



Regular Council

Monday, October 7, 2024

- Place: Council Chambers
Richmond City Hall
- Present: Mayor Malcolm D. Brodie
Councillor Chak Au
Councillor Carol Day
Councillor Laura Gillanders (entered the meeting at 7:01 p.m.)
Councillor Kash Heed
Councillor Andy Hobbs
Councillor Alexa Loo
Councillor Bill McNulty
Councillor Michael Wolfe

Corporate Officer – Claudia Jesson
- Call to Order: Mayor Brodie called the meeting to order at 7:00 p.m.

RES NO. ITEM

MINUTES

- R24/17-1 1. It was moved and seconded
That the minutes of the Regular Council meeting held on September 23, 2024, be adopted as circulated.

CARRIED



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AGENDA ADDITIONS & DELETIONS

- R24/17-2 It was moved and seconded
That Consolidated Fees Bylaw No. 8636, Amendment Bylaw No. 10601 be deleted from the Council Agenda under Bylaws for Adoption.

CARRIED

COMMITTEE OF THE WHOLE

- R24/17-3 2. It was moved and seconded
That Council resolve into Committee of the Whole to hear delegations on agenda items (7:01 p.m.).

CARRIED

3. Delegations from the floor on Agenda items – None.

- R24/17-4 4. It was moved and seconded
That Committee rise and report (7:02 p.m.).

CARRIED

CONSENT AGENDA

- R24/17-5 5. It was moved and seconded
That Items No. 6 through No. 17 be adopted by general consent.

CARRIED

6. **COMMITTEE MINUTES**

That the minutes of:

- (1) *the Parks, Recreation and Cultural Services Committee meeting held on September 24, 2024;*
(2) *the Finance Committee meeting held on October 1, 2024; and*



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(3) *the General Purposes Committee meeting held on October 1, 2024; be received for information.*

ADOPTED ON CONSENT

- 7. **NAMING OF THE NEW COMMUNITY FACILITY AND FIELDHOUSE LOCATED IN HUGH BOYD COMMUNITY PARK**
(File Ref. No. 06-2052-20-HBSC) (REDMS No. 7772636, 5361660)

That the facility to be constructed in Hugh Boyd Community Park be named West Richmond Pavilion, as presented in the staff report titled “Naming of the New Community Facility and Fieldhouse located in Hugh Boyd Community Park”, dated August 29, 2024, from the Director, Recreation and Sport Services.

ADOPTED ON CONSENT

- 8. **WASHER AND DRYER FOR NEW WEST RICHMOND PAVILION**
(File Ref. No. 06-2052-20-HBSC)

That staff include an appropriate hook-up for a washer and dryer in the new West Richmond Pavilion.

ADOPTED ON CONSENT

- 9. **HIGH JUMP EQUIPMENT COVER**
(File Ref. No. 11-7025-09-003, 06-2052-20-MPTS)

That staff work with Richmond Kajaks to provide a cover for the high jump equipment at the Minoru Track.

ADOPTED ON CONSENT

- 10. **METRO WEST INTER-MUNICIPAL BUSINESS LICENCE BYLAWS**
(File Ref. No. 12-8060-20-010584; 12-8060-20-010583) (REDMS No. 7737244, 7745163, 7747068)

(1) *That Inter-Municipal Business Licence Agreement Bylaw No. 10584 be introduced and given first, second and third readings; and*

(2) *That Inter-Municipal Business Licence Bylaw No. 10583 be introduced and given first, second and third readings.*

ADOPTED ON CONSENT



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11. RESPONSE TO METRO VANCOUVER'S REFERRAL: LAND USE DESIGNATION AMENDMENT TO THE METRO 2050 REGIONAL GROWTH STRATEGY PROPOSED BY THE CITY OF SURREY FOR THE PROPERTY LOCATED AT 7880 128 STREET

(File Ref. No. 01-0157-30-RGST1) (REDMS No. 7788990)

That comments from the City of Richmond be provided to the Metro Vancouver Regional District Board as outlined in the staff report titled "Response to Metro Vancouver's Referral: Land Use Designation Amendment to the Metro 2050 Regional Growth Strategy Proposed by the City of Surrey for the Property Located at 7880 128 Street", dated September 9, 2024, from the Director, Policy Planning.

ADOPTED ON CONSENT

12. UBCM – COMMUNITY WORKS AGREEMENT – CANADA COMMUNITY BUILDING FUND

(File Ref. No. 03-1000-18-084) (REDMS No. 7763249)

- (1) That the City enter into a funding agreement with the Union of British Columbia Municipalities (UBCM), as described in the report titled "UBCM – Community Works Agreement – Canada Community Building Fund," dated September 9, 2024, from the Director, Intergovernmental Relations and Corporate and Strategic Planning; and*
- (2) That the Chief Administrative Officer and General Manager, Finance and Corporate Services be authorized on behalf of the City to execute the above noted agreement with UBCM.*

ADOPTED ON CONSENT



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13. COUNCIL STRATEGIC PLAN 2022-2026 MID-TERM HIGHLIGHTS

(File Ref. No. 01-0105-07-01) (REDMS No. 7730292)

- (1) *The report titled “Council Strategic Plan 2022-2026 Mid-Term Highlights,” dated August 21, 2024 from the Director, Intergovernmental Relations and Corporate and Strategic Planning, be received for information; and*
- (2) *Attachments 1 and 2 of the report be made available for viewing and download on the City of Richmond website.*

ADOPTED ON CONSENT

14. NEXT GENERATION 9-1-1

(File Ref. No. 03-1000-13-025) (REDMS No. 7810539)

That the Chief Administrative Officer and the General Manager, Finance & Corporate Services be authorized to execute and deliver the Next Generation 9-1-1 Implementation and Operation Contract, between the City and Metro Vancouver Regional District, on substantially the terms described in the report titled “Next Generation 9-1-1”, from the General Manager, Law & Community Safety and the General Manager, Finance & Corporate Services, dated September 18, 2024.

