



CITY OF RICHMOND

REPORT TO COMMITTEE

TO: Planning Committee

DATE: June 14, 2000

FROM: Terry Crowe
Manager, Land Use

FILE:

RE: Release of funds from the Affordable Housing Statutory Reserve Fund

STAFF RECOMMENDATION

That Affordable Housing Statutory Reserve Fund Expenditure Bylaw No.7146 for the purpose of releasing funds for a Greater Vancouver Housing Corporation social housing project on Williams Road be forwarded to Council for introduction and first, second and third readings.

Terry Crowe
Manager, Land Use

FOR ORIGINATING DIVISION USE ONLY

CONCURRENCE OF GENERAL MANAGER

STAFF REPORT

ORIGIN

In the fall of last year, Council approved the concept for an affordable rental housing proposal for a site along Williams Road. The main components of the proposal are that the City would buy and own the land, a Homes BC grant would fund construction of the project, and it would be operated by the Greater Vancouver Housing Corporation (GVHC) with a 60 year lease which would reimburse the city for 75% of the land costs. In order to facilitate the project, the City offered to finance 25% of the land costs from the Affordable Housing Statutory Reserve Fund. In the spring of this year, Council approved 3rd reading of the rezoning of the site. This report and attached bylaw are presented in order for Council to authorize the release of funds from the Affordable Housing Statutory Reserve Fund for the project.

FINDINGS OF FACT

There is currently \$5,938,953 in the Affordable Housing Statutory Reserve Fund. After the subject proposal and the proposal for Oldinwood, the fund will still have approximately \$4,936,453 available.

ANALYSIS

Council, by approving this bylaw, would authorize staff to purchase the properties, for a price of up to a \$1,000,000. The actual purchase will occur after the rezoning bylaw receives 4th reading. Once Final Occupancy of the project is granted, the City will receive 75% of the land costs from the GVHC in the form of a 60 year lease. Therefore the total cost to the City will be a maximum of \$250,000.

It is proposed that the City will purchase one lot from Suncor and one consolidated lot from the Beth Tikvah Synagogue.

Council should note that as part of the rezoning for the subject property, the City required consolidation of all the properties prior to final reading of the bylaw. This is standard practice in order to ensure that the consolidation occurs. In this case only two of the three properties (which are both owned by the synagogue) will be consolidated prior to purchase. This allows Suncor to avoid purchasing the Beth Tikvah property and paying the associated costs (Property Purchase Tax (PPT) and GST). There is little risk with changing this order of events because the City, as the owner of the property, can ensure that the two remaining properties are consolidated after rezoning.

FINANCIAL IMPACT

Initially, the cost to the City will be up to \$1,000,000 for the purchase of the three properties. However, once Final Occupancy of the building is complete the City will be repaid 75% of the land costs. Therefore, the long term cost to the City will be up to \$250,000 plus the interest lost on \$750,000 for the period between when the City purchases the property and Final Occupancy is granted (approximately one year).

CONCLUSION

In order to facilitate the provision of 26 units of affordable housing, which will be provided through a partnership between the City of Richmond and the GVHC, and through a Homes BC Grant, it is recommended that Council authorize staff to appropriate up to \$1,000,000 for land and associated costs from the Affordable Housing Statutory Reserve Fund. This Bylaw requires a two-thirds majority vote of Council.

Jenny Beran, MCIP
Planner

JMB:cam

CITY OF RICHMOND
BYLAW 7146
AFFORDABLE HOUSING STATUTORY RESERVE FUND
EXPENDITURE BYLAW 7146 (2000)

The Council of the City of Richmond, in open meeting assembled, enacts as follows:

WHEREAS there is an unappropriated balance in the Affordable Housing Fund established pursuant to the Municipal Act of \$5,938,953.00 as of June 15, 2000.

WHEREAS it is deemed desirable to expend a portion of the said monies to meet the costs of land acquisition for affordable housing at 4711 and 4791 Williams Road and 9711 Geal Road.

NOW THEREFORE the Council of the City of Richmond, in open meeting assembled, enacts as follows:

1. The sum of \$1,000,000 is hereby appropriated from the Affordable Housing Reserve Fund to finance the acquisitions of land for affordable housing at 4711 and 4791 Williams Road and 9711 Geal Road
2. Should any of the above amount remain unexpended after the expenditures hereby authorized have been made, any unexpected balance shall be returned to the credit of the said Reserve Fund.
3. This Bylaw may be cited as **“Richmond Affordable Housing Statutory Reserve Fund Expenditure Bylaw No. 7146 (2000)”**.

FIRST READING

SECOND READING

THIRD READING

ADOPTED

CITY OF RICHMOND
APPROVED for content by originating dept.
APPROVED for legality by Solicitor

MAYOR

CITY CLERK