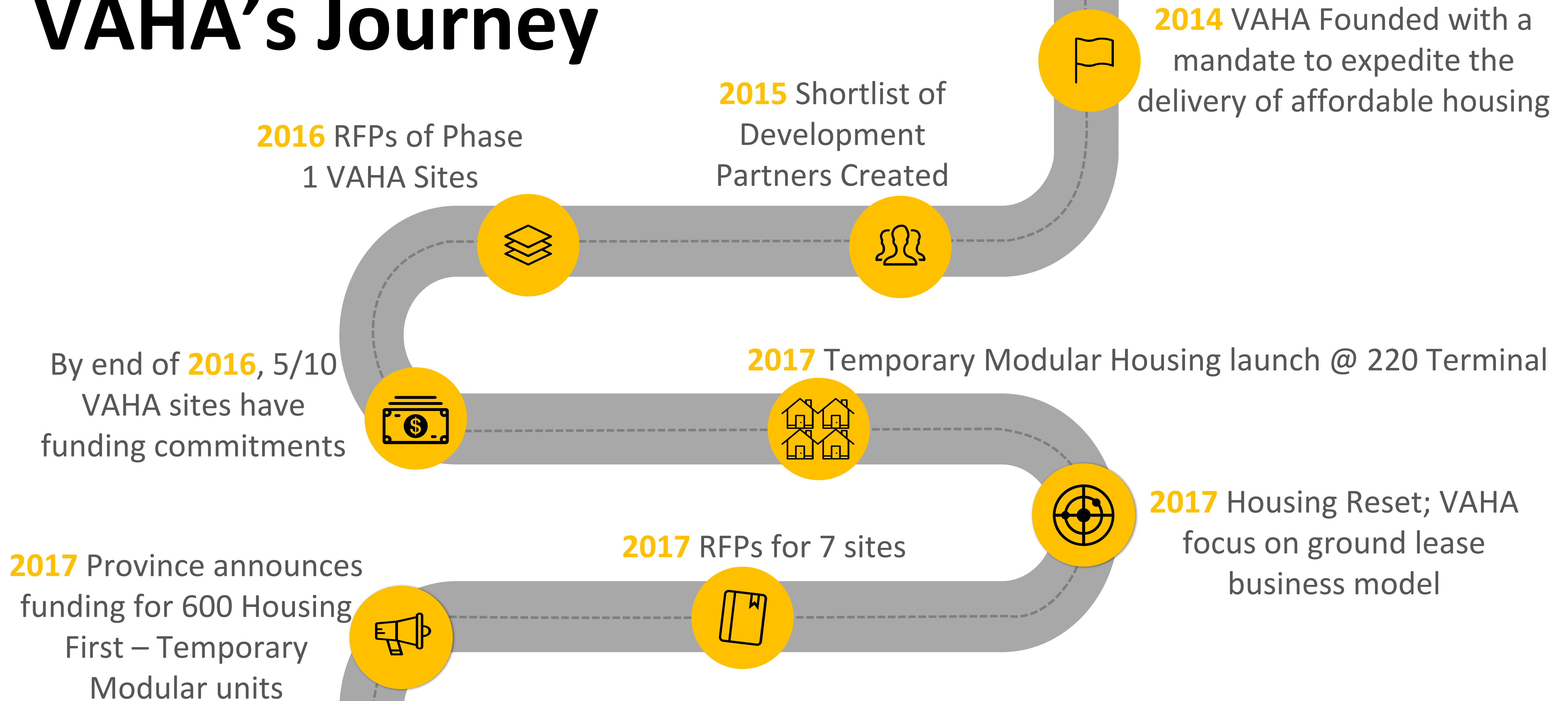


The Vancouver Affordable Housing Agency

2 Year Business Plan Summary + Update

November 28, 2017

VAHA's Journey



Problem Opportunity

City of Vancouver has land, but cannot provide the equity or debt to build affordable housing

With a goal of developing 2,500 affordable housing units by 2021, how can the City leverage its land to:

- Unlock private and public funding sources?
- Lower the cost of development to stimulate affordable housing development and ongoing management?