ADOPTED ON CONSENT

15. AMENDMENTS TO THE CONSOLIDATED 5 YEAR FINANCIAL PLAN (2024-2028) BYLAW NO. 10515

(File Ref. No. 12-8060-20-010604, 12-8060-20-010515) (REDMS No. 7759234, 7780718, 7780231)

That the Consolidated 5 Year Financial Plan (2024-2028) Bylaw No. 10515, Amendment Bylaw No. 10604, which incorporates and puts into effect the changes as outlined in the staff report titled “Amendments to the Consolidated 5 Year Financial Plan (2024-2028) Bylaw No. 10515” dated September 17, 2024, from the General Manager, Finance and Corporate Services, be introduced and given first, second and third readings.

ADOPTED ON CONSENT



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16. **CONSOLIDATED FEES BYLAW NO. 8636, AMENDMENT BYLAW NO. 10568**

(File Ref. No. 12-8060-20-010568) (REDMS No. 7761097, 7760933)

That the Consolidated Fees Bylaw No. 8636, Amendment Bylaw No. 10568 be introduced and given first, second and third readings.

ADOPTED ON CONSENT

17. **PERMISSIVE PROPERTY TAX EXEMPTION (2025) BYLAW NO. 10566**

(File Ref. No. 12-8060-20-010566) (REDMS No. 7699135, 7699238)

That Permissive Property Tax Exemption (2025) Bylaw No. 10566 be introduced and given first, second and third readings.

ADOPTED ON CONSENT

BYLAWS FOR ADOPTION

R24/17-6

It was moved and seconded

That Richmond Zoning Bylaw No. 8500, Amendment Bylaw No. 10428 adopted.

CARRIED

Opposed: Cllrs. Day
Wolfe

R24/17-7

It was moved and seconded

That the following bylaws be adopted:

Business Licence Bylaw No.7360, Amendment Bylaw No. 10597;

Notice of Bylaw Violation Dispute Adjudication Bylaw No. 8122, Amendment Bylaw No. 10598;

Underpinning Works and Construction Fence Encroachment Bylaw No. 9833, Amendment Bylaw No. 10599; and

Notice of Bylaw Violation Dispute Adjudication Bylaw No. 8122, Amendment Bylaw No. 10600.

CARRIED



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DEVELOPMENT PERMIT PANEL

- R24/17-8 18. It was moved and seconded
- (1) *That the minutes of the Development Permit Panel meetings held on September 12, 2024, and September 25, 2024 and the Chair's report for the Development Permit Panel meeting held on July 26, 2023, be received for information; and*
 - (2) *That the recommendations of the Panel to authorize the issuance of Development Permit (DP 23-011608) for the property located at 8220 Gilbert Road, be endorsed, and the Permits so issued.*

CARRIED

PUBLIC DELEGATION ON NON-AGENDA ITEMS

- R24/17-9 19. It was moved and seconded
That Council resolve into Committee of the Whole to hear delegations on non-agenda items (7:24 p.m.).

CARRIED

Jerome Dickey, Richmond resident, spoke on establishing a Richmond Housing Authority, noting Richmond's continued growth and the need for innovative approaches to addressing housing options going forward.

As a result of the delegation, the following **referral motion** was introduced:

- R24/17-10 It was moved and seconded
That staff investigate the propriety of establishing a Richmond Housing Authority and report back with an initial report within three months.

The question on the referral motion was not called as discussion ensued regarding the functions of the City's Housing Office and the existing Affordable Housing Strategy.

Direction was given for the referral to include researching similar housing authorities in other municipalities, engaging with stakeholders including non-profit housing providers, assessing the potential financial and administrative impacts, and identifying locations and partnerships.



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Further discussion ensued regarding (i) background and rationale to explore the creation of a Richmond Municipal Housing Authority, (ii) Vancity Community Foundation, and (iii) other municipal housing authorities, such as the City of Burnaby (attached to and forming part of these minutes as Schedule 1).

In response to a query from Council, staff advised that multiple policy review and analysis items are ongoing and an initial report can be brought back in approximately three months.

The question on Resolution R24/17-10 was then called and it was **CARRIED**

- R24/17-11 20. It was moved and seconded
That Committee rise and report (7:40 p.m.).

CARRIED

ADJOURNMENT

- R24/17-12 It was moved and seconded
That the meeting adjourn (7:41 p.m.).

CARRIED

Certified a true and correct copy of the Minutes of the Regular meeting of the Council of the City of Richmond held on Monday, October 7, 2024.

Mayor (Malcolm D. Brodie)

Corporate Officer (Claudia Jesson)

Richmond City Council

Motion to Explore Creation of a Richmond Municipal Housing Authority

Motion: THAT City Council direct staff to explore the creation of a Richmond Municipal Housing Authority (RHA) by:

1. **Researching** similar housing authorities in other municipalities, including Burnaby, to assess their structures, funding mechanisms, governance models, and key achievements.
2. **Engaging** with stakeholders, including local non-profit housing providers, developers, tenants' rights organizations, and the general public, to understand the specific housing needs in Richmond and gauge interest in such an initiative.
3. **Assessing** the potential financial and administrative impacts of establishing a municipal housing authority, including opportunities for funding through provincial and federal housing programs.
4. **Identifying** potential locations, land holdings, or partnerships that could support the development of affordable and purpose-built housing under a Richmond Housing Authority.
5. **Providing** a report to Council within six months outlining the findings, including recommendations on whether and how to move forward with the creation of a Richmond Municipal Housing Authority.

Richmond City Council

Background, Purpose, Motion, and Rationale to Explore Creation of a Richmond Municipal Housing Authority

Purpose: To direct staff to investigate the feasibility, benefits, and potential structure of creating a municipal housing authority for Richmond, modeled after Burnaby's Housing Authority and/or other authorities, with the goal of enhancing affordable, secure, and purpose-built housing solutions for residents.

Background: The City of Burnaby has taken proactive steps to address the housing crisis through the establishment of its own municipal housing authority, which allows it to manage, develop, and preserve affordable housing for its residents. Richmond faces similar challenges with housing affordability, availability, and security, making it essential to explore a locally driven solution that aligns with our community's specific needs.

