
TO: CITY MANAGER **DATE:** 2019 December 11

FROM: DIRECTOR PLANNING AND BUILDING **FILE:** 16000 20

SUBJECT: REQUEST FOR PROPOSALS (RFP) FOR NON-MARKET HOUSING PARTNERSHIP SITES

PURPOSE: To seek Council authorization to issue a Request for Proposals (RFP) to identify non-profit development partners and operators for five City-owned sites.

RECOMMENDATIONS:

1. **THAT** Council authorize staff to issue a Request for Proposals (RFP) to identify non-profit housing providers for five City-owned sites, as outlined in Section 4.0 of this report.
2. **THAT** a copy of this report be sent, for information purposes, to Ms. Armin Amrolia, Associate Vice President, Development & Asset Strategies, BC Housing and Mr. Andrew Middleton, Affordable Housing Specialist, CMHC.

REPORT

1.0 INTRODUCTION

At its closed meeting of 2019 September 16, Council approved, in principle, issuance of a Request for Proposals (RFP) to identify suitable non-profit development partners to build and operate non-market housing on five City-owned sites:

	Project	Address	Potential Housing Units
1	Royal Oak and Imperial	6857 - 6875 Royal Oak Avenue	156
2	Sunset/Kincaid	5912 – 5988 Sunset Street and 5907 – 5989 Kincaid Street	243
3	Byrnespark	6488 Byrnespark Drive	204
4	Kingsway and 16th	7510-7536 Kingsway; 7390-7398 16 th Avenue; and 7411 15 th Avenue	177
5	Kitchener	7285 Kitchener Street	141
TOTAL			921

The five sites, along with two other sites to be developed through separate partnerships, are the subject of an initiative to develop over 1,300 non-market housing units in partnership with senior government.

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This report requests Council authorization to issue the RFP for the five sites, and provides recommendations on RFP guidelines, process and timeline.

2.0 POLICY CONTEXT

The *Mayor's Task Force on Community Housing Final Report* recommends that the City “pursue partnerships that leverage the contributions of the City, BC Housing, non-profit societies, and private developers to provide more non-market and below-market rental housing” (Quick Start #5). The recommendations of the *Final Report* are grouped into four themes, one of which is to “invest in housing partnerships” (Theme 2).

A partnership approach to developing affordable housing is also supported by a number of other City policies, including the *Official Community Plan (OCP)*, *Burnaby Economic Development Strategy*, and *Burnaby Social Sustainability Strategy*, as well as the following goals and sub-goals of the Corporate Strategic Plan:

A Connected Community

- Partnership – Work collaboratively with businesses, educational institutions, associations, other communities, and governments.
- Social Connection – Enhance social connections throughout Burnaby.

An Inclusive Community

- Create a sense of community – Provide opportunities that encourage and welcome all community members and create a sense of belonging.

A Healthy Community

- Healthy life – Encourage opportunities for healthy living and well-being.
- Community involvement – Encourage residents and businesses to give back to and invest in the community.

A Dynamic Community

- Community development – Manage change by balancing economic development with environmental protection and maintaining a sense of belonging.

3.0 BACKGROUND

The five sites, along with two other sites to be developed through separate partnerships, are the subject of an initiative to develop over 1,300 non-market housing units in partnership with senior government. This initiative includes development of a Memorandum of Understanding (MOU) with BC Housing that establishes terms for a housing partnership; the advancement of rezoning applications for the City-owned sites; the contribution of Community Benefit Bonus Housing Fund (“Housing Fund”) funding towards City-related permit fees and servicing costs; and a potential partnership with the Canada Mortgage and Housing Corporation (CMHC) on one or more of the sites.

Partnership Framework

On 2019 September 16, Council authorized staff to develop an MOU with BC Housing to define a partnership approach to developing non-market housing. Under the proposed terms of the MOU, the

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City and BC Housing will seek partnerships to develop affordable housing on six City-owned sites and a seventh site that is owned by the federal government. One of the six City-owned sites is adjacent to land owned by Mosaic Homes, with whom the City is exploring a partnership for developing both sites concurrently. The other five City-owned sites are the subject of this report. A key map of the seven sites, and more detailed maps of the five subject sites, are included as *Appendix A*.