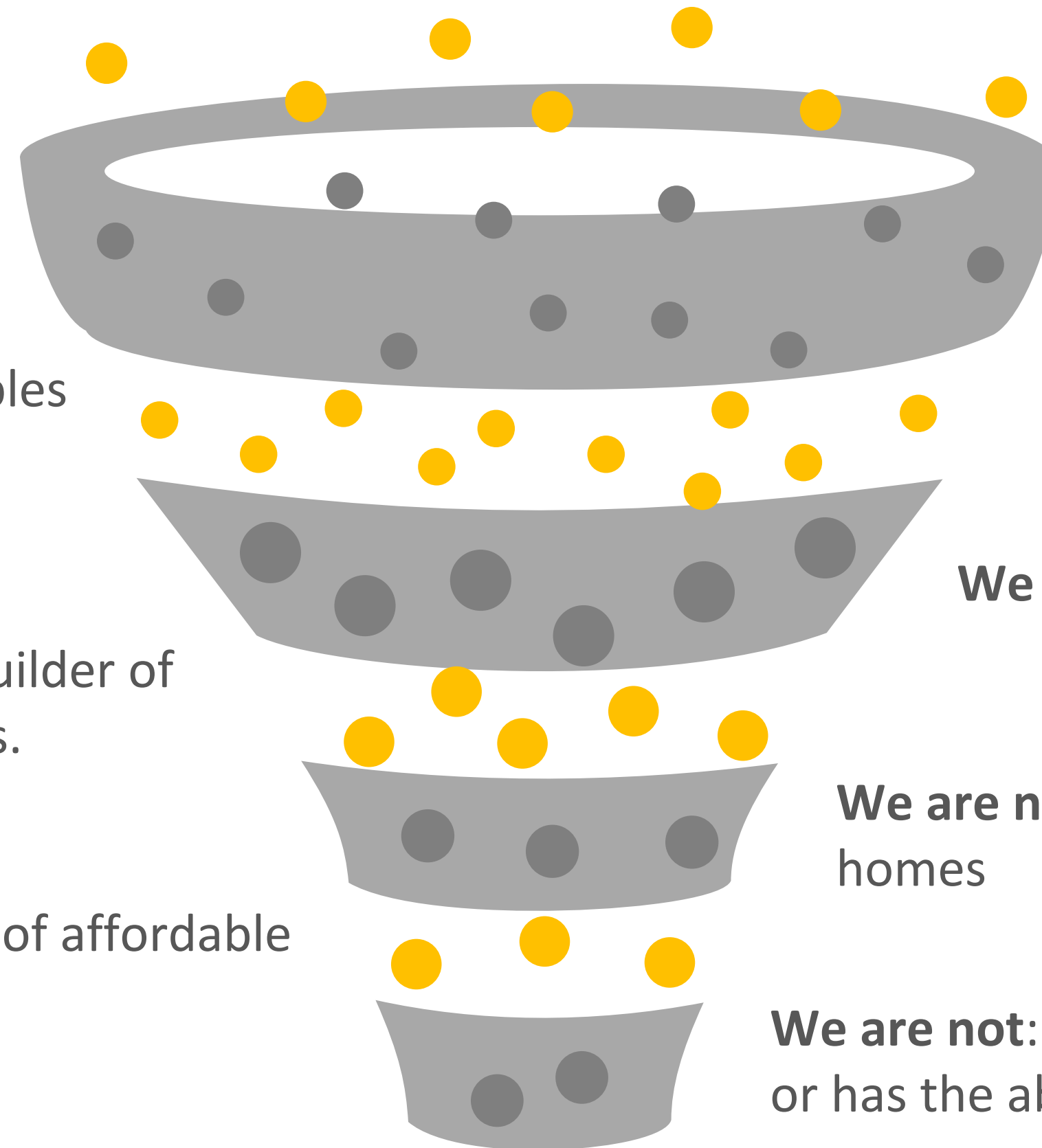
What is VAHA?

We are: a City of Vancouver Agency

We are: a land developer that enables land for housing development.

We are: a builder of partnerships.

We are: a facilitator of affordable housing investment.



