



City of Richmond

Report to Committee

To: General Purposes Committee **Date:** June 10, 2017
From: Cathryn Volkering Carlile **File:** 08-4057-01/2015-Vol
 General Manager, Community Services 01
Re: **Kiwanis Towers – Fifth and Final Disbursement from the Affordable Housing Reserve Fund to 7378 Gollner Avenue**

Staff Recommendation

1. That the fifth and final disbursement of \$463,309 be paid to Richmond Kiwanis Senior Citizens Housing Society (the “Society”) towards construction costs associated with 296 subsidized senior housing units at 7378 Gollner Avenue (formerly 6251 Minoru Boulevard) to be used by the Society and;
2. That the Chief Administrative Officer and the General Manager of Community Services be authorized to disburse the amount as stated in recommendation 1 above.

Cathryn Volkering Carlile
 General Manager, Community Services

Att.1

REPORT CONCURRENCE		
ROUTED TO: Finance Law Development Applications	CONCURRENCE <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	CONCURRENCE OF GENERAL MANAGER
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

The purpose of this report is to recommend that Council approve the final payment of \$463,309 to Richmond Kiwanis Senior Citizens Housing Society (“Society”) towards construction costs associated with 296 seniors’ subsidized rental housing units to be owned by the Society at 7378 Gollner Avenue (formerly 6251 Minoru Boulevard) (“Kiwanis Towers”).

The project originated when Kiwanis proposed the replacement of an aging seniors housing complex on its nearly five acre site with two concrete towers, financed partially through the selling of a portion of the site to Polygon. Polygon contracted with Kiwanis to build the seniors units as well as three market condominium towers on its parcel. City capital contributions were provided to the project from the Capital Affordable Housing Reserve Fund utilizing funds generated through developer contributions from other Polygon sites. BC Housing provided low-interest construction financing and facilitated the take-out mortgage.

This report supports Council’s 2014-2018 Term Goal #2 A Vibrant, Active and Connected City:

Continue the development and implementation of an excellent and accessible system of programs, services, and public spaces that reflect Richmond’s demographics, rich heritage, diverse needs, and unique opportunities, and that facilitate active, caring, and connected communities.

This report also supports Council’s 2014-2018 Term Goal #3 A Well-Planned Community:

Adhere to effective planning and growth management practices to maintain and enhance the livability, sustainability and desirability of our City and its neighbourhoods, and to ensure the results match the intentions of our policies and bylaws.

This report also supports Social Development Strategy Goal #1: Enhance Social Equity and Inclusion:

Strategic Direction #1: Expand Housing Choices

This report is also consistent with the Richmond Affordable Housing Strategy, adopted on May 28, 2007, which specifies the creation of subsidized rental units as a key housing priority for the City.

Background

Affordable Housing Special Development Circumstance Provisions

On April 10, 2012, Council endorsed amendments (subsequently adopted) to the Affordable Housing Statutory Reserve Fund Policy 5008, Zoning Bylaw 8500 and Affordable Housing Operating Reserve Fund Establishment Bylaw No. 8206. The amendments provide Council with authority to direct:

1. Different proportions of contributions to the two Capital and Operating Affordable Housing Reserve Funds, from time to time, to support affordable housing special development circumstances (“AHSDCs”); and
2. Capital financial support for specific affordable housing developments for affordable housing project eligible costs that include:
 - a. Municipal fiscal relief (i.e. development cost charges, costs related to the construction of infrastructure required to service the land, and development application and permit fees);
 - b. The construction of infrastructure required to service the land on which the affordable housing is being constructed; and
 - c. Other costs normally associated with construction of the affordable housing (e.g., design costs, soft costs).

At the discretion of Council, 100 per cent of contributions can be allocated to projects that meet the AHSDC requirements set out in Policy 5008.

Kiwanis Towers Financial Contributions

On June 25, 2012, Council approved recommendations in a staff report, dated May 30, 2012, from the General Manager, Community Services, titled “Project Specific Financial and Policy Considerations for the Proposed Kiwanis Towers Affordable Housing Development at 6251 Minoru Boulevard.” These recommendations included a provision of financial support toward the development of seniors housing units up to a maximum of \$20,837,610 for the costs of construction and up to a maximum of \$3,305,468 for development cost charges, permit fees and service cost charges. The entirety of these latter costs and part of the construction costs were funded from the Capital Affordable Housing Reserve Fund; the balance of construction costs were funded through new Affordable Housing Value Transfers (AHVT) to be received from several contributor sites owned by Polygon (Attachment 1).