Target partners for the five sites are non-profit housing providers (e.g., non-profit housing societies, housing co-operatives, and government housing corporations), who will be expected to develop and operate affordable housing on each site. For each site, the City will provide a 99-year lease at a nominal rate, as well as expedited processing; in addition, Council has given approval-in-principal for Housing Fund contributions to offset permit and servicing costs. Further requests for Housing Fund grants in support of the projects will also be considered. This partnership also relies on senior government provision of funding and financing opportunities, as well as long-term oversight of project maintenance and affordability.

Under the proposed MOU, both the City and BC Housing will participate in the selection of the non-profit housing providers through a competitive process run by the City. This report outlines a competitive Request for Proposals (RFP) process consistent with the proposed terms of the MOU.

Rezoning Approval

On 2019 December 10, rezoning applications for each of the five sites were presented to a Public Hearing (Rezoning Reference #19-54, #19-55, #19-56, #19-57, #19-38). These rezoning applications seek to pre-zone the sites to the Comprehensive Development District, and to establish development guidelines for permitted land use(s), density, general building height and form, and general residential unit count. The rezoning applications also address preliminary servicing requirements (e.g. road dedications, public realm improvements, and infrastructure upgrades) and provide detailed civil designs and cost estimates.

Pre-zoning the sites in an expedited timeframe, identifying preliminary servicing requirements, and developing civil designs and estimates demonstrates the City's commitment to the projects, provides clarity on the development potential and expectations for the sites, and places the City and its non-profit development partners in a stronger position to obtain funding from BC Housing's *Building BC: Community Housing Fund (CHF)* and CMHC's *National Housing Co-Investment Fund*.

4.0 REQUEST FOR PROPOSALS (RFP)

On 2019 September 16, Council approved, in principle, the issuance of an RFP to identify suitable non-profit development partners and operators for the five City-owned sites. The approval-in-principle specified that respondents to the RFP would need to meet eligibility criteria and demonstrate the ability to adhere to the targeted affordability objectives and development guidelines established for each site. Housing providers selected through the RFP process will be required to complete site-specific rezoning applications with detailed plans of development consistent with the guidelines established through pre-zoning; they would also be required to seek and successfully obtain funding through the *Building BC: Community Housing Fund (CHF)* and the *National Housing Co-Investment Fund*. The recommended RFP guidelines, process, and timeline are outlined below.

4.1 RFP Guidelines

The following sections provide recommended guidelines for RFP submissions, including eligibility criteria, program requirements and site-specific development standards. These guidelines are intended to ensure that projects meet the identified objectives, are sustainable over time, fit well within their local settings and prioritize the non-market housing needs of the community. The guidelines reflect both City and BC Housing requirements, as well as the guidelines for current funding available through the *Building BC: Community Housing Fund (CHF)* and the *National Housing Co-Investment Fund*.

4.1.1 Eligibility Criteria

In order to ensure that respondents have the appropriate qualifications, it is recommended that the RFP include the following eligibility criteria:

- *Respondents* must be:
 - a not-for-profit corporation incorporated and in good standing under the BC Societies Act or the Canada Not-for-profit Corporations Act; or
 - a federal, provincial, or regional government agency; or
 - a development proponent representing, developing, and/or constructing housing for any of the above.
- *Lessee/operator* must be:
 - a not-for-profit corporation incorporated and in good standing under the BC Societies Act or the Canada Not-for-profit Corporations Act; or
 - a federal, provincial, or regional government housing entity.
- *Financing*: Respondents shall demonstrate a secured funding model and strong financial capability to ensure housing affordability is protected over the life of the project and the project is delivered in a timely manner.
- *Experience*: Respondents shall demonstrate a record of success in the development and management of non-market rental housing, as demonstrated by examples of recent projects completed in Metro Vancouver.

4.1.2 Program Criteria

It is further recommended that all RFP submissions address the following program criteria:

- *Target client group*, as shown below:

Site #1	Site #2	Site #3	Site #4	Site #5
<i>Royal Oak/ Imperial</i>	<i>Sunset/ Kincaid</i>	<i>Byrnespark</i>	<i>Kingsway/16th</i>	<i>Kitchener</i>
General	Seniors	General	General	Families

- *Suitability of housing for the targeted client group*, including the number, size, and mix of units, accessibility features, and on-site amenities.