A Richmond Municipal Housing Authority would provide the City with more control and flexibility in addressing housing issues. It could support initiatives such as affordable housing developments, partnerships with non-profit organizations, and the preservation of existing affordable housing units. Exploring this option is consistent with the City's commitment to creating a diverse, sustainable, and inclusive community.

Motion: THAT City Council direct staff to explore the creation of a Richmond Municipal Housing Authority by:

1. **Researching** similar housing authorities in other municipalities, including Burnaby, to assess their structures, funding mechanisms, governance models, and key achievements.
2. **Engaging** with stakeholders, including local non-profit housing providers, developers, tenants' rights organizations, and the general public, to understand the specific housing needs in Richmond and gauge interest in such an initiative.
3. **Assessing** the potential financial and administrative impacts of establishing a municipal housing authority, including opportunities for funding through provincial and federal housing programs.
4. **Identifying** potential locations, land holdings, or partnerships that could support the development of affordable and purpose-built housing under a Richmond Housing Authority.
5. **Providing** a report to Council within six months outlining the findings, including recommendations on whether and how to move forward with the creation of a Richmond Municipal Housing Authority.

Rationale: Richmond faces significant pressure in providing adequate and affordable housing for its residents. By creating a housing authority, the City could have more tools at its disposal to take proactive, long-term actions that directly address housing issues, allowing for greater control over developments and the ability to better serve specific populations such as low- and moderate-income households, renters, local workforce, and seniors.

Exploring this option ensures Richmond is taking steps toward addressing housing challenges with innovative, local solutions, in line with successful communities like that of Burnaby.

Vancity Community Foundation

Hey Donna,

How are you feeling as we get closer to the election?

Housing is one of the greatest issues facing British Columbians today. This election period offers a unique opportunity for us to create real and meaningful change in our communities.

[Take the story of the Greater Victoria Housing Society for example.](#)

Their Goldstream project in Colwood is made up for **more than 100 homes at below-market rates**. This allows a broad mix of working people, families, single parents, newcomers, seniors, people with disabilities and at-risk youth to all have secure housing close to public transit, schools and amenities.



The Society's Executive Director Virginia Holden credits funding from the Vancity Community Foundation for making these homes a reality, **“Without this kind of patient and flexible and nimble capital, these projects just don't happen.”**

That's why we're calling on B.C.'s political parties to commit to supporting non-profits that build affordable housing. **Their platforms must explicitly include funding for programs like the Vancity Affordable Community Housing Program**, which accelerates the development of affordable housing on community-owned land at the early stage, when it is most needed.

There's still time to send a strong message. **If you believe housing should be affordable and accessible for all, [share our petition](#) with your friends and family.**

Thank you for standing with us,

Vancity Community Foundation

TO: MAYOR & COUNCIL
FROM: GENERAL MANAGER PLANNING AND DEVELOPMENT
SUBJECT: **BURNABY HOUSING AUTHORITY COMMUNITY ENGAGEMENT**
PURPOSE: To seek Council authorization to start community engagement on the elements of a Burnaby Housing Authority.

RECOMMENDATION

THAT staff collect feedback to refine the proposed elements and supporting business plan for a Burnaby Housing Authority using the engagement framework as generally outlined in Section 4.0 of the June 19, 2023 “Burnaby Housing Authority Community Engagement” report.

CHIEF ADMINISTRATIVE OFFICER’S COMMENTS

I concur with the recommendation of the General Manager Planning and Development.

1.0 POLICY SECTION

Establishing a Burnaby Housing Authority to help facilitate the creation of new non-market housing aligns with several City policies, including the *Corporate Strategic Plan* (2022), *HOME: Burnaby’s Housing and Homelessness Strategy* (2021), *Burnaby Housing Needs Report* (2021), *Mayor’s Task Force on Community Housing Final Report* (2019), *Burnaby Social Sustainability Strategy* (2011), *Burnaby Economic Development Strategy* (2007) and *Official Community Plan* (1998).

2.0 BACKGROUND

Non-market housing in Burnaby is currently delivered through a variety of channels, often involving multiple partners, including the City, other orders of government, non-profit organizations (NPOs) and the private development sector. The City’s involvement primarily consists of creating housing-friendly policies, plans and regulations, reviewing and approving non-market development applications, advocating for funding from other orders of government and providing municipal lands and financial supports to facilitate affordable housing developments.

While the City has been successful in facilitating the development of new non-market housing in recent years, these developments often take years to come to fruition. Recognizing the significant and immediate housing needs in the community, *HOME: Burnaby’s Housing and Homelessness Strategy (HOME)* calls on the City to “develop a coordinated program for non-market housing partnerships, with dedicated staff resources, to provide an efficient, consistent and streamlined process for the development of partnership projects.” In response, Council has asked staff to explore

the creation of a new Burnaby Housing Authority (BHA) as a “one-stop shop” for non-market housing development, management and administration.

Efforts to define elements of a BHA have been underway since early 2023. This report summarizes and shares the currently defined elements of the BHA, and seeks Council authorization for staff to start community engagement activities as per the proposed engagement framework outlined in Section 4.0.

3.0 GENERAL INFORMATION

The following sections outline the specific elements of the BHA based on Council direction to date. Council direction has been informed by research of other housing authorities and development corporations, in addition to a desire to expand the City’s role in non-market housing delivery in Burnaby. Overall, the BHA strives to:

- Be nimble, innovative and bold to deliver new non-market housing in Burnaby to meet community housing needs;
- Add to, rather than replace, existing housing supply;
- Position itself to help fill gaps in Burnaby’s housing supply; and
- Contribute to the larger housing ecosystem through collaboration, not competition.

3.1 Process and Timeline

The process to create the BHA comprises:



The pre-planning phase involved research of other housing authorities and development corporations across Canada, along with interviews of subject matter experts, to determine success factors for the BHA. Based on this research, staff have been seeking Council direction on defining key elements in Phase 1, with additional elements still needing Council input. Council has indicated a desire to establish the BHA in 2023.

