



City of Richmond

Report to Committee

To: Planning Committee **Date:** February 13, 2013
From: Cathryn Volkering Carlile **File:**
 General Manager, Community Services
Re: **Affordable Housing Strategy- Affordable Housing Special Development
 Circumstance Proposed Requirements**

Staff Recommendation

That the Richmond Affordable Housing Strategy be amended by approving and adding as Addendum No. 4 to the Strategy the Affordable Housing Special Development Circumstance Proposed Requirements (as outlined in Attachment 1 of the staff report dated February 13, 2013 from the General Manager of Community Services).

Cathryn Volkering Carlile
 General Manager, Community Services
 (604-276-4068)

Att. 1

REPORT CONCURRENCE			
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER	
Development Applications	<input checked="" type="checkbox"/>		
Policy Planning	<input checked="" type="checkbox"/>		
REVIEWED BY DIRECTORS	INITIALS:	REVIEWED BY CAO	INITIALS:

Staff Report

Origin

On May 28, 2007, Council adopted the “Richmond Affordable Housing Strategy” (“Strategy”).

On April 10, 2012, Council endorsed amendments to the City’s Affordable Housing Operating Reserve Bylaw No. 8206, Affordable Housing Statutory Reserve Fund Policy - 5008, and Section 5.15 of the Zoning Bylaw 8500 to align with the Affordable Housing Strategy and other City requirements for the allocation and distribution of Affordable Housing Reserve Funds. Further, the adopted bylaw and policy changes allow Council to prioritize the use of Affordable Housing Reserve Funds to provide fiscal support for Council approved Affordable Housing Special Development Circumstances (AHSDC).

In accordance with the amendments, Council has approved three affordable housing proposals to be considered as AHSDC projects: 1) Kiwanis Towers project at 6251 Minoru Boulevard for the provision of 296 senior rental housing units, 2) The Expression of Interest (“EOI”) project at the City-owned site located at 8111 Granville Avenue/8080 Anderson Road for the provision of 129 subsidized rental units; and 3) The Cadence Development for the provision of 15 specialized affordable housing units, community programming and access to childcare. All three projects include complementary, programmed tenant indoor and outdoor amenity spaces.

This report presents an overview of the proposed Strategy criteria, requirements, and key elements for projects to be considered for Council’s approval as an Affordable Housing Special Development Circumstance and recommends these provisions for Council consideration.

The report supports the following Council term goal:

Development of a clearer definition of affordable housing priorities and subsequent utilization of affordable housing funding.

Analysis

The Richmond Affordable Housing Strategy specifies the primary use of Affordable Housing Reserve Funds for subsidized rental housing (e.g. rental housing affordable to low-income families). The proposed amendment to the Strategy includes provisions for a Council approved Affordable Housing Special Development Circumstance to support opportunities to leverage funding, innovative partnerships, and delivery of affordable housing and community supports for specific tenant populations.

A key assumption of the Strategy is that effective affordable housing solutions are the result of long-term, stable policies and strategic innovations that enable an expanded range of options along key points of the housing continuum.

It is the City’s preferred approach to disburse affordable housing units throughout a development to support mixed-income, inclusive communities to emerge. Staff recommend that clustered groups of affordable housing units in one location will only be considered if a sound business and social programming approach is identified at the time of the development application being submitted to the City for Council consideration, which:

- Supports the affordable housing needs of the intended tenant population;
- Meets the City's Affordable Housing Special Development Circumstance requirements, criteria and key elements (**Attachment 1**);
- Exemplifies a high level of social innovation; and
- Provides affordable housing, social programming and community supports to meet the targeted or specialized needs of an intended population (e.g. seniors, single parents, individuals experiencing disabilities, the working poor).

