

Mr. Chair, Members of Planning Committee,

*Re: Planning Committee Delegation
April 22, 2008*

My name is Raman Kooner and I live at 5680 Colville Rd Richmond. I am here today representing over 50 single family home builders in Richmond. Currently, we have 20 applications for rezoning to permit single family houses to be built in Richmond that are affected by Richmond's Affordable Housing Strategy.

We are aware that last year City Council put in place a new strategy for affordable housing in Richmond. Now before this strategy/bylaw was passed YOU the Council were told that the "the small builders" were contacted and this had been discussed with them and that they would be ok with the new bylaw, well the people that were contacted that were supposed to be "the small builder" were Charan Sethi, myself, Ajit Thaliwal, Sal Bhullar and Ben Panesar, none of us were representing any small builders in Richmond, at the time we had stumbled upon this meeting by accident so if Sal had not phoned me about it the only participant would have been Charan Sethi.

We did not consider ourselves a fair representation of the small building community in Richmond at that time however we did discuss the affordable housing strategy with Holger Burke and expressed ideas and concerns with the proposal, at that time we left the meeting we were under the assumption that if there was something that would affect us this drastically that it would be discussed again, well we were never contacted again and we clearly stated that we were not ok with how certain things had sounded so if someone told you (the council) that we were completely ok with this and if they told you that a good number of small builders were contacted and that they had no issues then you were misinformed. We have also been told that the Urban Development Institute AKA UDI and Greater Vancouver Home Builders Association were completely behind this strategy and clearly after reading their letters to staff it is clear that they had some serious concerns.

Today I am here in front of you and I can say that I am speaking on behalf of quite a large number of the "small builders" in this community and having met with all of them over the past couple of weeks. We have 20 applications sitting in limbo as of July 2007 waiting for this document. I found that while some of us were aware of the new strategy, until we received the first draft Housing Agreement from Planning staff a couple of weeks ago we did not fully grasp its impact on not just the Builders but the homeowners that will be buying these homes. Even if we were to read the affordable housing strategy dated May 9th 2007 it did not have any specifics as to what this housing agreement was going to contain.

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That agreement requires us not only to build a secondary suite in 50% of the units that we build, but also requires that we only rent for set rents to be determined by the city and requires that we only rent to people who qualify for the low rents. All of these detailed terms would be set out in the Housing Agreement and would be on title for future purchasers.

Unlike the bigger developers who sometimes self-finance or have more flexible financing options, we are small builders that rely on bank financing to build housing in Richmond. Our lawyers and lenders have told us that the proposed Housing Agreement would significantly affect our ability to get financing to construct the new housing and would affect the value of that housing in a negative way since there would be a significant legal restriction on title in perpetuity.

I don't know if you have read this document yet but this document is about as close to communism as it gets, first the city is going to tell me as an Owner of my own home that I have purchased with my own money that I have to rent my suite to someone only the city approves off, and if my son daughter mother father sister brother or any other member of my family wants to either rent or I just want them to live there for free that they cannot do that.

I just want to make it clear to that this document has provisions that there will be inspections to check up who is living there, how much they pay, and provide documents to support this, if you do not do this the city will fine you 100 dollars a day, if the city does not think that you are doing a good job the city will go out hire a company that me as a home owner will pay and this company will become the new manager of the suite that is in my home, the home I have paid for. My favorite part of the document is where the city, its elected officials, officers, directors and agents, and their heirs, executors, administrators, personal representatives, and successors indemnify themselves of anything and everything that could possibly go wrong. Also the owner and the city agree that this agreement is not intended to protect the interest of any owner, any tenant, and or any future owner, lessee, occupier or user of the property, the land or the building or any portion thereof, including any affordable housing unit. No Public Law Duty where the city is required or permitted by this agreement to form an opinion, exercise a discretion, express satisfaction, make a determination or give its consent, the owner that the city is under no public law duty of fairness or natural justice in that regard and agrees that the city may do any of those things in the same manner as if it were a private party and not a public body.

Besides that this document is absolutely absurd and there is absolutely no way that not only the small builders of this community are going to accept but as someone buying a residence like this or someone trying to legalize a suite in a older home they too will find this registered on title unacceptable.

You are aware that the sales prices of houses in Richmond continue to go up. But the cost to build those houses is going up even faster! Not only in terms of labour and material costs, but the costs that the city has added over the last year or is proposing to add:

- The new development cost charge last year that increased DCCs on single family houses from \$14,000 per unit to \$21,000 and the proposed Development Cost Charge related to the City Centre Area Plan that would see it rise further to \$27,000, another 33% increase.
- The recently adopted School Board Acquisition levy that will increase the levy from \$256 to \$700 per unit, more than doubling the levy!
- The recent City requirement for tree surveys \$1000.00
- The recent City requirement for grading plans \$2000.00
- The City requirement for flood covenant Legal cost of \$500.00
- Increased Water connection fee of 50% in some cases \$5000.00
- Landscape plan from Landscape Architect \$1500.00
- Tree replacement fund \$500.00 per tree
- Huge increases in wait times for applications causes holding cost to go up drastically in one particular case it had cost the builder over \$20,000.00
EXTRA

All in all over the past 18 months we have seen a drastic increase in fees, paperwork and information that needs to be provided to the city for various purposes, we have sat back and watched a regular rezoning and subdivision go from 3 and a half months to 8-10 months now, all the while biting our tongues not saying a word all of this in just the last 18 months is costing a single subdivision of one into two lots an increase of close to 30,000 dollars. We will not sit here and try to pull the wool over your eyes either, the only reason this has even been possible is because the real-estate market has been good over the past few years.