3.2 Organizational Structure

Council has directed staff to structure the BHA as an arms-length municipal corporation, with the City as the sole shareholder. The municipal corporation model was selected as the structure best able to meet the following objectives identified for a BHA:

- Facilitate delivery of non-market housing;
- Leverage senior government funding programs;
- Operate under separate governance;
- Generate positive net income for long-term sustainability;
- Improve market agility;
- Exercise greater control over operations;
- Expand role in delivery of solutions;
- Improve access to external resources, innovation and expertise;
- Allocate and manage risk; and
- Minimize administrative complexity and costs.

The municipal corporation model has not been used by the City to date. The authority to establish municipal corporations to provide services that benefit the community, including the delivery of affordable housing, is set out in the *Community Charter* and *Local Government Act*. Municipalities are required to obtain approval for proposed corporations from the provincial Inspector of Municipalities. The Inspector's role is to ensure that the process through which a municipal corporation is established, and the structure of the corporation itself, are consistent with provincial legislation. To seek approval from the Inspector, the City will need to submit various documents to the Ministry of Municipal Affairs, including draft articles of incorporation and a business plan for the BHA.

3.3 Governance

As a municipal corporation, the BHA will be governed by its own, autonomous board of directors. Appointed by City Council, the BHA Board will provide strategic direction to the BHA and help the BHA leverage the knowledge, resources and connections it needs to deliver its mandate. Council has decided to structure the Board with a majority of Council/City representatives in order to strengthen oversight of the use of City assets provided to the BHA, and to ensure ongoing alignment between BHA and City objectives, especially during the formative years of the organization. The full composition of the BHA Board is still to be determined, but is expected to include subject matter experts and representatives of groups with proficiency and expertise in real estate development, real estate law and financing, construction management, housing operations and non-market housing.

3.4 Affordability Mandate and Alignment with City Policies

Council has directed that the BHA focus on the following affordability levels and housing tenures:

- Non-market rental housing;
- Non-market ownership housing; and
- Market rental housing, in cases where revenues from such housing would help support the delivery of non-market housing through cross-subsidization.

The affordability mandate of the BHA aligns with the *Burnaby Housing Needs Report (HNR)*, a provincially-mandated document that provides key insights into community

housing needs, including the number and type of units that will be needed to meet housing demand over the next five and 10 years. For reference, the executive summary of the *HNR* is provided in *Attachment 1*. The aim of the BHA is to deliver units to meet the housing needs identified in the *HNR*, in addition to aligning with other City housing policies, plans and regulations, including *HOME*, which has the following vision:

“Burnaby is a place where everyone can find a home, afford a home and feel at home.”

3.5 Scope of Work

Council has defined the scope of work for the proposed BHA to include four main functions:

1. *Acquisition*

The BHA would acquire lands to maximize the development potential of its land portfolio while targeting sites in neighbourhoods currently lacking non-market housing. The BHA may also acquire existing housing units or housing units under construction to create more attainable housing options, including in partnership with the development community.

2. *Development*

The BHA would develop new housing units, with dedicated staff hired as development managers to oversee design, approvals and construction, or partner with the development sector to accomplish these outcomes. Housing development, which is not currently a function of the City, is anticipated to expand capacity in non-market housing delivery for Burnaby residents.

3. *Operations*

Recognizing the experience and capabilities of the City’s existing non-market housing operators, the BHA would partner with NPOs, government agencies and other qualified entities to operate non-market housing units, especially units for tenants that require additional supports. The BHA may explore operating units that are at or close to market rents to help financially sustain the BHA’s overall non-market housing portfolio over time.

4. *Administration*

The BHA would be responsible for overseeing its housing portfolio, for receiving and reviewing documents to confirm on-going compliance with any agreements with its operating partners and for preparing and submitting documents and reports as may be required under agreements with its funding, operating, or development partners. The BHA could further explore administering all other non-market housing units currently administered by the City, in order to create a “one-stop shop” for City of Burnaby non-market housing administration and inquiries.

As a new municipal corporation, the currently proposed scope of work will require the BHA to progressively develop capabilities, proficiency and expertise. The scope

is anticipated to evolve over time to ensure the BHA has the flexibility it needs to capitalize, leverage and respond to new opportunities as housing market conditions change.

3.6 Potential Tools and Assistance

The specific set of tools being provided by the City to the BHA is yet to be determined, but may include some or all of the following:

- Transfer of City land and buildings;
- Investment of City funds;
- Pre-zoning of development sites;
- Servicing of development sites;
- Fast-tracking of development approvals;
- Provision of dedicated staff resources;
- Extension of preferred financing rates; and
- Offers of loan guarantees.

The assistance provided by the City to the BHA would be formalized through a Partnering Agreement, as permitted by the *Community Charter*. A Partnering Agreement enables a local government to provide assistance to organizations such as public authorities, societies or private corporations to provide a service on behalf of the local government.

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

The City has engaged extensively with the public and key interested parties on the topic of housing in recent years, including through the *Your Voice. Your Home. Community Recommendations Workshop*, the *Mayor's Task Force on Community Housing*, the *HNR*, and *HOME*. Building on these previous efforts, an engagement framework has been created to involve the community in the creation of a BHA.

The framework contemplates engagement of the following five community streams:

1. Four host First Nations of Musqueam, Squamish Nation, Tsleil-Waututh Nation, and Kwikwetlem First Nation;
2. Urban Indigenous Peoples;
3. General public;
4. Key interested parties, including housing NPOs, organizations within the development sector, funding providers, social service providers and neighbouring municipalities; and
5. City staff and CUPE 23 - Burnaby Civic Employees Union.

The proposed framework envisions different engagement activities for each phase of the creation of the BHA, with the main engagement opportunities planned for *Phase 1 – Elements* to seek input on the key elements of the BHA, including its structure, governance, mandate, scope, tools and other considerations. This engagement is

envisioned to occur from June to August 2023, beginning with the launch of a dedicated BHA webpage on the City's website.

A What We Heard report summarizing input from *Phase 1 – Elements* will be provided to Council in fall 2023. Engagement in *Phase 2 – Creation* and *Phase 3 – Launch* will focus on informing the community on how the input from Phase 1 has contributed to shaping the BHA.

