



AZ-ZAHRAA HOUSING SOCIETY

3103-667 Howe Street, Vancouver BC V6C 0B5
www.azhousing.ca

Schedule 1 to the Minutes of the
Planning Committee meeting of
Richmond City Council held on
Tuesday, November 5, 2024.

November 5, 2024

Planning Committee
City of Richmond
6911 No. 3 Road
Richmond, BC V6Y 2C1

Re: Updating the Low-End Market Rental (LEMR) Program to Support the Delivery of Affordable Housing

Dear Members of the Richmond City Planning Committee,

Az-Zahraa Housing Society is a non-profit organization dedicated to providing affordable, low-end market housing to members of our Richmond community. For years, our mission has been to ensure that every resident we serve has access to safe, stable, and affordable housing. Thanks to the generosity of our donors, we have upheld this commitment and provided an essential lifeline for families who would otherwise struggle to secure an affordable unit in Richmond's challenging housing market.

However, we are now facing significant financial challenges that threaten the sustainability of this mission. Our operating costs have surged by nearly 30%, driven by substantial increases in strata fees, insurance premiums (which have risen by 300% over the past five years), and an upcoming mortgage renewal at a significantly higher rate. Despite these cost pressures, rental increases regulated under the Residential Tenancy Act have been capped at only 7%, leaving us with limited ability to cover our expenses.

Currently, we are operating at a deficit of approximately \$500 per month per unit. This reliance on donor funding alone is not a sustainable model, and we are concerned about the potential impact if donor circumstances were to change. Without a model that allows us to balance our operating costs with rental income, our ability to provide affordable housing in the long term is at serious risk.

For these reasons, we respectfully request the City Council's support in approving a modest rental increase to help bridge the gap between our rising costs and limited rental income. This adjustment would allow us to better address the \$500 monthly deficit per unit while continuing to fulfill our mission of providing affordable housing to those who need it most. We are open to collaborating with the Council to explore solutions that uphold our shared commitment to Richmond's well-being.

Thank you for considering this request. Your support is essential in helping Az-Zahraa Housing Society continue its work in providing affordable homes for our community.

Sincerely,

Riyaz Devji
Director,
Az-Zahraa Housing Society