Highlights of the Proposed Affordable Housing Special Development Circumstance Criteria

As follow up to the Council approved Kiwanis, 81111 Granville Avenue/8080 Anderson Road, and Cadence proposed AHSDC projects, Staff has prepared an Addendum (Addendum 4) to assist the City to be well prepared in similar situations. Highlights of the addendum are as follows:

1. AHSDC proposals are to be reviewed on a "project specific" basis and are subject to Council approval to:
 - a. Secure rents below the Affordable Housing Strategy stipulated rents for low end market rental units (subsidized rental housing);
 - b. Require financial assistance to support eligible non-profit housing providers to seek and secure financial support for Senior levels of government and/or private partnerships; and
 - c. Meet the funding priorities as set out in the City's Affordable Housing Reserve Fund Policy and Affordable Housing Strategy for subsidized rental housing.
2. A Council approved AHSDC project will:
 - a. Incorporate sustainable development principles;
 - b. Include physical and social accessibility requirements and opportunities; and
 - c. Build on the vast community network of multi-sector partnerships to develop a local response to Richmond's affordable housing needs.
3. Staff will work with the development sector and community to identify future projects that will meet identified community needs and the Council approved AHSDC project requirements.
4. The City's standard Housing Agreement and Housing Covenant terms do apply to a Council approved AHSDC projects.

5. Additional business terms, legal agreements or operations policies may be developed with respect to:
 - a. Ownership and management;
 - b. Maintenance and upkeep of the units, common indoor and outdoor areas;
 - c. Resident and occupancy management policies;
 - d. On-going capital and operating funding and budget considerations; and
 - e. Other project-specific considerations.

An AHSDC proposal should incorporate best practices and consideration to the socio-economic outcomes of the proposed development, rather than just building an economic or business case for a development. This may include, but is not limited to:

1. The selection of a qualified non-profit affordable housing provider to own, manage and/or operate the affordable housing units;
2. A coordinated partnership approach with the non-profit sector for housing and service delivery; and
3. In some circumstances, the joint development of a Request for Proposals (RFP) with the City and/or Senior Government, Private Sector, or Developer.

Financial Impact

The proposed changes will have no direct impact to the City.

Conclusion

The Affordable Housing Special Development Circumstance criteria, requirements, and key elements outlined in the report will provide a sound framework to support socially innovative, multi-stakeholder partnerships to address critical affordable housing, community and long-term sustainability goals (i.e. financial, social, community and environment).

Further, the AHSDC requirements and criteria will support the effective use of Affordable Housing Reserve Funds, City policy, and design principles to support:

- Equitable access to opportunities;
- Project viability;
- Tenant well-being and liveability; and
- Community connections for low-income households in Richmond.

The AHSDC provisions will be included as part of the Affordable Housing Strategy Update package to be distributed to the UDI-Richmond Liaison for comment in Spring 2013.

It is thus recommended that the Affordable Housing Special Development Circumstances as presented in **Attachment 1**, be approved by way of a fourth Addendum to the Richmond

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Affordable Housing Strategy and that the AHSDC requirements will become in effect after Council adoption.

A handwritten signature in blue ink that reads "Dena Kae Beno". The signature is written in a cursive, flowing style.

Dena Kae Beno
Affordable Housing Coordinator
(604-247-4946)

DKB:dkb

Richmond Affordable Housing Strategy
Addendum No. 4
(Date Council Approved)

That the Richmond Affordable Housing Strategy dated May 9, 2007, approved by Council on May 28, 2007, as amended. (“the Strategy”), be further amended as follows:

Affordable Housing Special Development Circumstance (rental housing)

A key assumption of the “Strategy” is that effective affordable housing solutions are the result of long-term, stable policies and strategic innovations that enable an expanded range of options along key points of the housing continuum.