This Housing agreement however is something that will severely affect our business in a negative way, these are the builders that like it or not have built your community, they

are not here for one or two projects and then move on to another city some of the guys in our group have been building Richmond for well over 25 years and you as our council owe it to them to take this back and consider our new proposal.

Now our lawyers advised us to take the affordable housing requirement to Court. But as I said we are a small community of builders and we are here for the long haul doing what we hope the city wants us to do, we want to continue building a more beautiful Richmond and build new housing for Richmond's growing population. Rather than battle this out in Court, we want to find a solution.

Staff invited us to come and talk to them about what our concerns were and to discuss any solutions. Staff were clear that Council passed an affordable housing strategy and that the single family home builders, like ourselves, would have to be part of the solution. Over the past few weeks we have had informal discussions with staff and believe that we've found a solution that we can support.

We believe that the Affordable Housing Strategy should be amended to give single family home builders an option to build a secondary suite in 50% of the suits constructed, without any Housing Agreement tied to specific rents or renters, Or provide a financial contribution to the City's Affordable Housing fund. In some instances, we will build the new rental suites in areas that can support secondary suites (like along arterial roads). In other areas, our builders may opt to pay the financial contributions.

We have examined the Affordable Housing Strategy's financial requirements related to townhouses and multiple family developments (\$2sq.ft or \$4sq.ft. respectively) as well as our other rising costs we believe that an equitable solution would be to pay \$1/ per sq.ft. of buildable house on any houses constructed. Given the increased costs we are facing, we believe that is a **FAIR** contribution.

We know that this would mean a change to Council's recently adopted Affordable Housing Strategy, but like any strategy, its success must be measured by whether the objectives of providing actual affordable housing is achieved, either through the construction of new rental units or by the City initiating the construction of affordable housing. We simply cannot construct new single family housing under the terms of the proposed Housing Agreements.

We support the City's objectives for affordable housing, but want to find a solution that we can afford so we can keep building housing for existing and future residents. We hope that Council would be open to changing its strategy in the face of the reality of the market place and our desire to work with you to provide affordable housing in Richmond.

Sign In Sheet

Meeting with Developers/Builders
on Affordable Secondary Suites

Tuesday April 8, 2008
2:30 PM

Name	Company	Contact No	E-mail
HARMEEL BAINS	WESMOROCK	604-722-8292	BAINSH@HOTMAIL.COM
RAY BAINS	RENDER CONSTRUCTION	604-276-6000	RAYBAINS@RENDER.NET
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Khalid Hazan	WISDOM ERA BUILDERS	781-889-6000	ajitto@sutton.com
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Name	Company	Contact No	E-mail
WESS SARDINER	World Development	604-888-5577	MNO Development & Holdings
✓ Gupreet Atwal	Trinmark Development	604-271-6730	g-atwal@hotmail.com
✓ Cheryl Kuman	Koman Management Ltd	604-271-6730	CHARYN KUMAN@SHAWC
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William	CK DEVELOPERS	604 863 9858	
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Ken Lee	Bridgeview Investments	604 272 8711	
Eric Sze	Hop Yee Shing Kee	604 657 6163	
William WY	Sumprad Properties	604 278 9997	
Thomas Liu	Sonus Development	604 278 8828	(no body answer R.VOICOMM)
LES COHEN	MARCONIO PAULY WESTON	604 231 0261	

CONF

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Tuesday April 8, 2008
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Name	Company	Contact No	E-mail
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L/MS AMAR SAADAN		604-696-1299	
✓ GURPREET JINDAL	AWANA COURT	604-551-5563	
✓ SAJID HASSAN	ASIAN CONCRETE	781-856-6434	
✓ Subir Singh	G.K. Enterprises	604-555-9120	no body answer at voice mail
✓ Kulinder Gill	Power Development	(604) 618-3156	

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✓ Spirit of Kuskwina	Residential	604-779-6566	
✓ SAZ NORD MANNAT	S.S.M	778-881-8929	HAYDEN MANNAT @ PINT.MA
✓ AMARJIT CHATHWA	SARITA DEVELOPMENT	778-881-1884	
✓ GONKAR MATHUR	MITRA DEV LTD	604-837-7886	
✓ SIATUAM SARGOTA	SATWA CONST LTD	604-617-7176	
? / Sean Wu	Sintra Development	604-881-6916	