We are not: a land owner

We are not: a housing operator

We are not: a builder of homes

We are not: an agency that has its own funding or has the ability to raise debt

VAHA is:



a deal maker and broker of resources to de-risk & expand investment in affordable housing

VAHA's Value Proposition



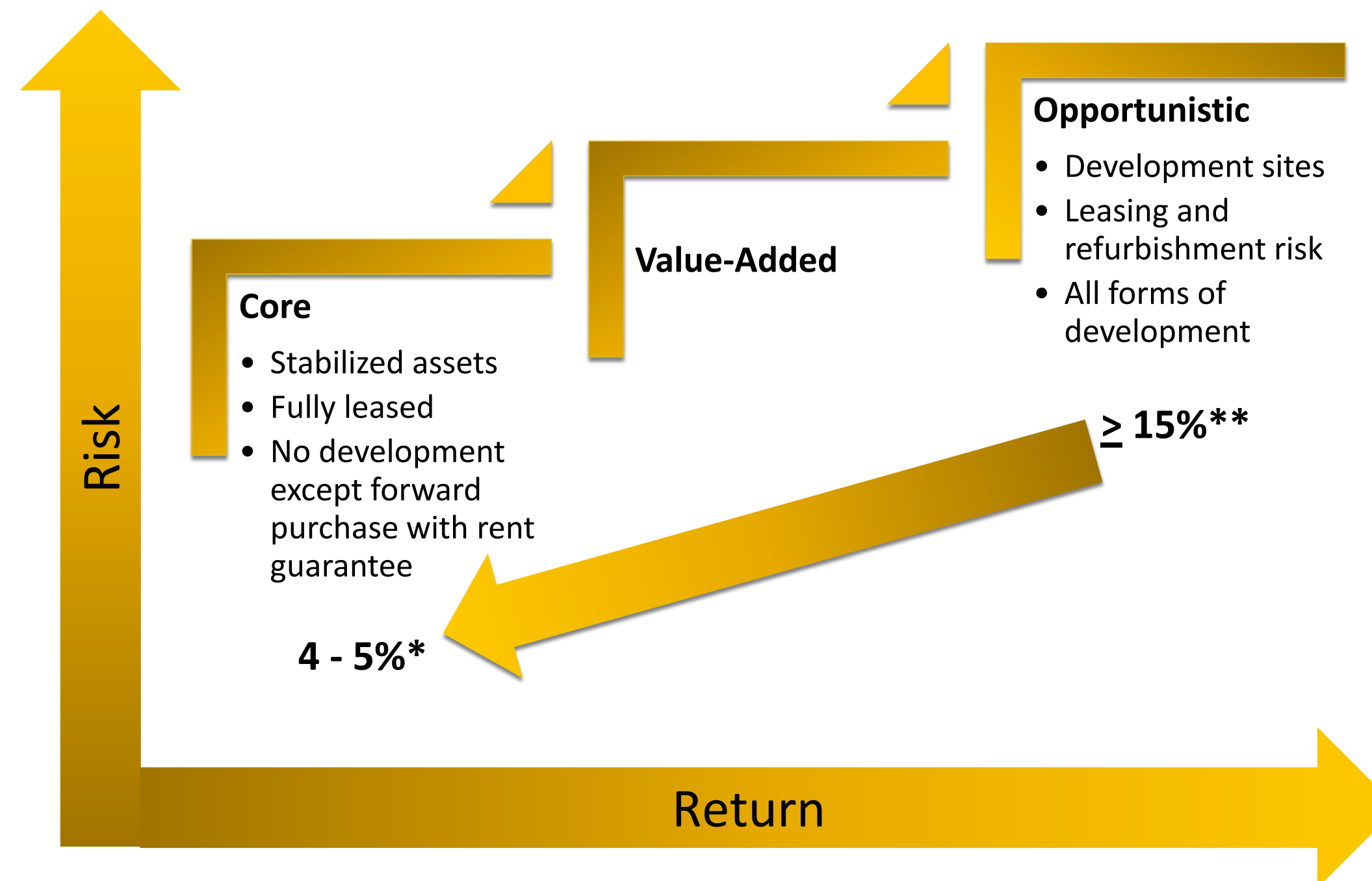
Develop Land for Housing

- Manage the development process for securing rezoning & development permits to generate land ready for housing construction and management.
- De-risk housing development to attract patient or social impact equity.