- **Level of affordability**, including information on the income levels of residents served by the proposal and the rent structure on a per unit and aggregate basis. These must be consistent with the mix of incomes and rents required by the *Building BC: Community Housing Fund*, specifically:
 - 30% of units must be affordable to those with low and moderate incomes, as determined by BC Housing;
 - 50% of units must have Rent Geared to Income (RGI), for households with incomes below BC Housing Income Limits (HILs); and
 - 20% must be offered at a deep subsidy affordable to those receiving income assistance, or with very low RGI.
- **Accessibility**, including number of adaptable and accessible units, with a target of:
 - At least 20% of units being fully accessible; and,
 - Barrier-free or full universal design, if feasible.
- **Energy Efficiency**, with a target of 25% reduction in energy use and emissions relative to the national building and energy codes.
- **Livability**, including features and amenities that enhance the lives of residents and neighbours.
- **Project timeline**, including key milestones and target dates.
- **Site-specific development guidelines**, as outlined in Section 4.1.3 below.

4.1.3 Site-Specific Development Guidelines

The 2019 November 18 Council report associated with the subject rezoning applications outlines development guidelines for each of the five sites. These guidelines, *attached as Appendix B*, include the following:

- **Proposed land use(s)**, which for all sites, is rental housing with the addition of ground-level commercial use for Site #1;
- **Zoning**, which for most sites is RM2/ RM2r or RM3/RM3r Multiple Family Residential; with C9 Commercial and P5 Community Institutional zoning added on some sites;
- **Maximum density**, which ranges from 1.9 FAR to 3.85 FAR depending on the site;
- **Anticipated maximum unit count**, which ranges from 108 townhouse units to 243 apartment units; and
- **Building form and height**, which is an apartment form up to six storeys for Sites #1-4, and a townhouse form up to four storeys for Site #5 (Kitchener).

The guidelines also state the target client groups and affordability, as noted in Section 4.1.2 above.

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4.2 RFP Process and Timeline

A preliminary timeline for the RFP and associated funding and rezoning processes is shown below:

	Milestone	Target Dates
Step 1	RFP package developed	2019 December to 2020 January
Step 2	RFP posted on BC Bid	2020 January
Step 3	RFP closes	2020 February
Step 4	Evaluation of proposals	2020 February/March
Step 5	Final selection of development partners	2020 April
Step 6	Submission of funding applications to BC Housing and CMHC	2020 May to 2020 September
Step 7	Funding awarded	2020 November
Step 8	Submission of rezoning applications by development partners	2020 December

Under the proposed process, staff will develop an RFP package and issue it electronically through the provincial procurement website, BC Bid, where any interested party may download the RFP documents directly. An evaluation team will review and shortlist proposals based on the established criteria and, if necessary, the City may conduct interviews with the proponents and/or consult references to clarify and confirm components of their submissions. BC Housing will also participate in the review process. As part of the evaluation process, the City would reserve the right to negotiate directly with a shortlisted proponent.

Following the evaluation process, a report will be advanced to Council with a summary of the submissions, the recommended development partner(s), and details of the proposed development programs. Upon Council approval, the successful development partner(s) would pursue funding through the *Building BC: Community Housing Fund (CHF)* and the *National Housing Co-Investment Fund*. Should funding be awarded, the development partner(s) would submit site-specific rezoning applications and may concurrently seek support from the Community Benefit Bonus Housing Fund. The lease of each site will be subject to the successful completion of a rezoning application, with a detailed plan of development under the CD Comprehensive Development District. The affordability of the units will be secured through the lease and through agreements with senior government funders.

5.0 COMMUNITY BENEFIT BONUS HOUSING FUND

Council has given approval-in-principal for Community Benefit Bonus Housing Fund ("Housing Fund") contributions to offset permit and servicing costs. In order to deliver deeper levels of affordability, development partner(s) may request additional Housing Fund contributions, including a per-door grant, during the rezoning process. These requests will be subject to the review and approval of Council.

