



AFFORDABLE HOUSING RESERVE FUND – OVERVIEW

Historical Overview:

As a result of social housing research undertaken in 1988, City Council determined that a reserve fund would be an effective tool to implement the City's Social Housing Policies. The 'Social Housing Reserve Fund' was established in 1989 to facilitate the City's social housing objectives, and as a source of funds to provide for the difference between the sale price of land and the value of land leased for social housing projects.

In 1995 the terms of reference of the Fund were revised to broaden the use of the funding beyond social housing to reflect the focus of senior government housing programs on mixed income projects rather than housing core-need households only. In addition to the revised title 'Affordable Housing Reserve Fund' (AHRF), a 'Housing Initiatives Grant' program (HIG) was also established, with provision for funds from the Fund's annual interest to support of non-capital affordable housing related initiatives.

Over the past decade, the Fund has increasingly been used to offset City costs and charges related to affordable housing projects such as permit fees, site and development costs.

Contributions:

Initially the Fund was supported with a 1989 contribution of \$200,000 from the City's general revenue. In 1990 and 1991 the contributions increased to \$210,000 and dropped to \$25,000 in 1992. There were no further City contributions until 2003 when as part of the 10 year Capital Plan Council determined that the Fund would receive \$260,000 annually from general revenue, which continues to date.

Other contributions to the Fund have included:

- \$6,000 provincial grant for negotiating 5 rental housing units in a 1990 strata development;
- Contributions of \$8,000 in 1996 and \$110,000 in 1999 linked to legalization of units in existing apartment buildings;
- \$480,000 transfer in 1998 into the Fund from sale of a Lower Lonsdale road right of way;
- \$110,000 contribution as a result of a 1999 rezoning legalizing suites in an existing apartment building;
- \$100,000 contribution as the result of a 2006 rezoning.

Allocations:

While it took a number of years before the Affordable Housing Reserve Fund held sufficient funds to support a housing project, the loss of federal housing programs in the early 1990's, together with the severely limited and narrow focus of provincial

government housing programs, have constrained the City's opportunities to develop affordable housing projects. Nevertheless, in less than 15 years, five housing developments have been facilitated in the City with Affordable Housing Reserve Fund monies:

1. Margaret Heights Family project (1991)

This 19 unit non-profit family townhouse project was developed by Entre Nous Femmes Housing Society on a leased City site in the Cedar Village neighbourhood. A \$276,000 amount was transferred from the Fund to the Tax Sale Land Fund to offset the lease cost from market value (25%), and an additional \$16,000 was withdrawn to support additional landscaping costs.

2. Quay View Apartments project (2001)

This 42 unit project for single and family households of various disabilities and income levels was sponsored by the North Shore Association for the Mentally Handicapped (renamed 'North Shore Connexions') on a leased City site in the Lower Lonsdale neighbourhood. The project was allocated a \$330,000 subsidy from the AHRF for the value of the discounted lease to 50% below market, representing a 25% discount. These funds were transferred from the Fund to the Tax Sale Land Fund to offset the lease cost from market value. The project was also provided with \$87,815 from the AHRF to enhance the exterior finishes and accessibility fixtures of the complex.

3. North Shore Adult Emergency Shelter and Transition Housing (2005)

In 2005 the Lookout Emergency Aid Society opened the North Shore's 25 bed adult shelter and 25 bed transition housing on a City site in the Marine Drive area. A total of \$210,000 was contributed from AHRF in 2003 to assist with various site related costs (hydro, soils, waived fees and charges) for the adult shelter and transition housing project. A further \$263,296 was transferred from the AHRF to the Tax Sale Lands Fund to represent the 25% subsidy of the City land lease at 50% of market value.

4. Kiwanis St. Andrews Place (2006)

In early 2006, the AHRF was accessed for costs related to the 27 unit St. Andrews Place seniors' non-profit complex situated within a larger market project. The \$1.1 million site was created by the City permitting increased density on the redevelopment site, and transfer of the density to one corner of the site for the seniors' project. \$500,000 federal funds and a \$500,000 provincial forgivable loan were provided via BC Housing, and the Kiwanis provided over \$1 million equity. The City contributed approximately \$33,275 in reimbursed fees for a total contribution of approximately \$140,000 in a variety of waived fees and development costs to increase the affordability of the project.

5. Chesterfield House (2007 & 2009)

In support of retention of existing rental housing and partnering to provide non-market affordable housing, the AHRF supported the joint purchase in January 2007 of an existing 16 unit apartment building (constructed in 1961) for \$2.5 million with partners BC Housing and Marineview Housing Society. Both the City and BC Housing contributed \$950,000, with the remainder (\$600,000) provided by Marineview, the operator. City contributions from the AHRF totalled \$968,073 including legal fees. The purpose of the Chesterfield House project is to provide supportive housing for individuals with mental illness.

During 2009-2010, the existing 16 unit building was renovated to link with an additional building constructed at the rear of the property. The City has allocated approximately \$735,000 from the AHRF for the project. Chesterfield House contains 24 units, 3 common areas, and is fully sprinklered and upgraded for energy and water efficiency. The project is also the first existing residential building to connect to the City's district heating system with connection fees (\$40,000) provided by the Fund.

Other Projects Receiving AHRF Funds:

The Affordable Housing Reserve Fund was also sourced to fund social housing site-related activities such as the 1990 marketing costs (\$3,319) for City leased site for ENF Margaret Heights family housing project, and \$5,800 for related 'social housing economic research'. In 1997 a small Housing Initiative Grant of \$2,739 was allocated for reviewing the potential for inclusion of the then new Adaptable Design policy into the Quayside Village Cohousing development. In 1997-98 the AHRF funded the expenses of the "Affordable Housing Task Force" for a total of \$32,034. The 2012 balance in the AHRF is approximately \$2.3 Million, and staff are able to propose projects as they arise through Council's decision to have the funds available.

Conclusion:

The Affordable Housing Reserve Fund has been an essential City tool to address housing affordability issues of current and future residents through partnerships with non-profit societies, senior government programs, and the development sector. Since the establishment of the Fund, non-market housing opportunities and potential partnerships have continually evolved.

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