5.0 FINANCIAL CONSIDERATIONS

The successful creation and operation of a BHA is anticipated to require significant financial and non-financial resources. Funding requirements will include costs for initial start-up and operation, acquisition of land, capital development, and housing operations. In addition, the BHA may look to the City to continue historic practices around the contribution of land and associated servicing for non-market housing sites.

Over the years, the City has been allocating monies received through Community Benefit Bonus payments to the Community Benefit Bonus Affordable Housing Reserve and Housing Operating Reserve for the purpose of funding non-market housing developments. The balances in the housing reserves are anticipated to be sufficient to establish the BHA.

The engagement activities outlined in Section 4.0 will be supported by third-party consultants, including trained facilitators. The fee for the third-party consultants will be paid from existing approved budgets.

Respectfully submitted,

Edward Kozak, General Manager Planning and Development

ATTACHMENT

Attachment 1 – Burnaby Housing Needs Report Executive Summary

REPORT CONTRIBUTORS

This report was prepared by Wendy Tse, Planner 3, and reviewed by David Clutton, Planner 2, Richard Mester, Manager Business Process and Reporting, Jennifer Wong, Assistant City Solicitor, Sarah Alexander, Director Business Operations Lands and Facilities, Bob Klimek, Deputy General Manager Finance, Karin Hung, Director Strategic Initiatives, Carl Isaak, Director Community Planning and Lee-Ann Garnett, Deputy General Manager Planning and Development.

Burnaby Housing Authority

Business Plan
September 2023

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Burnaby Housing Authority Overview

Type and Scope of Operation

The Burnaby Housing Authority (BHA) will be incorporated under the *Business Corporations Act* of British Columbia. The BHA will be wholly owned by the City of Burnaby.

The mandate of the BHA is to increase the supply of non-market housing options in the City of Burnaby. The BHA's initiatives will support several City policies including the *Corporate Strategic Plan (2022)*, *HOME: Burnaby's Housing and Homelessness Strategy (2021)*, *Burnaby Housing Needs Report (2021)*, and the *Mayor's Task Force on Community Housing Final Report (2019)*.

The BHA will look for opportunities to collaborate with a range of partners to deliver housing projects, across the housing continuum, that serve a broad range of household income levels. Partners may include private and non-profit entities, in addition to other levels of government. Projects will encompass a variety of housing options including below-market rental and ownership, but also market rentals that cross-subsidize the delivery of below-market units.

Service Description

The Burnaby Housing Authority will conduct four primary functions in accordance with its mandate.

Land and Unit Acquisition

The BHA will analyze the residential real estate market and acquire lands and units, including City-owned lands and units, for the purpose of developing such lands to fulfill its mandate. The BHA will have the capacity to acquire, hold and dispose of freehold land, air space parcels, and strata titled properties for residential uses, as well as non-residential real estate assets that are ancillary to residential uses. The BHA may also transfer or assign its leasehold interests.

Housing Development

The BHA will create housing through a direct delivery model and through partnerships with other real estate development entities. For direct delivery, the BHA will be responsible for the design and construction of new housing developments. This includes securing land, pre-development and construction funding and financing (which could include funding from other levels of government), obtaining all required development approvals, as well as hiring and overseeing all required consultants and contractors to design and construct housing projects.

The BHA may also enter into partnership agreements with private, public, and non-profit sector entities to deliver on its mandate. These partnerships will enable the BHA to leverage external resources, expertise, and innovation. For housing created through partnerships, the BHA may participate in joint ventures as an equity partner, provide pre-construction funding, bulk purchase pre-sale units or purchase existing units or entire buildings.

Housing Operations

The BHA may provide property management services for any rental housing it develops, acquires, or manages on behalf of the City of Burnaby. These services will include, but are not limited to, tenant management, building maintenance and capital repair programs to ensure the housing is maintained properly and available for eligible tenants. These services will be delivered in accordance with any applicable requirements and/or restrictions stipulated by third party funders. BHA housing operations is anticipated to be done in partnership with the non-profit sector, especially for residents who require additional supports.

Housing Administration

Housing administration involves the oversight of non-market housing operated directly by the BHA or by third parties, to ensure compliance with City of Burnaby Housing Agreements or other funding and operating partner agreements. This oversight will involve reviewing all data submitted in accordance with reporting requirements, including but not limited to, tenancy and rental rate information, financial statements, the status of capital repairs as per facilities condition reports and working with the operators to resolve any identified items of concern.

Value Proposition

The Burnaby Housing Authority will be uniquely positioned to facilitate the City's goal of creating greater numbers of non-market housing units. The BHA will have financial support from the City including operating funding, a Project Development Capital Fund, the provision of City-owned lands at less than fair market value and a commitment from the City to expedite the review of any applications from the BHA, which will be set out in a Partnering Agreement between the City and the BHA.

Management Plan

Legal Structure

The City of Burnaby will create the BHA as a corporation pursuant to the City's authority under Section 185 of the *Community Charter*. The BHA will be a company incorporated under the *Business Corporation Act* of British Columbia.

The Burnaby Housing Authority Board of Directors will govern the business affairs of the BHA in accordance with the Articles, the Partnering Agreement and formal direction from the City as sole shareholder.

Code of Ethics

The BHA will develop a code of ethics based on the following six principles:

- Integrity
- Objectivity
- Competence
- Confidentiality
- Professionalism
- Equity & Inclusion

The Board of Directors will also be governed by the conflict-of-interest provisions set out in the Articles.

Board of Directors

The BHA's Board of Directors will include the following 10 members appointed by Council:

- Burnaby Council Members (3);
- Burnaby Senior Exempt Staff (1);
- Members with expertise or experience in the development or operations of private or non-profit housing (4);
- Member with expertise or experience in the financial sector (1); and
- Members with expertise or experience in the legal sector (1).

The Board of Directors will have the ability to establish committees to facilitate the work of the BHA.

Staffing Structure

The BHA's initial staffing complement will include:

Chief Executive Officer

The CEO is the principal management position in the BHA. The CEO will be accountable to the Board of Directors and will be the public face of the organization. The CEO's key responsibilities will include:

- Promoting the BHA's role in the creation of non-market housing in Burnaby to housing industry representatives, community organizations, financial institutions, non-profit housing societies operating in Burnaby and federal and provincial government representatives.
- Developing and maintaining effective working relationships with key non-profit, private, and government partners in the housing development sector.
- Setting the BHA's strategic direction and culture in collaboration with the Board of Directors.