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6.0 CONCLUSION

This report outlines a Request for Proposals (RFP) process to identify non-profit development partners for five City-owned sites. The five sites, along with two other sites to be developed through separate partnerships, are the subject of an initiative to develop over 1,300 non-market housing units in partnership with senior government. This report provides recommendations on guidelines, process and timeline for the RFP, and recommends that Council authorize staff to conduct the RFP process as described in Section 4.0 herein. It also recommends that a copy of this report be sent to representatives of BC Housing and CMHC for information purposes.

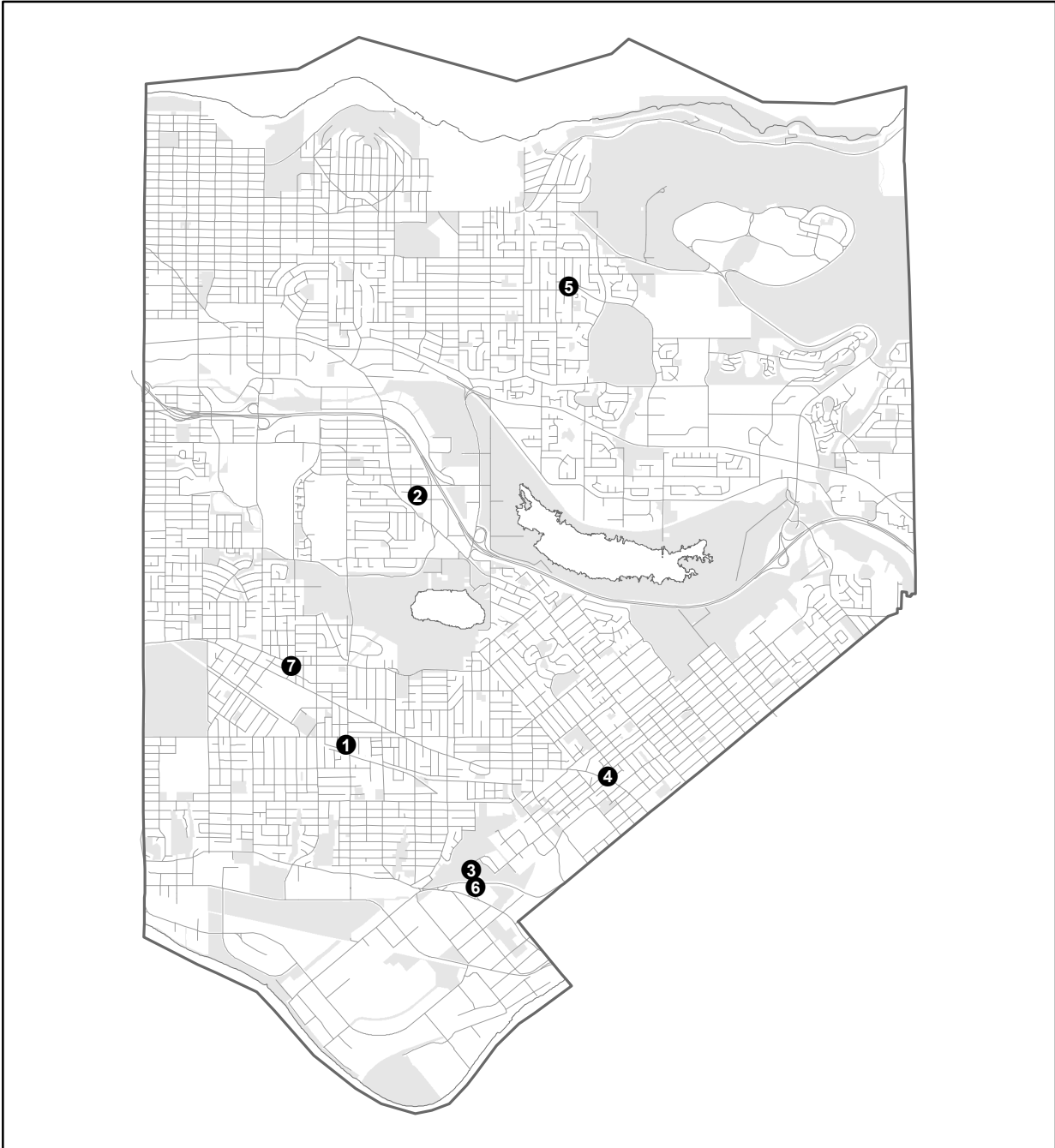


E.W. Kozak, Director
PLANNING AND BUILDING

LF:sa

Attachments

cc: Director Engineering
Director Finance
Director Corporate Services
Director Public Safety and Community Services
City Solicitor
City Clerk



