



VANCOUVER AFFORDABLE HOUSING AGENCY

June 30, 2016

City of Vancouver
Planning and Development Services
453 West 12th Avenue
Vancouver, BC
V5Y 1V4

RE: Letter of Intent for DE Application for Parcel 3

This letter outlines the approach of the Vancouver Affordable Housing Agency (the “Housing Agency”), regarding the development of social housing on Parcel 3 in the East Fraser Lands. This letter outlines the social housing rental unit mix and affordability levels that will be achieved on this site.

East Fraser Land Official Development Plan (EFL ODP)

The EFL ODP sets out a vision for East Fraser Lands:

“a complete community with diverse housing choices and supporting uses and amenities that enable residents to live, work, learn, shop and play within EFL”.

The EFL ODP also stipulates that at least 20% of the dwelling units are to be available for affordable housing (section 3.5.1(c)) and that as least 50% of the affordable housing units are to be suitable for families with children (section3.5.1 (f)). As per the ODP amendment approved by City Council on June 28, 2016, the definition of “Affordable Housing” means “social housing” as defined in the Vancouver Development Cost Levy By-law is rental housing that:

- requires at least 30% of the dwelling units must be occupied by households with incomes below BC Housing’s HILS rates;
- must be owned by government, a non-profit corporation or a non-profit cooperative association; and
- must be secured through a legal agreement.

The proposed project for Parcel 3 meets the intent of the EFL ODP and ODP amendment by providing a range of unit types with a focus on providing affordable family housing units (see Table 1).

Table 1: Parcel 3 Unit Breakdown

Unit Type	Number of Units	% of Units	Average units size(sq.ft.) excluding storage
Studio units	7	8%	409
1 BR units	13	15%	553
2 BR units	43	48%	945
3 BR units	26	29%	1,065
Total	89		

The proposed affordable housing unit mix will enable the project to meet the housing needs of a broad spectrum of residents while providing housing options for residents to remain in the River District as their family and housing needs change.

Provision of Family Housing Units

The Housing Agency is committed to the delivery of affordable housing for families with children, and specifically to meet or exceed the ODP requirement for 50% of affordable housing units to be suitable for families with children.

The project will deliver a large number of family appropriate units with 77% or 69 - 2 and 3 bedroom units. The provision of such a large number of family appropriate units exceeds the number of family units typically delivered in a market development project. Furthermore, the project also maximizes the delivery of three- bedroom units in response to the limited number of newly constructed three-bedroom units in the City of Vancouver.

Affordable Housing Definition & Rental Rates

The mandate of The Housing Agency is to contribute to the implementation of the City’s Housing and Homelessness Strategy (2012-2021).

This project meets the definition for Social Housing as outlined in the Vancouver Development Cost Levy By-law No.9755.

Level of Affordability

The Housing Agency is committed to maximizing the number of affordable housing units at the deepest level of affordability. The project meets the Social Housing definition of providing a minimum of 30% of the units renting at or below the Housing Income Limits (HILs) as determined by BC Housing. The Housing Agency proposes that in Parcel 3, 30%, 27 units, will rent at the Housing Income Limits and the remaining 70% rent at market rental rates. Furthermore, 21 of the units will be designated as affordable housing for families and rent at HILS. Alterations to the proposed rent distribution can be made if necessary as long as the project remains financially viable. Please refer to Table 2 for the proposed HILS unit allocation for Parcel 3.

Table 2: HILS unit allocation

Unit	# of units	2016 HILS Rates
Studio	2	\$963
1-bedroom	4	\$1,063
2-bedroom	13	\$1,300
3-bedroom	8	\$1,613
Total	27	
Percent at HILs	30%	

The Housing Agency is committed to providing a range of affordable housing unit types and the proposed affordable market rents for the project are outlined in Table 3.

Table 2: Proposed Rental Rates

Unit Type	Number of Units	Market Rates
Studio units	5	\$1,050
1 BR units	9	\$1,450
2 BR units	30	\$1,865
3 BR units	18	\$1,992
Total	62	

As outlined in the attached project proforma the overall project development costs are anticipated to be \$26.07 million and with the proposed affordable rental rates, the project will have a \$4.73 million equity gap. The Housing Agency is committed to filling the equity gap through external funding such as Federal and Provincial funding sources or private investors. All equity contributions will be used to address the equity gap and once this has been achieved all funding will be directed to increase the affordability levels. The equity gap will not be addressed by adjusting the number of units that rent at the Housing Income Limits.

Securing a Housing Operator

The City of Vancouver’s Housing Policy and Projects department is responsible for the selection of a non-profit housing operator for all Social Housing projects. The Housing Agency will follow standard procedures as defined by the Housing Policy and Projects department.

I trust that this letter has sufficiently outlined the housing program proposed for EFL Parcel 3. If you have any additional questions please do not hesitate to contact me.

Sincerely,

Luke Harrison
 Vancouver Affordable Housing Agency