- Managing overall operations of the BHA, making major corporate decisions including those related to financial and human resources, and developing annual work plans.

Chief Operating Officer

Reporting to the CEO, the COO will be a qualified Chartered Professional Accountant (CPA) and will be responsible for the development and monitoring of policies and procedures for financial management, procurement, operational administrative functions, and information technology requirements for the BHA. These policies will reflect the objectives of the BHA to be nimble and responsive to emerging business opportunities. The COO's key responsibilities will include:

- Facilitating project development financing arrangements with government and private lenders, including interim construction financing, long term mortgages and capital grant allocations.
- Developing and implementing an accounting system that enables effective monitoring and reporting of the BHA's financial position and key performance measures to the CEO and Board.
- Fulfilling all other corporate financial reporting requirements, including the external audit process and preparation of the annual Corporate Report.
- Establishing and maintaining the BHA's financial records and annual operating budget, which annual operating budget will include the BHA's overhead and payroll expenses, as well as annual capital and operating funding allocations.
- Monitoring and controlling expenditures within approved budget limits.
- Creating and maintaining HR and general administration policies for the BHA.

Director, Development

Reporting to the CEO, the Director, Development will lead the planning, design, and delivery of non-market housing projects in accordance with the BHA's strategic direction and annual work plan. The Director, Development's key responsibilities will include:

- Developing and maintaining effective working relationships with key non-profit, private, and government partners in the housing development sector.
- Developing project specific proposals for consideration by the CEO and the Board of Directors.
- Monitoring the budget, schedule, scope, and quality of approved projects to ensure they are

developed in accordance with the project plan.

- Overseeing the work of external consultants and conducting due diligence reviews to ensure risks are identified and that the BHA's interests are protected throughout the development process.

Office Manager

Reporting to the COO, the Office Manager will provide administrative and clerical support to ensure the efficient operation of the BHA. The Office Manager's responsibilities will include:

- Creating presentation materials and regularly scheduled reports.
- Developing and maintaining a record keeping system.
- Responding to phone calls, email and in-person visitor inquiries.
- Managing office equipment including IT, security, and janitorial services.
- Maintaining office inventory levels.
- Other related duties include invoice management, filing, and taking accurate meeting minutes.

Legal, Human Resources and Communications and Services

Other operational support services will be procured on an "if and when required" basis. Initially legal, human resources, IT and communication support services will be provided this way. To maintain an arm's length, autonomous culture, the BHA will not contract with the City of Burnaby for any of these consulting services.

Project Specific Consulting Services

Project specific development consulting services will be procured as required to augment the capacity of the BHA for project management services including, but not limited to, feasibility studies including preliminary design, scheduling and cost estimating, project partnering agreements, public engagement, and appraisal services.

Market Analysis

Housing Supply and Demand

Housing demand is a function of population growth and the 2021 Census indicates that Burnaby is among the fastest-growing major municipalities in Canada. The city welcomed 16,370 new residents between 2016 and 2021.

Between 2021 and 2030 Burnaby's population is projected to grow by another 27,300 residents, a number that translates into the need for 14,990 housing units. By tenure, the projected housing demand is for approximately 5,700 rental units and 9,300 owned units.

Built Form and Affordability

The development sector is responding to this demand in Burnaby. The 2021 Census data shows that Burnaby is adding new homes at a faster rate than the regional average. Burnaby's private dwelling count is up 9% from 2016, compared to the 7% average for the Metro Vancouver region.

Current gaps in the supply include non-market rental housing, as well as ownership options that are attainable for moderate income households. There is no data available to project the need and demand for below-market homeownership. However, with a projected demand for 9,300 ownership units between 2021 and 2030, it is reasonable to expect that there would be market demand for a below-market homeownership option in the Burnaby real estate market.

The 2021 Burnaby Housing Needs Report (HNR) reports a significant unmet need for non-market rental housing in Burnaby for housing affordable to individuals and households with very low incomes, defined as households earning less than 50% of the median household income (MHI) in Burnaby.

This unmet need is evidenced by the 1,805 households in Burnaby currently on BC Housing's waitlist and an estimated 554 individuals experiencing counted or hidden homelessness in Burnaby, as of 2020. While recent funding commitments by the provincial and federal governments will assist in addressing this unmet need there remains a substantial gap in the required supply.

While the need for low-income rental units is most significant, there is a need for rental housing at all affordability levels, including market rental. The 2022 Canada Mortgage and Housing Corporation (CMHC) Rental Market Report notes the current vacancy rate in Burnaby is 1.1%. A healthy vacancy rate is typically defined as being between 3% and 5%.

Recent changes in the financial and real estate markets have created a challenging environment that has significantly impacted the viability of purpose-built market rental developments. Relevant risk factors include construction cost inflation, increasing interest rates, and workforce labour shortages. In the past year, several market rental housing projects in the Vancouver census metropolitan area (CMA) have been shelved due to rising interest rates and construction costs.

Appendix A includes a summary of current market trends in purpose built rental supply provincially, rental market key indicators in the CMA and homeownership trends in Burnaby. The impact these trends are having on housing affordability in Burnaby is a key issue that the BHA will be addressing in its role.

Marketing Plan

The marketing plan for the business activities of the BHA will be fully developed by BHA staff and endorsed by the Board of Directors. The plan's objectives will be to ensure that potential market and non-profit real estate development partners, consultants and consumers are aware of the organization's mandate and capacity. This marketing plan will include the development of the BHA identity through the creation of a mission, vision and values statement, a logo, website, and outreach including networking sessions with development sector organizations, senior government funders and financial institutions.

Operations Plan

The BHA will be housed in its own fully equipped office space that will include a reception area, conference room and staff offices. The offices will be separate from City of Burnaby offices in order to reinforce the independence and autonomy of the organization.

The staffing plan reflected in the financial plan will be sufficient for the start up phase of the organization. These staff resources will be augmented by external consulting services for project specific work on an "if and when required" basis.