PLANNING & BUILDING DEPARTMENT



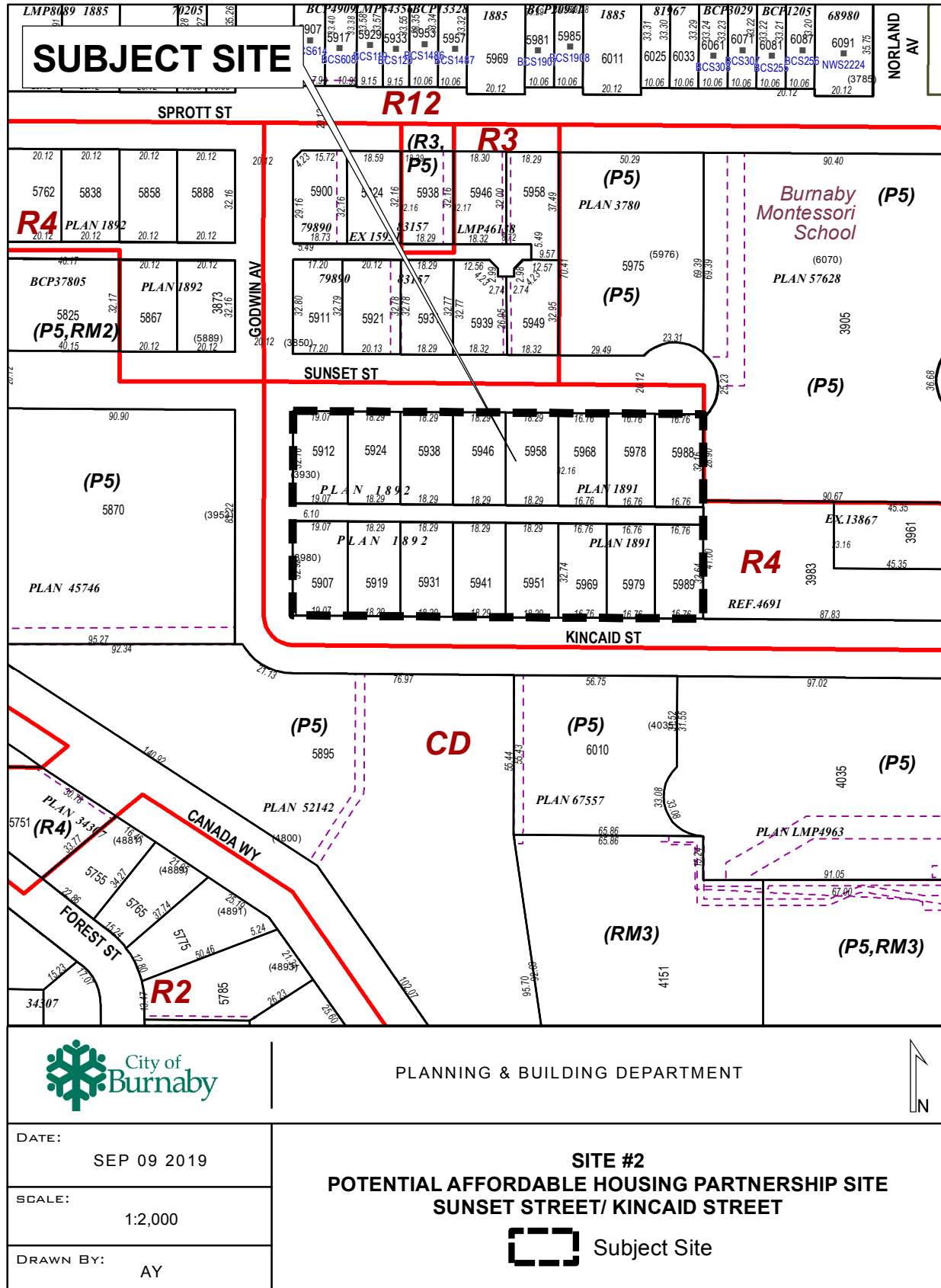
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