

**Subject: RE: AFFORDABLE HOUSING**

**Date:** Thu, 16 Jan 2003 23:54:49 -0800

**From:** "Ernie Crist" <ernie\_crist@dnv.org>

**To:** "Ernie Crist" <ernie\_crist@dnv.org>, "Maureen Bragg" <m.bragg@shaw.ca>, "john hunter" <hunterjohn@telus.net>, "FONVCA" <fonvca@fonvca.org>, "Don Bell2" <belld@dnv.org>, "Councillor Maureen McKeon Holmes" <mckeonholmes@telus.net>, "Richard Walton" <richard\_walton@dnv.org>, "Alan Nixon" <Alan\_Nixon@dnv.org>, "Janice Harris" <Janice\_Harris@dnv.org>, "Lisa Muri" <lisa\_muri@dnv.org>

**CC:** "Allan Orr" <allandorr@shaw.ca>, "Angela Trudeau" <a.trudeau@canada.com>, "Bill Tracey DNV" <bill\_tracey@telus.net>, "Brian Platts DNV" <brian\_platts@telus.net>, "Cathy Adams DNV" <cathyadams@canada.com>, "Corrie Kost DNV" <kost@triumf.ca>, "Eric Anderson hotmail" <eric\_g\_andersen@hotmail.com>, "Peter Thompson DNV" <bedeconsulting@shaw.ca>

Hello again.

I forgot to mention also that the L.V. Co-op will not and cannot make any profit from the "sale" of a unit to a new member after it has been vacated by someone who is leaving. I am stating this because it appears that some people are under the impression that this is a profit making situation. IT IS NOT and never has been.

Ernie

-----Original Message-----

From: Ernie Crist

Sent: Thursday, January 16, 2003 11:44 PM

To: 'Maureen Bragg'; john hunter; 'FONVCA'; Don Bell2; 'Councillor Maureen McKeon Holmes'; Richard Walton; Alan Nixon; Janice Harris; Lisa Muri

Cc: 'Allan Orr'; 'Angela Trudeau'; 'Bill Tracey DNV'; 'Brian Platts DNV'; 'Cathy Adams DNV'; 'Corrie Kost DNV'; 'Eric Anderson hotmail'; 'Peter Thompson DNV'

Subject: RE: AFFORDABLE HOUSING

Hello All:

There appears to be a large gap between fact and assumption when it comes to Co-op housing. Granted, there are many different types of Co-ops. But Co-op housing such as the Lynn Valley Co-op is not subsidized. The initial Gov. (CMHC) loan is being paid back along with interest of 14% over 40 years. In turn for this loan, (at 14% not exactly a gift), the Co-op is obliged to take in a certain percentage of lower income people. Their income is reviewed on an ongoing basis by the Board of the Co-op. The subsidy for their monthly payment comes from the monthly payments of the rest of the members who are paying what is termed "market".

Thus, those lower income members are not subsidized by the CMHC but by the members of the Co-op. As soon as the income of those members reaches a certain level however, up go their payments depending on income. Those subsidies are never more than to 15% of the total number of Co-op members. Should any member fall victim to misfortune, payments will go down. If the payments of the Lynn Valley Co-op members in general are today somewhat lower than market then it is because the Co-op has paid off the loan and because the payments have stabilized over time just as would be the case if the units were market.

But if all the Co-op debts have been paid off, members will have to continue making payments indefinitely based on income. In a sense it is a lease arrangement. Co-op members can never make any profit, neither will they ever own the units in a market sense no matter how high their monthly payments and/or how much they have paid over the years. Members will not get a penny back when they sell other than their initial down payment plus cpi and/or share of \$ 1,500 plus compensation for improvements, seldom in excess of \$ 10,000. Indeed Co-op members who "sell" may only sell back to the Co-op. The advantage of co-op is security. Market vagaries or interest ups and downs will not cause people to lose their home. On the other members must be socially responsible or face eviction.

The only advantage of moving into a Co-op, to state again, is to avoid the initial high down payment one would have to fork out for market housing. For that privilege Co-op members in turn give up all the advantages of market housing.

Neither did the municipality give up anything since the land was leased to the Co-op over 60 years at market except that when the Lynn Valley Co-op was given the opportunity it took advantage of this and, through an additional assessment of all the members bought the land at market. The Co-op is owned jointly by all its members. So there you have it folks.

When I stated "using the Heritage Fund" for financing I meant that, this would fit into the category of the CMHC loan, but that would certainly not be a gift or subsidy. The Municipality would not lose, since, as everyone knows, after the lease is up, the land would revert back to the municipality. If the housing units themselves are financed through the Heritage Fund the same would apply. Both principle and interest would come back to the District. I am not holding my breath on my proposal. I have after all tried this before without success, except, most candidates did promise such things and more during the election.