Financial Plan

The BHA will receive a range of financial support as defined in the Partnering Agreement and as summarized below. These supports are intended to fully support the operations of the BHA, as well as enable the BHA to carry out its project development activities for the first five years of its existence.

- **Startup Expenses:** The one-time capital startup costs associated with establishing the BHA's office are estimated to be \$475,000. A startup capital budget is included in Appendix B.

- Annual Operating Expenses: These expenses will be covered for an initial five-year term. The annual operating expenses, including the initial staff complement, are estimated to be \$2,000,000 per year. An operating budget is included in Appendix B.
- The City of Burnaby may provide the BHA with a Project Development Capital Fund of up to a maximum of \$100,000,000.00 drawn from City Reserve Funds, subject to the terms and conditions set out in the Partnering Agreement.
- The provision of City lands to the BHA at less than fair market value, and other City supports will be defined in the Partnering Agreement.

The operational funding model will be reviewed as part of the renewal of the Partnering Agreement at the end of the first five years of operations when it is expected that the organization will become more of a self-sustaining entity that will require less operational funding from the City.

The BHA will establish financial controls through a series of policies that will be approved by the BHA Board of Directors and in compliance with the Articles of Incorporation. These will include Signing Authority and Procurement policies. The policies will be based on categories typical for a real estate development organization of a comparable size and nature, including but limited to:

- Development and Acquisition
- Financial
- Income Properties
- Office Administration
- Employment Agreements
- Service Agreements

Risk Analysis

Risk	Consequence	Mitigation Plan	Risk Rating
<p>Conflicts of Interest Conflicts of interest due to Board composition that include Burnaby councillors and staff.</p>	<p>The BHA will not have the mandate to act in the best interests of the company.</p>	<p>Include conflict of Interest provisions that mirror those for Burnaby councillors and Burnaby staff members, respectively, in the Articles of Incorporation.</p>	<p>Medium</p>
<p>Governance As a newly formed board with a mandate distinct from a municipal council, there may be a lack of clarity and consensus regarding the board governance model</p>	<p>Due to the Board composition and because of a lack of clarity and understanding of the BHA governance model, the BHA will not operate with the autonomy needed to be nimble and effective.</p>	<p>A board governance training program will ensure the new board is clear on the governance model and their roles and responsibilities related to the new BHA entity.</p>	<p>Low</p>

Recruitment The BHA is unable to attract top talent to the board and staff of the BHA.	The BHA will not achieve the objectives envisioned by Burnaby council	A recruitment strategy developed and implemented by a third-party Human Resources firm.	Medium
Expectations The delivery of BHA sponsored housing units takes longer than expected.	Burnaby council and the BHA are criticized for not delivering on expectations.	A communications strategy for both council and the BHA that is based on clearly defined performance expectations as part of the BHA's five-year strategic plan.	Low
Autonomy As an entity created, funded, and governed by the City, the BHA may not be fully autonomous.	The BHA will not be sufficiently nimble to act on real estate development opportunities.	Development of a risk tolerance policy and a procurement policy geared to private sector best practices that includes clear spending authority guidelines.	Medium
Self-Sustaining Entity The BHA will be working to generate sufficient profits to fund its operational costs including staffing and overhead.	Failure to generate sufficient profits will put the entity in financial and reputational difficulty.	Create and implement a Strategic Plan that will generate the required profits to have the BHA become more of a self-sustaining entity after the first 5 years of operating subsidies from the City.	Low

Implementation Plan

The BHA will become an active player in the housing development sector in late 2024, based on the following implementation schedule:



Phase 1: Elements

The City has completed the development of the basic elements of the BHA including legal structure, mandate scope, and governance model.

Phase 2: Creation

The City will submit the business plan and draft Articles of Incorporation to the provincial Inspector of Municipalities to seek approval to create the BHA.

Phase 3: Launch

The City will prepare a Partnering Agreement that will define:

- The assistance the City will or may provide to the BHA (funding, lands, etc.)
- The services BHA will or may provide on behalf of the City.

The City will approve the BHA's start up capital and annual operating budget.

Burnaby City Council will appoint the BHA's Board of Directors

Phase 4: Start-Up

The Board of Directors will conduct the CEO search supported by an external Human Resources consultant. The CEO will recruit the balance of the staff, develop, and implement a 90-day plan following Board endorsement. This plan will include the development of mission, vision, and values statements. These will inform the development of the first-year strategic plan that will include measurable performance targets.

Phase 5: Growth

By the fourth quarter of 2024 the BHA will be actively engaged in delivering on its mandate by a range of activities that may include:

- Entering into Joint Venture Partnerships with private and non-profit developers.
- Acquiring land for development.
- Pursuing entitlement approvals and direct development of BHA sponsored real estate projects.

Appendix A: Current Real Estate Market Trends

BCH Purpose Built Rental Supply Data

The 2022 New Homes Registry Report shows that 14,546 purpose-built rental homes were registered in B.C. in 2022, the highest yearly total reached since BC Housing started collecting this data in 2002. For context, in 2012, BC Housing recorded fewer than 2,000 new rental units registered.

CMHC Migration and Rental Rates Data

The rental market tightened in the Vancouver census metropolitan area (CMA) in 2022. Following a surge in international migration and homeownership costs, the overall vacancy rate for purpose-built apartments fell to 0.9%

British Columbians lead the country in rent costs, with one in every five people in Greater Vancouver spending over half their paycheque or more for rent.

Migration to the Vancouver CMA from both international and domestic origins contributed to growth in rental demand. Arrivals of international immigrants to British Columbia doubled in the first half of 2022. Most of these immigrants settled in Metro Vancouver. The reopening of international borders also contributed to an increase in arrivals of non permanent residents. This group includes international students, many of whom rent.

The purpose-built rental apartment vacancy rate decreased from 1.2% in 2021 to 0.9% in 2022. Higher homeownership costs and migration to the region led rental demand to increase faster than supply.

Asking rents for vacant units are now, on average, 43% higher than those paid for occupied units. This represents a strong disincentive to moving for existing tenants, resulting in lower turnover.