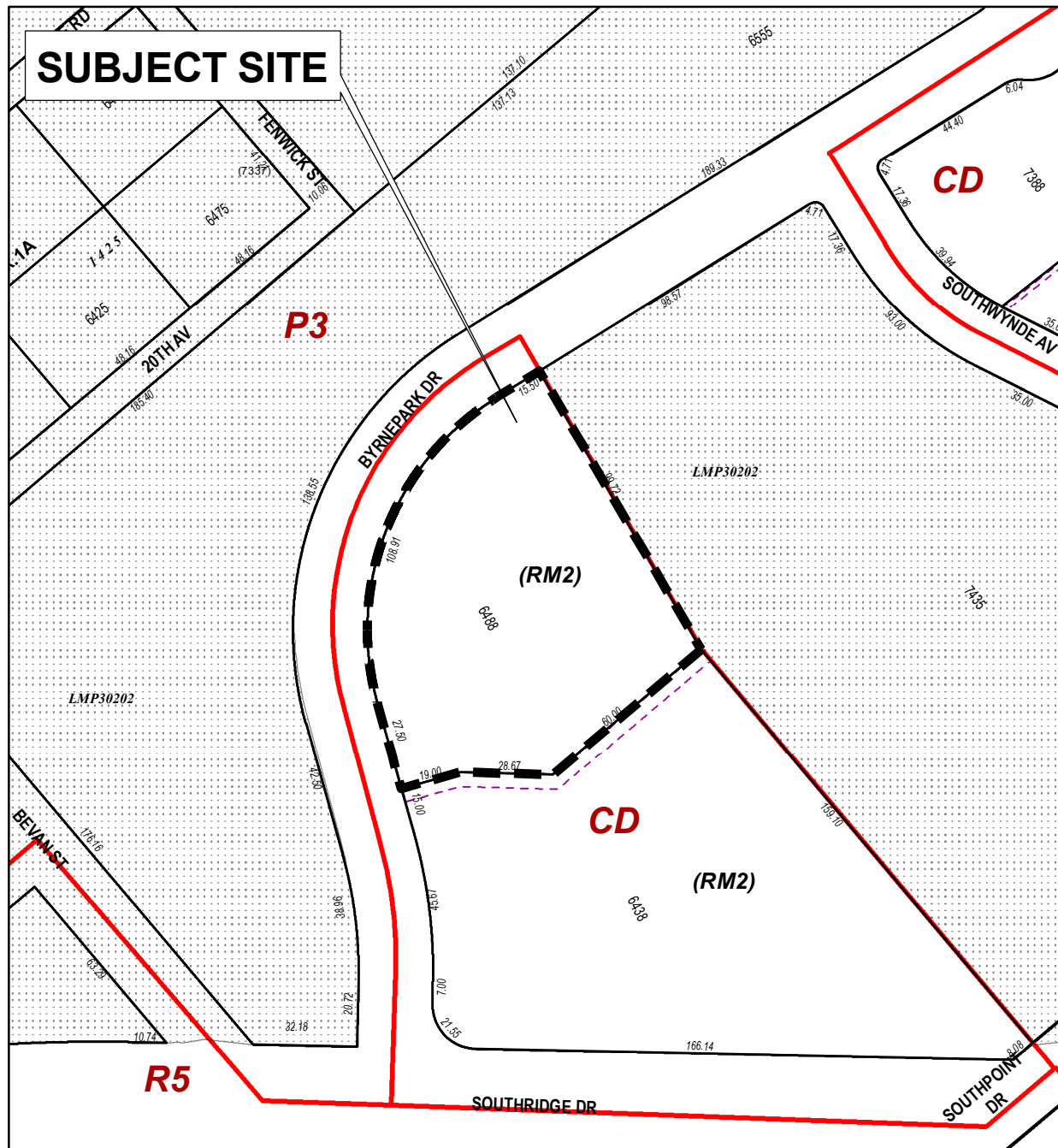
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**KEY MAP
POTENTIAL AFFORDABLE HOUSING PARTNERSHIP SITES**