Ernie Crist,

-----Original Message-----

From: Maureen Bragg [<mailto:m.bragg@shaw.ca>]

Sent: Thursday, January 16, 2003 6:11 PM

To: john hunter; 'FONVCA'; Don Bell2; 'Councillor Maureen McKeon Holmes'; Richard Walton; Alan Nixon; Ernie Crist; Janice Harris; Lisa Muri

Cc: 'Allan Orr'; 'Angela Trudeau'; 'Bill Tracey DNV'; 'Brian Platts DNV'; 'Cathy Adams DNV'; 'Corrie Kost DNV'; 'Eric Anderson hotmail'; 'Peter Thompson DNV'

Subject: Re: AFFORDABLE HOUSING

You are quite right Bill about people of good income hiding their assets and living in subsidized units . I came across it when I was in Real Estate. Co-Op housing could work but second time around they are difficult to sell. It seems even people who have no other way of getting into a place of their own seem to balk at the idea of not being able to make a profit if they sell.

I do know that when people talk about affordable housing they mean cheap as in under 100,000 but once in have no qualms about selling high. It is a vicious circle.

The Federal Government many years ago took away the incentive as in tax breaks for Doctors, Lawyers etc to invest in rental housing. As a result there is no incentive to build good rental housing which we need. They used to be called MURBS and Doctors loved them. I have been retired since 1995 so I do not know if any incentive to create affordable housing is out there". Perhaps Councillor Alan Nixon can help us on this. Maureen

----- Original Message -----

From: "john hunter" <hunterjohn@telus.net>

To: "'FONVCA'" <fonvca@fonvca.org>; "'Co Mayor Don Bell'" <don\_bell@dnv.org>; "'Councillor Maureen McKeon Holmes'" <mckeonholmes@telus.net>; "'Councillor Richard Walton'" <rwalton@dnv.org>; "'Councillor Alan Nixon DNV'" <anixon@dnv.org>; "'Councilor Ernie Crist DNV'" <ernie\_crist@dnv.org>; "'Councilor Janice Harris DNV'" <janice\_harris@dnv.org>; "'Councilor Lisa Muri DNV'" <lisa\_muri@dnv.org>

Cc: "'Allan Orr'" <allandorr@shaw.ca>; "'Angela Trudeau'" <a.trudeau@canada.com>; "'Bill Tracey DNV'" <bill\_tracey@telus.net>; "'Brian Platts DNV'" <brian\_platts@telus.net>; "'Cathy Adams DNV'" <cathyadams@canada.com>; "'Corrie Kost DNV'" <kost@triumf.ca>; "'Eric Anderson hotmail'" <eric\_g\_andersen@hotmail.com>; "'Maureen Bragg'" <m.bragg@shaw.ca>; "'Peter Thompson DNV'" <bedeconsulting@shaw.ca>

Sent: Thursday, January 16, 2003 5:16 PM

Subject: AFFORDABLE HOUSING

Bill Tracey kindly gave his permission for me to forward his assessment of the advisability of DNV doing "affordable housing" (C. Crist notice of motion attached below).

Very impressive analysis Bill and for what it's worth I agree.

John

-----Original Message-----

From: Bill Tracey [[mailto:bill\\_tracey@telus.net](mailto:bill_tracey@telus.net)]  
Sent: January 16, 2003 3:39 PM  
To: john hunter  
Cc: 'Peter Thompson'  
Subject: Re: FW: Notice of Motion - Report Councillors Crist

John,

First, I think this is a provincial or federal issue, not municipal.

"Affordable" housing = "subsidized" housing. There are two ways of subsidizing:

- \* subsidize the occupant
- \* subsidize the developer/owner

Either way, the benefit is transitory.

If you subsidize the occupant, does the subsidy move with the occupant to wherever they go? If so, it amounts to income assistance, and we already have that in many forms and it is not adequate to provide housing, obviously. In any case, income assistance is not a municipal responsibility.

If you subsidize the developer/owner, another problem arises. If the developer/owner is an individual or a normal business it is practically impossible to prevent them from re-selling the subsidized property at some later date for at "market" price -- and gaining a subsidized profit. If the developer/owner is a "non-profit" organization and the property is never sold, then the occupants must be renters. Therefore, subsidized housing must be rental housing. Or it must be some form of strata title, with controlled resale pricing, as in a housing co-op as mentioned by Ernie. There still are management/maintenance fees and expenses, and eventually those overtake any initial savings from subsidizing the capital cost of the property, I believe. Therefore, the rental/maintenance cost of the property eventually has to rise to market levels or close to it. And then we're back to income assistance, as before.

As for housing co-ops with rental based on income, there are far too many instances reported of relatively wealthy people being able to hide income and live very comfortably in housing that was meant for poorer people.