Form Partnerships

- To create affordable housing projects ready for investment.
- To generate an affordable housing investment market.



Footnote:

* Core return expectation based on apartment units capitalization rate as proxy

** Developers' profit margin expectation as proxy for opportunistic return requirements

RFP Business Model

VAHA Led

Investment Partner Led

Approve Development Plan

- Identify suitable sites.
- Apply for site designation from Council.

Remove Entitlement Risk

- Carry out RFP process for identifying partner to design, build, fund, and manage projects.
- Design projects with partners.
- Oversee rezoning and/or submit development permit.

Contract with Partner

- Sign development, operating, and lease agreements.
- Obtain reimbursement from partners for all expenses to-date.

Arrange Funding & Financing

- Leased land used as collateral for construction financing & mortgage takeout.
- Invest equity to meet funding gap.
- VAHA can aid partners to source low-cost financing & contribution from gov. agencies.

Deliver Affordable Housing

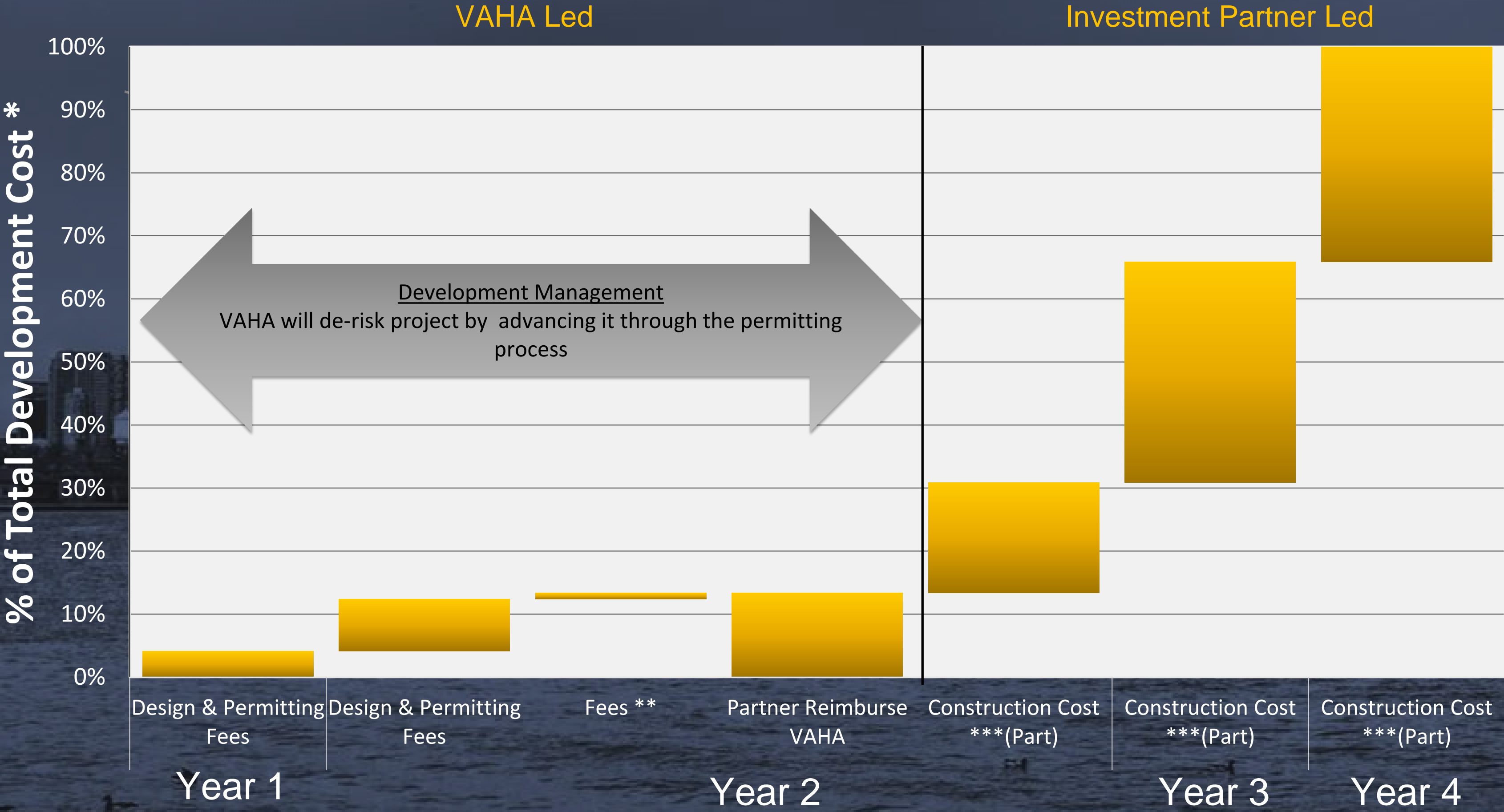
- VAHA can aid partners to obtain remaining permits.
- Consult with VAHA to define and manage scope & schedule to construct projects.
- Use VAHA-agreed affordability criteria to lease and manage project.