Site Number





PLANNING & BUILDING DEPARTMENT



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SITE #3
POTENTIAL AFFORDABLE HOUSING PARTNERSHIP SITE
6488 BYRNEPARK DRIVE

 Subject Site

**Development Guidelines
2019 November 18**

SITE #1: ROYAL OAK AND IMPERIAL – REZONING REFERENCE #19-54
NON-MARKET HOUSING DEVELOPMENT

Addresses: 6857 and 6875 Royal Oak Avenue

Site Area: 3,219 m² (34,649 sq.ft.)

Permitted land use(s): Ground-level commercial with rental housing

Zoning & Maximum Density:

C9r (rental)	2.00 FAR
C9 (commercial)	0.20 FAR
RM3r (rental)	1.10 FAR
RM3 (100% affordable density offset)	0.55 FAR
Total	3.85 FAR (133,399 sq.ft.)

Anticipated Maximum Unit Count: 156 units, based on 85% efficiency and 725 sq.ft. average unit size.

Anticipated Building Form & Height: Apartment form up to six storeys

Targeted Client Group & Affordability: General, mixed affordability

SITE #2: SUNSET/KINCAID – REZONING REFERENCE #19-55
NON-MARKET SENIORS HOUSING DEVELOPMENT

Addresses: 5912, 5924, 5938, 5946, 5958, 5968, 5978, 5988 Sunset Street, and 5907, 5919, 5931, 5941, 5951, 5969, 5979, 5989 Kincaid Street

Site Area: 10,144 m² (109,189 sq.ft.)

Permitted land use(s): Rental housing

Zoning & Maximum Density:

RM3r (rental)	1.10 FAR
P5 (institutional seniors rental)	0.80 FAR
Total	1.90 FAR (207,459 sq.ft.)

Anticipated Maximum Unit Count: 243, based on 85% efficiency and 725 sq.ft. average unit size. However, unit count will be dependent on the specific mix of independent living units, supportive living units, and/or complex care beds.

Anticipated Building Form & Height: Apartment form up to six storeys

Targeted Client Group & Affordability: Seniors, mixed affordability

SITE #3: 6488 BYRNEPARK DRIVE – REZONING REFERENCE #19-56
NON-MARKET HOUSING DEVELOPMENT

Address: 6488 Byrnepark Drive

Site Area: 8,500 m² (91,493 sq.ft.)

Permitted land use(s): Rental housing

Zoning & Maximum Density:

RM2 base + bonus (rental)	1.00 FAR (of which 0.1 FAR is density bonus)
RM2r (rental)	0.90 FAR
Total	1.90 FAR (173,837 sq.ft.)

Anticipated Maximum Unit Count: 204 (assuming 85% efficiency, 725 sq.ft. average unit size)

Anticipated Building Form & Height: Apartment form up to six storeys

Targeted Client Group & Affordability: General, mixed affordability

SITE #4: KINGSWAY AND 16TH – REZONING REFERENCE #19-57
NON-MARKET HOUSING DEVELOPMENT

Addresses: 7510, 7516, 7526, 7536 Kingsway; 7390, 7398 16th Avenue; 7411 15th Avenue

Site Area: 4,454 m² (47,939 sq.ft.) including lane closure area

Permitted land use(s): Rental housing

Zoning & Maximum Density:

RM3s base + bonus (rental)	1.50 FAR (of which 0.4 FAR is density bonus)
RM3r (rental)	1.10 FAR
RM3s (100% affordable density offset)	0.55 FAR
Total	3.15 FAR (151,008 sq.ft.)

Anticipated Maximum Unit Count: 177 units, based on 85% efficiency and 725 sq.ft. average unit size.

Anticipated Building Form & Height: Apartment form up to six storeys

Targeted Client Group & Affordability: General, mixed affordability

SITE #5: 7285 KITCHENER STREET – REZONING REFERENCE #19-58
NON-MARKET FAMILY HOUSING DEVELOPMENT

Address: 7285 Kitchener Street

Site Area: 7,877 m² (84,787 sq.ft.)

Permitted land use(s): Rental housing

Zoning & Maximum Density:

RM2 (rental)	0.90 FAR
<u>RM2r (rental)</u>	<u>0.90 FAR</u>
Total	1.80 FAR (152,617 sq.ft.)

Anticipated Maximum Unit Count: 141 units, based on 100% efficiency and 1,082 sq.ft. average family unit size.

Anticipated Building Form & Height: Townhouse form up to four storeys

Targeted Client Group & Affordability: Families with children, mixed affordability