The only form of subsidy I can support for below-market housing would be tax relief for non-profit housing societies or co-ops. And that should be done on an annual basis, only after full financial disclosure by the applicants with time for public scrutiny prior to the decision to provide tax relief. For housing co-ops, the public disclosure should include a complete list of tenant names, as well.

Even then, I think this goes beyond the mandate of a municipal council, because it is really income re-distribution -- the taxes of the majority are made higher so that a few persons can benefit. That should not be done without the explicit approval of the majority. Most of the non-profit societies that would consider this form of housing would be registered as charities, and would already be using "tax" dollars in the form of income-tax rebates for charitable donations.

In any case, subsidized housing, if it is to be supported in the municipality, should not be built on newly-developed land. Such land incurs large infrastructure costs, and it is important to recoup as much as possible of those costs from the sale of the land. Moreover, newly-developed land usually is poorly served by transit, and presumably those who need housing subsidies cannot afford to operate a car. Rather, subsidized housing should be on re-developed land, near the centre (or downtown) of the municipality, where transit is already available and there is good access to shopping and other services, and to employment. Unfortunately, that often is where re-sale land costs are high. Therefore, the land cost must be made a relatively small part of the total cost, meaning that residential density must be high/medium or high-rise residences.

I can see absolutely no justification for subsidized single-family residences in North Vancouver District, nor for duplexes or four-plexes for that matter. Land costs are just too high. Low-cost housing must mean high-density housing, with a reasonable allowance of green space in the form of common parks and playgrounds in the vicinity.

And that's the last word!

Bill

-----Original Message-----

From: Ernie Crist [[mailto:ernie\\_crist@dnv.org](mailto:ernie_crist@dnv.org)]

Sent: January 15, 2003 12:15 PM

To: FONVCA (E-mail)

Subject: FW: Notice of Motion - Report Councillors Crist

> -----Original Message-----

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> *Notice of Motion - Report Councillor Crist*

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> *Recommendation*

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> *That staff be requested to provide a report for Council's consideration on proposals for the provision of non profit (affordable) housing as committed to by most candidates during the last Municipal election campaign in Nov 2002.*

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> *Reason for Report:*

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> *Non profit ( affordable) Housing was one of the key issues advanced during some of the all-candidates meetings in the last municipal election in November 2002. Virtually all Candidates agreed to support, in principle, such initiatives if elected.*

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> *The term "affordable" within in the context of the identified housing needs for low income people, including seniors, clearly means non profit housing since all housing, irrespective of its price, is affordable. The price range of housing in the District is anywhere from \$ 150,000 on Native Land to \$ 2 million in the rest of the municipality and there is no shortage of such housing. Since the market cannot provide housing at prices below the \$ 150,000 barrier the term affordable means non profit.*

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> *Virtually all multi-family housing projects including those built in Lynn Valley in recent years have been presented to Council under the guise of affordable housing. But what was meant and built is ordinary market housing of which there was and never has been a shortage. On the other hand all such housing is outside the range of those who need housing with rents based on income.*

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> *Indeed a closer analysis reveals that the majority of housing units built in the Lynn Valley Core were sold not to local residents but to*

persons from other parts of the region thus exposing the housing for local needs theory for what it is - a developer's ploy to build housing without providing any benefit to the local community. On the contrary, such massive housing has resulted only in more traffic, more pollution and other undesirable by-products of increased density without providing any amenities.

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> *The District has, in the past, made land available for non profit housing but this has not been the case during the last few years. There are, of course, several reasons for this. One is undoubtedly the difficulty by non profit housing organizations to obtain money from senior levels of government to finance such ventures. Yet another are difficulties in identifying and obtaining suitable land from the District and yet another may be resistance by community organizations to allow such forms of housing in existing residential areas.*

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> *In the past, Councillor Crist, through various initiatives and motions, proposed that 5% of all land sale proceeds be set aside for non profit housing and that such projects be part and parcel of integrated community and neighborhood developments. Councillor Crist also suggested that the District Heritage Fund be used for such purposes. This might include the financing of such projects provided that the money, including interest, is returned to Heritage Fund as the case may be.*

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> *Experience has shown that non profit housing is acceptable by the community provided*

> *a) it is part and parcel of an integrated community,*

> *b) such projects are small in scale,*

> *c) they are efficiently administered, as is the case in Seymour by the Seymour Lions for example,*

> *d) they are based on community needs rather than outside community or developer driven, and/or*

> *e) housing units are jointly owned resulting in pride of ownership as is the case with the Lynn Valley Co-op.*

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> *Any and all such criteria in the provision of non profit housing have been achieved in the past without altering the "sustainable community and neighborhood driven development philosophy pursued by the Federation of North Vancouver Community Associations, FONVCA, which allows meeting OUR own changing neighborhood and community housing needs - it should be possible to do so again. >*

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