It is the City’s preferred approach to disburse affordable housing units throughout a development. Clustered groups of affordable housing units on one floor or in one location will only be considered if a sound business and social programming approach has been identified and demonstrated at the time of the development application being submitted to the City for Council consideration, which:

- Supports the affordable housing needs of the intended tenant population;
 - Meets the City’s Affordable Housing Special Development Circumstance requirements, criteria and key elements as defined; and
 - Exemplifies a high level of social innovation.
1. A developer, group of developers or non-profit affordable housing developers may concentrate affordable rental units together in one building or site, rather than having them scattered in a number of different buildings or sites. In these cases, affordable housing development proposals should include a sound rationale to receive Council consideration for approval as an Affordable Housing Special Development Circumstance to:
 - Provide affordable housing, social programming and community supports to meet the targeted or specialized needs of an intended population (e.g. Seniors, single parents, individuals experiencing disabilities, low income households); and
 - Emphasize sustainable development principles and practices with respect to: the physical development, social programming, innovation, and financial feasibility.
 2. The purpose of an Affordable Housing Special Development Circumstance is to provide affordable housing, programming, and community supports to meet the targeted or specialized needs of an intended population (e.g. Seniors, single parents, individuals experiencing disabilities, low income households).
 3. AHSDC proposals are to be reviewed on a “project specific” basis and are subject to Council approval to:

- A. Secure rents below the Affordable Housing Strategy stipulated rents for low end market rental units (subsidized rental housing);
 - B. Require financial assistance to support eligible non-profit housing providers to seek and secure financial support for Senior levels of government and/or private partnerships; and
 - C. Meet the funding priorities as set out in the City's Affordable Housing Reserve Fund Policy and Affordable Housing Strategy for subsidized rental housing.
4. A Council approved Affordable Housing Special Development Circumstance focuses on sustainable development principles, encourages physical and social accessibility, and builds on the vast community network of multi-sector partnerships to develop a local response to affordable housing needs.
5. AHSDC proposals should respond to the following questions, which includes:
- A. Who is the intended tenant population (e.g. demographic and income range)?
 - B. How will income thresholds, maximum rent rates, total shelter costs, and life-cycle costs be established and maintained to support rent rates affordable to the proposed tenants?
 - C. How will the proposed physical development respond and support the intended social outcomes of the project?
 - D. How does this development respond to social innovation?
 - E. What strategies, community partnerships, and approaches will be developed to support the social programming requirements of the proposed development?
 - F. What existing project examples and/or case studies are available to support the proposed affordable housing rationale?
6. AHSDC proposals should exhibit a high level of social innovation and generate community benefit outcomes that:
- A. Incorporates High Performance Building standards with an emphasis on energy-savings and conservation (i.e. considers life-cycle costs, risks and outcomes for the affordable housing provider and tenants);
 - B. Implements a coordinated social programming approach to support tenant-well being and physical, social and economic access to community and/or community service opportunities;

- C. Generates a sound resident management and operations model that meets the needs of the intended tenant population (i.e. rents, income levels, appropriate level of programming and supports);
 - D. Considers a community partnership approach for the delivery of community services and supports;
 - E. Exemplifies social innovation approach to encourage project viability, tenant liveability and community connections;
 - F. Provides a sound capital financial and operating sustainability plan;
 - G. Ensures unlimited access for tenants to indoor and outdoor amenity spaces; and
 - H. Includes a sound property management model to address maintenance, repair, upkeep and financial costs related to these requirements.
7. The City's standard Housing Agreement and Housing Covenant terms do apply to a Council approved Affordable Housing Special Development Circumstance.
 8. Additional business terms, legal agreements or operations policies may be developed with respect to:
 - Ownership and management,
 - Maintenance and upkeep of the units,
 - Maintenance and upkeep of the common indoor and outdoor areas,
 - Tenant management policies,
 - On-going capital and operating funding and budget considerations, and
 - Other project specific considerations.
 9. An AHSDC proposal should incorporate best practices and consideration to the socio-economic outcomes of the proposed development, rather than just building an economic or business case for a development.
 10. An AHSDC proposal should also consider the selection of a qualified non-profit affordable housing provider to own, manage and/or operate the affordable housing units or a coordinated partnership approach with the non-profit sector for service delivery. The selection process for an affordable housing and/or service provider(s) may include the joint development and Request for Proposals (RFP) with the City and/or Senior Government or developer.