Legend

■ VAHA Led

■ Investment Partner Led

Cash Flow Pro Forma



Notes:

- * Total development costs excludes land
- ** No fees envisaged for developing City land. However, fees may be imposed for other land owners.
- *** Straight-line estimate of construction costs

Modular Housing Developments



Goal: VAHA to develop 600 'Housing First' Temporary Modular Housing units for the homeless over the next six months.

What is Temporary Modular Housing?

- Temporary Modular Housing (TMH) units are prefabricated in a factory and assembled onsite.
- TMH is quicker to construct than traditional concrete or wood frame buildings, relocatable and reconfigurable. The foundation system is also adaptable and reusable.
- TMH units have a 40 year life span and TMH is subject to the same building codes as other residential buildings.
- Sites are used for 3-5 years (maximum extension to 10 years).
- **Pilot project:** 220 Terminal has been successful in providing 40 single-occupancy Temporary Modular Housing units.

Governance

Current

The VAHA Board, which includes *external* members, has been providing governance to VAHA through recommendations on significant decisions for Council approval.



Proposed

The *internal* VAHA Oversight Committee, comprised of senior COV staff, will provide recommendations and direction for the Agency in alignment with Council priorities.

The VAHA Board will fulfil all legal/ administrative requirements.

The COV: VAHA Working Group will be a collaborative forum for COV and VAHA staff to discuss projects.