The tightening conditions caused rent growth to accelerate to 6.3% overall. New renters paid, on average, 24% more than the previous tenant for 2-bedroom units rented in 2022.

CMHC data show that lower-income households face significant challenges finding units that they can afford. The purpose-built rental universe in the Vancouver CMA increased by a record 3,805 units (+3.3%) following elevated construction of new units in recent years.

Homeownership Trends

In 1996, approximately 42% of all housing in Burnaby were single-family or two-family homes — the most common of all housing types. As of 2021, that number has nearly halved to 22%. Homes in low-rise buildings have also slightly decreased during the same period, from approximately 28% to 25%.

All other forms of housing have increased. Row houses have increased from approximately 7% to 9%, duplexes have more than doubled from about 7% to 16%, and homes in high-rises have increased from 18% to 29% — the highest of all types of housing, as of 2021.

Increases in mortgage interest rates limited the ability of existing renter households to move to homeownership. The borrowing capacity of a worker aged 25 to 54 earning the average wage in the Vancouver CMA fell by nearly a quarter, or about \$100,000, in 2022.

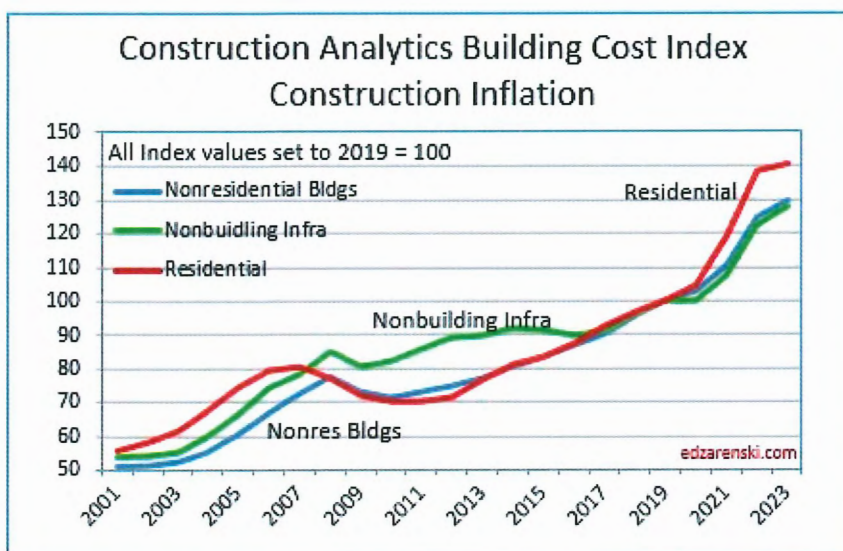
Entry-level home prices haven't declined as fast as buying power, meaning many prospective homebuyers continue to rent.

The biggest shift has been in terms of the kinds of housing found in Burnaby. In 1996, about 42% of all housing in Burnaby were single-family or two-family homes — the most common of all housing types. As of 2021, that number has nearly halved to 22%. Homes in low-rise buildings have also decreased during the same period, but only slightly, from about 28% to 25%.

Meanwhile, all remaining types of housing have increased. Row houses have increased slightly from about 7% to 9%, duplexes have more than doubled from about 7% to 16%, and homes in high-rises have increased from 18% to 29% — the highest of all types of housing, as of 2021.

Construction Costs

The chart below is indicative of the rapid rise in construction costs that has been experienced in the Vancouver CMA.



Appendix B: Startup and Operating Capital Budgets

Startup Capital Budget	
Expense	Budget
Legal fees (create legal framework)	\$100,000.00
Furniture	\$94,000.00
Technology (Laptops, accessories, switches, and cabling)	\$50,000.00
Premises update (paint and carpet)	\$50,000.00
Website Creation/Set Up	\$30,000.00
Tax/Accounting Set Up	\$70,000.00
Budget:	\$394,000.00
Contingency (20%)	\$78,800.00
Total Budget	\$472,800.00

Annual Operating Budget		
Expense	Estimate	Notes
Premises	\$150,000.00	3,000 sq. ft. Class A Space (Burnaby) 5-year lease/sub-lease \$30.00 per sq. ft + \$20.00 op. cost (triple net) Ideally, premises are fully demised and may require a cosmetic refresh (paint, carpets), signage.
Wages and Benefits	\$930,000.00	Chief Executive Officer: \$275,000 + 20% benefits = \$330,000.00 Chief Financial Officer: \$220,000 + 20% benefits = \$264,000.00 Director, Development: \$200,000.00 + 20% benefits = \$240,000.00 Administrative Coordinator: \$80,000.00 + 20% benefits = \$96,000.00
Telephone and Internet	\$30,000.00	Includes monthly charges from Telco provider, including telephone lines and internet service. Does not include capital cost of telephone equipment, network cabling or switches
I.T. Support (outsourced)	\$18,000.00	Based on number of workstations, hardware, software costs
Accounting & Tax	\$20,000.00	Annual financial statement review and tax advice
Printed Materials and Office Supplies	\$16,000.00	Includes all miscellaneous office supplies. This allocation expected to be higher in the first year
Membership and Education	\$5,000.00	Urban Development Institute, Burnaby Board of Trade and related/similar organizations
Travel	\$10,000.00	Allowance to attend conferences, travel throughout the province including Victoria and mileage for personal use of vehicles
Marketing	\$60,000.00	Higher in first year. Engage with a marketing agency to help promote the new housing authority and develop a marketing strategy and ongoing website maintenance
Insurance (Property)	\$5,000.00	Premises insurance
Insurance (Liability)	\$15,000.00	Corporate liability insurance and Directors & Officers liability insurance

Equipment Leases	\$36,000.00	Includes monthly lease cost for printers, copiers, scanners
Consultants	\$200,000.00	Retention of Consultants or other professionals for feasibility studies, such as engineers, architects
Corporate Legal	\$20,000.00	Retained counsel for corporate records and employment matters
Development Legal	\$150,000.00	Retained counsel for project specific due diligence
Board Compensation	\$50,000.00	
Budget:	\$1,715,000.00	
Contingency	\$285,000.00	17% contingency allowance
Total Budget	\$2,000,000.00	