

# Low-income housing units part of private Vancouver development

FRANCES BULA

VANCOUVER — The Globe and Mail

Published Tuesday, Mar. 15, 2016 7:38PM EDT

Last updated Tuesday, Mar. 15, 2016 7:40PM EDT

Mayor Gregor Robertson's council has aggressively pushed the construction of what it called affordable rentals during the past eight years by giving developers breaks on fees, along with permission to build bigger.

But those deals sparked criticism from some residents, who said the rents were so high that the new units were not helping lower-income households.

Now, Vancouver is about to see its first privately built development with a substantial portion of units aimed at lower-income families. When the Concert Properties development along False Creek is finished, 40 per cent of its 135 rental units will be set aside for such families at rates they can afford.

It's an important symbolic move for a mayor grappling with widespread angst and resentment about housing, as real estate prices have soared to previously unheard of heights in the past year while rental vacancies are near zero.

"It's very challenging to build affordable housing, and the only way we do it is with partnerships with the private sector," Mr. Robertson said as he announced the beginning of construction for the new project. "Despite the market conditions, we're going to do everything we can."

The project will be located on the corner of Southeast False Creek between the Olympic Village and Science World. Concert Properties is a union-pension-funded construction firm that was created in the 1980s during the affordable-housing crisis of that day.

The development will have 600 units over all in five buildings. The city will get one of the buildings, with the 135 units, for \$38.75-million. That will come from money collected from Concert and other developers in the area through fees and community-amenity-contribution requirements. Half of the units in the city building will be two- and three-bedroom units meant for families.

A non-profit will run the building, choosing tenants who make less than \$56,000 a year for 40 per cent of the units. Most tenants chosen will make at least \$36,000.

Those tenants will pay no more than 30 per cent of their gross income for rent. Currently, the rents are projected to be \$915 for a studio, \$1,000 for a one-bedroom, and \$1,400 for a three-bedroom.

Only a few will be rented to people on welfare for the \$375 a month they are allocated for shelter. Tenants for the other units will pay rents that match the market average for the area, up to \$2,000. They will also be selected on the basis of their incomes.

Concert chief executive officer Brian McCauley said the city is getting the units for the cost of the construction only. The project got a small amount of extra density, as is allowed in the overall plan for Southeast False Creek.

The city's \$38.75-million works out to a price of \$287,000 a unit.

Vancouver's housing officer, Mukhtar Latif, said the Concert project is one of a series that the city wants to see built.

Mr. Robertson, as he has done at almost every public appearance in the past couple of months, emphasized that the city could get more low-cost rentals built and rented at lower rates if the provincial and federal governments would add their resources.

He said very few of the units could be rented at shelter rates in the Concert project because of the financial limitations on how much of a subsidy the city could put in.

The provincial government, until 2001, used to build projects that aimed at housing a wide range of lower-income people, from those on welfare or disability to working households with people paying rent on the basis of their income.

But the Liberal government changed policy to focus on providing subsidized government-owned housing only for the poorest and most disabled. For people who are working but poor, it has offered rent supplements.

About 11,000 families in British Columbia get supplements now. But housing experts say that supplements are not as effective in high-cost, low-vacancy cities because they just increase competition among low-income households for scarce housing.