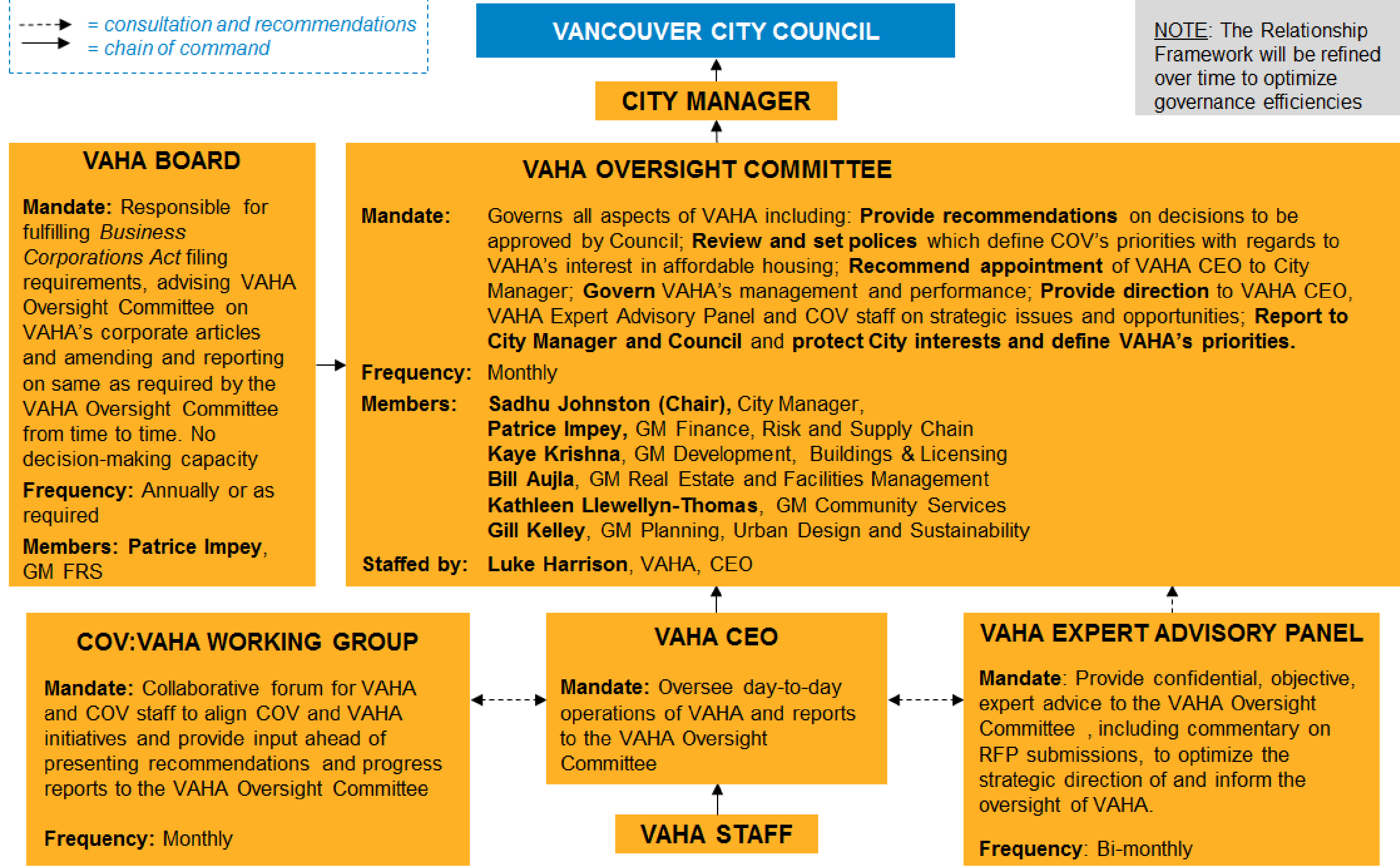
The VAHA Expert Advisory Panel will provide independent expert advice on finance, business, development, and social impact; develop long-term strategic and investment plans; and attract investors and partners.

COV:VAHA Governance Framework

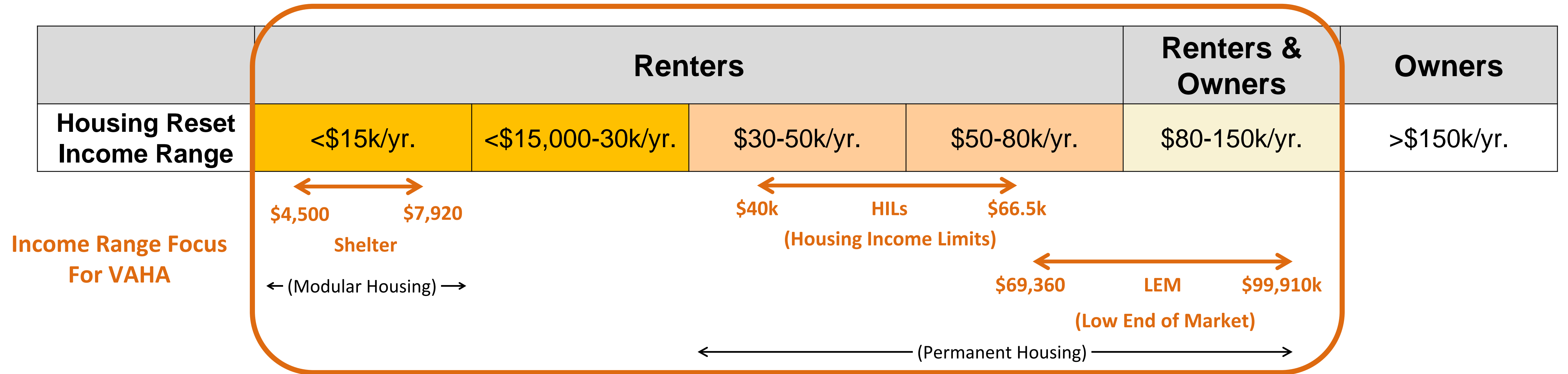


- - - - -> = *consultation and recommendations*
 - - - - -> = *chain of command*

NOTE: The Relationship Framework will be refined over time to optimize governance efficiencies



