Vancouver Affordable Housing Agency Progress Report

Presented to Vancouver City Council

by Mukhtar Latif, Chief Executive Officer

June 10, 2015
To discuss today

Vancouver Affordable Housing Agency

1. Mandate, governance and structure

2. Key achievements to date

3. Sites, portfolio objectives and development plan

4. Key activities in 2015
1. Mandate, governance and structure
VAHA mandate and funding

VAHA mandate

- Created in 2014 to enable delivery of 2,500 affordable housing units on City and partner land by 2021
- Interim review of business/operational model after first 500 units delivered
- Acts as an agent of the City

2015-2018 Capital Plan

- $62m allocated to fund developments enabled by VAHA
VAHA will act as a catalyst for new affordable housing across the housing continuum.

City and partner land, assets and resources will be leveraged using innovative partnerships to: build more affordable housing units, renew existing affordable housing units and deepen affordability wherever possible.

**Key objectives**

- Facilitate redevelopment of select City sites and partner land to deliver affordable housing in Vancouver
- Accountability, value for money and alignment with City’s housing policy
- Centre of expertise to expedite housing delivery through innovative approaches and partnerships
VAHA Management and Governance structure

**VANCOUVER CITY COUNCIL**

- appoints VAHA Board of Directors
- approves VAHA annual operating funding
- approves VAHA capital funding
- designates City-owned land sites for VAHA to enable housing upon
- approves long-term ground leases to housing operators
- receives annual update on VAHA activities and achievements

**VAHA BOARD OF DIRECTORS**
Oversight / Expertise / Risk Management

**VAHA CEO**

**VAHA Team**
- Housing
- Planning
- Real Estate
- Finance
- Law
- Procurement

City staff supports VAHA CEO and staff as required
VAHA Board of Directors

External board members;

Ken Clement – is the CEO of the Canadian Aboriginal AIDS Network, a former member of the Vancouver School Board and a long-time champion for Aboriginal housing and employment.

Cassie Doyle – is currently the Consul General of Canada for northern California, Nevada, Hawaii and Guam. She started her career with the City of Ottawa working in housing and urban development.

Sarah Goodman - founder and CEO of Tree Top Strategy, an advisory firm that partners with businesses, social entrepreneurs, governments and philanthropists to foster social, economic and environmental innovation.

Bruce Tidball - President of Tidball Projects and for 20 years has provided major project management, construction and owner representation services of multiple residential, office, retail, hotel and mixed-use projects.

City appointed directors;

Penny Ballem – City Manager
Patrice Impey – Chief Financial Officer
Bill Aujla – General Manager Real Estate and Facilities

Senior Staff:

Mukhtar Latif, the City’s Chief Housing Officer, is the CEO of the Vancouver Affordable Housing Agency
2. Key achievements to date
Progress since June 2014

1. VAHA legally incorporated

2. Board of Directors established (three City staff + four external directors)

3. VAHA 2015 capital and operating budgets approved

4. VAHA staff structure in place: skill sets: planning, real estate, housing, finance, procurement and legal

5. ~20 development sites analyzed - 12 sites selected

6. Request for Qualifications to seek real estate and construction partners to facilitate development on city owned sites generated a considerable response

7. RFP issued for consultant to advise on number of vacant homes in the city
3. Sites, portfolio objectives and development plan
VAHA guiding principles for development of affordable housing

1. High priority for family suitable units – 2 and 3 bedroom and townhomes where feasible
2. Working with local communities to optimise density on each site
3. Maximise design and construction cost-efficiencies
4. Secure lowest-cost financing possible
5. Shorten development period to reduce holding costs and maximise revenues
6. Contract with efficient and effective housing operators
1. City owns land

2. Council appoints VAHA agent to enable housing development on specified sites

3. For each site, VAHA establishes project parameters and evaluates feasibility and community consultation

4. Construction financing may be led by developer, housing operator, or City/VAHA

5. Proforma Development: Development financing, mortgage financing and project equity/subsidies provided by partners

6. long-term (60-99 years), with housing operators
VAHA Phase 1 – 810 Units - Recommended development sites

