process.
- An enhanced pedestrian environment and streetscape, with appropriate landscaping and lighting, is to be provided.
- Development design should integrate Crime Prevention through Environmental Design (CPTED) and Universal Accessibility Standards.
- The development application will require the provision of a comprehensive stormwater management plan for the site.

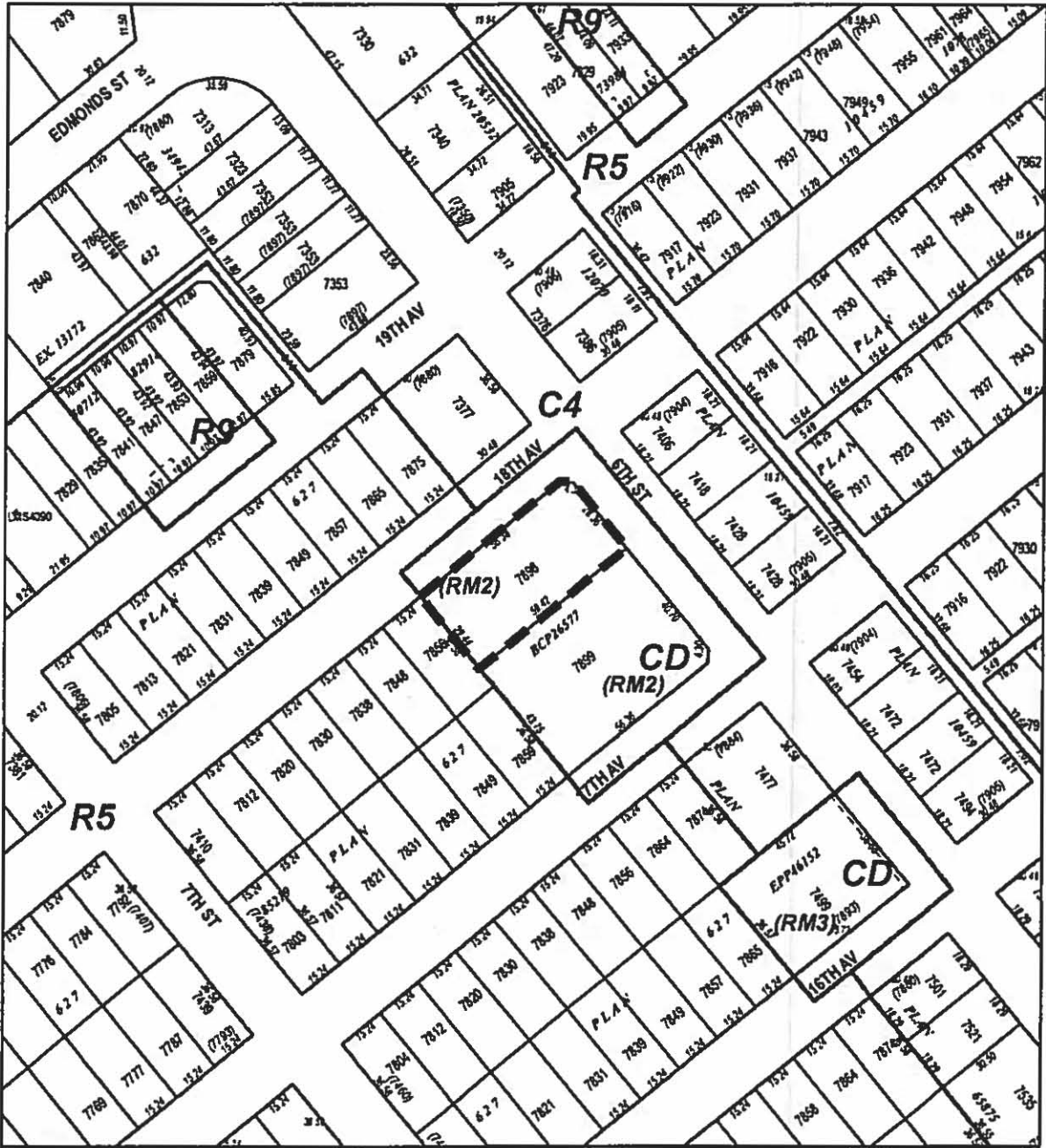
**Development Cost Charges:**




Development Charges attributable to this development may include:

- Greater Vancouver Sewerage and Drainage District Charge
- Burnaby School Site Acquisition Charge
- Burnaby Parkland Acquisition Charge

**Potential CBBHF Grants:**

City related rezoning, permit, and servicing fees and development cost charges may be offset through the Community Benefit Bonus Housing Fund (CBBHF) Grant program, subject to Planning and Development Committee and Council approval.



 <p>City of Burnaby</p>	<p>PLANNING &amp; BUILDING DEPARTMENT</p> 
<p>DATE: FEB 16 2016</p>	<p>7898 EIGHTEENTH AVENUE</p>  Subject Site
<p>SCALE: 1:2,000</p>	
<p>DRAWN BY: AY</p>	

Sketch #3