A rezoning application (RZ 11-591685) was adopted and a development permit (DP 12-609958) was issued for Kiwanis Towers on March 11, 2013.

The rezoning considerations divided the City’s contributions towards Kiwanis Towers into:

- Four payments toward construction costs;
- Payments for development cost charges and permit fees; and
- One payment for service cost charges.

On January 11, 2016, Council authorized an amendment to the Contribution Agreement including a fifth disbursement, as the rezoning of Polygon’s final Alexandra East contributor site had not been considered by Council at the time. The original fourth disbursement anticipated that the rezoning would have already been advanced, but the project was delayed. This led to the \$463,309 amount not being available at the time. It was proposed and approved by Council that this figure would be presented as a fifth disbursement request, subject to Council’s consideration of the Alexandra East rezoning application.

Analysis

Fifth Disbursement Toward Costs of Construction (\$463,309)

On June 25, 2012, Council approved a maximum of \$20,837,610 towards the costs of constructing Kiwanis Towers, including utilizing \$2,147,204 from an existing Capital Affordable Housing Reserve Fund. The remaining funding was to be provided through Affordable Housing Value Transfers from several Polygon contributor sites, subject to Council's approval of the rezoning of those contributor sites.

As approved by Council in May 20, 2014, Polygon's Alexandra East project is the last identified site of nine projects and provides the funding for the final disbursement. On December 12, 2016, Council considered the rezoning for the Alexandra East development (RZ 16-734204) as an Affordable Housing Special Development Circumstance contributor site, with the final rezoning bylaw to be presented for final adoption on June 26, 2017. Should the rezoning bylaw be adopted, the cash contribution secured through Alexandra East's rezoning will be used towards the final disbursement of \$463,309 as per the Contribution Agreement.

The following table reflects the amounts disbursed to Kiwanis and the remaining balance to be distributed in the Disbursement 5.

Figure 1: Disbursements Paid to Date – Toward Construction Costs

Description	Amounts Disbursed
Disbursement #1 – May 2, 2014	\$9,166,870
Disbursement #2 – June 2, 2015	\$5,848,406
Disbursement #3 – September 29, 2015	\$3,961,556
Disbursement #4 – February 25, 2016	\$1,397,469
Disbursement #5 – targeted for Q3 2017	\$463,309 (to be disbursed)
Total Contribution	\$20,837,610

Financial Impact

The payment being recommended at this time is \$463,309, which has already been received by the City as an Affordable Housing Value Transfer contribution.

Conclusion

Staff recommend that Council approve the fifth and final disbursement of \$463,309 towards the construction costs of the Kiwanis Towers development. Kiwanis Towers is recognized regionally and nationally as an innovative multi-stakeholder approach to combine non-profit, private, and public sector funding and expertise with senior government financing and technical support to achieve subsidized rental housing to meet the needs of Richmond's low income seniors.



Joyce Rautenberg
Affordable Housing Coordinator
(604-247-4916)

Att. 1: Kiwanis Project Total Contribution Schedule

Kiwanis Project Total Contribution Schedule

Source	Affordable Housing Contribution Amount
Affordable Housing Capital Reserve Fund	\$2,147,204
Polygon Contributor Sites	
Mayfair Place (RZ 10-537689) 9399 Odlin Rd	\$2,223,360
Cambridge Park (RZ 08-408104) 9500 Odlin Rd	\$2,721,600
Carrera (RZ 11-591685) 6251 Minoru Blvd	\$4,066,032
Alexandra Road West (RZ 12-598503) 9311,9331,9393,9431,9451,9471 Alexandra Rd	\$2,871,264
Mueller (Avanti) (RZ 11-591985) 8331,8351,8371 Cambie Rd and 3651 Sexsmith Rd	\$5,237,409
Alexandra Road East (RZ 16-734204 formerly RZ 12-598506) 9491,9511,9531,9591 Alexandra Rd	\$892,634 *
Jayden Mews (RZ 13-649641) 9700 and 9740 Alexandra Rd	\$678,107
TOTAL	\$20,837,610

*Amount was decreased from the original contribution agreement amount of \$1,570,741 in lieu of Jayden Mews contribution and securing built units on site. This contribution is subject to Council, in its discretion, approving the proposed rezoning of these properties.