Criteria
· density potential
· available for redevelopment immediately
· geographic distribution
· unit mix
· financial feasibility

PHASE 1 (TOTAL 810 UNITS)
### VAHA Phase 1 – 810 Units - Recommended development sites

<table>
<thead>
<tr>
<th>#</th>
<th>Site</th>
<th>Community Area Plan</th>
<th>Required ODP</th>
<th>Amendments</th>
<th>Required Rezoning</th>
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<tbody>
<tr>
<td>1-3</td>
<td>River District Parcels 1, 3 &amp; 5A</td>
<td>East Fraser Lands</td>
<td>East Fraser Lands ODP</td>
<td>Yes</td>
<td></td>
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<tr>
<td>4</td>
<td>River District Parcel 8A</td>
<td>East Fraser Lands</td>
<td>East Fraser Lands ODP</td>
<td>Maybe</td>
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<tr>
<td>5</td>
<td>River District Parcel 43A</td>
<td>East Fraser Lands</td>
<td>East Fraser Lands ODP</td>
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<tr>
<td>6</td>
<td>West Hastings Street</td>
<td>Downtown Eastside</td>
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<td>-</td>
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<tr>
<td>7</td>
<td>Fraser Street</td>
<td>Kensington-Cedar Cottage</td>
<td>-</td>
<td>-</td>
<td>Yes</td>
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* NUMBER OF UNITS DEVELOPED ON EACH SITE SUBJECT TO REZONING AND COUNCIL APPROVAL*
Target resident groups – Aligned with Housing Policy Objectives

- **SRO Residents** (15%)
- **Families with Children** (45%)
- **Singles and Couples, Including Seniors, Low/Moderate Income** (40%)
- **Singles, People with Disabilities**
Target affordability

SHELTER RATES
(INCOME ASSISTANCE)
Rent at Shelter Rate level, typically part of DTES SRO replacement projects

AFFORDABLE MARKET RENTS
At or Below DCL Bylaw thresholds

SUBSIDISED RENTS
Range from shelter to low end of market, based on Provincial Housing Income Limits HILs
4. VAHA key activities 2015 - 2016
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<th>1</th>
<th>2</th>
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<th>4</th>
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<tbody>
<tr>
<td><strong>PHASE 1</strong></td>
<td><strong>DEVELOPMENT</strong></td>
<td><strong>PARTNERS</strong></td>
<td><strong>REGULATORY</strong></td>
<td><strong>HOUSING OPERATORS</strong></td>
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<tr>
<td><strong>PREQUALIFY DEVELOPERS AND HOUSING OPERATORS</strong></td>
<td><strong>FACILITATE FUNDING &amp; FINANCING</strong></td>
<td><strong>PHASE 1</strong></td>
<td><strong>APPROVALS</strong></td>
<td><strong>Issue separate RFPs calling for operators to operate housing and secure equity contributions and long-term mortgage financing</strong></td>
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<tr>
<td>Issue RFQ to prequalify developers and housing operators for VAHA projects</td>
<td>Work with senior government agencies, charitable foundations, financial institutions and/or pension funds to secure grants, and construction and mortgage lending facilities</td>
<td>RFPs calling for developers to secure short-term financing and construct housing, and negotiate development agreements with selected proponents</td>
<td>Work with developer and operator partners to secure rezoning (if required) and development permit approvals. Engage local communities</td>
<td>Ongoing Research on Best Practice and Specific Issues (eg. vacant homes study)</td>
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Council Oversight

• Annual VAHA progress report to Council.
• Any significant variance from approved Development Plan and Financial Strategy.
• Individual projects via regulatory processes.
• Approval of long-term ground leases with housing operators.
• Designation of further sites to add to VAHA portfolio.
The Housing Agency has been established with clear parameters and objectives.

Governance and oversight in place with independent Board of Directors appointed.

First Phase Projects identified and enabling up to 800 new affordable housing units.

Clear alignment of projects with City Housing Policy.