VAHA's Focus in Alignment with the Housing Reset



VAHA Developments

- ~40% are Family Units
- Micro, Studio, 1-3 BR, Townhomes

- Biggest housing supply gap for household income range
- 2nd Biggest housing supply gap for household income range
- 3rd Biggest housing supply gap for household income range

Note: Housing supply gaps are identified in the 'Housing Vancouver' presentation (p. 33)

VAHA PROJECTS UPDATE



Portfolio and Financial Summary



Current # of units developed/under development:

- 17 VAHA allocated sites, plus temporary modular sites
- 2,783 units in total (including temp. modular)



Total equity gap:

- ~ \$190m (~ \$156m excluding UNYA youth centre)
- Committed equity: 34% (43% excluding UNYA youth centre)
- Committed equity with RFP sites: 57% (69% excluding UNYA youth centre)



Total development cost/unit (excluding land and temp. modular):

- ~\$260,000

VAHA sites

17 sites
allocated to
VAHA

VAHA ALLOCATED SITES

- A 1190 Burrard St. & 937 Davie St.
- B 1210 Seymour St. & 560 Davie St.
- C 177 West Pender St.
- D 58 West Hastings St.
- E 2221 Main St.
- F 501 Powell St.
- G Urban Native Youth Association Project *
- H 3510 Fraser St.
- I 1001 Kingsway
- J 3279-3297 Vanness Ave.
- K 55-79 & 87-115 Southwest Marine Dr.
- L East Fraser Lands (EFL Parcel 1)
- M 3183 & 3245 Pierview Cres. (EFL Parcel 3 & 5A)
- N 3185 Riverwalk Ave. (EFL Parcel 8A)
- O 3310 Marine Way (Parcel 13)
- P East Fraser Lands (EFL Parcel 34)
- Q 8501 Boundary Rd. (EFL Parcel 43A)

BUILDINGS COMPLETED

R 220 Terminal Ave.

* Preliminary plans for joint development



Development Plan: Funding Status

Permanent Housing Projects

	Sites	Address	# of Units	Funding Status	Target Delivery Date
1	Parcel 8A	3185 Riverwalk Avenue	109	Committed - BCH	Apr. 2019
2	Parcel 34	EFL - (Parcel 34)	109	TBC	Mar. 2019
3	Powell	501 Powell St. (DTES Market)	166	TBC – BCH app.	Oct. 2019
4	Main	2221 Main Street	145	Committed - Marcon & Catalyst	Feb. 2020
5	Parcel 43A	8501 Boundary Rd	117		Jul. 2020
6	Parcel 1	To be assigned	40	TBC	
7	Fraser	3510 Fraser Street	56	Committed - BCH	May. 2020
8	SW Marine	55-79 & 87 -115 SW Marine Drive	101	TBC – BCH app.	Mar. 2020
9	58 W Hastings	58 West Hastings St.	231	Committed - Chinatown Foundation	May 2020
10	UNYA	1618-1680 East Hastings St. (UNYA)	180	Funding plan to be developed	By 2021; TBC

	RFP Sites	Address	# of Units	Funding Status	Target Delivery Date
11	Burrard	1188-1192 Burrard & 937 Davie St.	118	RFPs under evaluation	By 2021; TBC
12	Seymour	1210 Seymour St. & 560 Davie St.	99		
13	Pender	177 West Pender Street	90		
14	Kingsway	1001 Kingsway	43		
15	Vanness	3279-3297 Vanness Avenue	69		
16	Parcel 3&5A	3183 & 3245 Pierview Crescent	140		
17	Parcel 13	EFL-3310 Marine Way (Parcel 13)	330		

Under development

Total 989 units

Awaiting development

Total 1154 units

Funding in progress

Funding dependent upon RFPs

Funding is secured

VAHA Delivering the Right Supply

More than 90% of VAHA units geared for sub \$80,000 income



■ Singles <\$30K ■ Singles \$30-80K ■ Families < \$80K ■ Families ≥ \$80K

Current RFPs (7 sites)

➤ RFPs Closed 26th October 2017

➤ Multiple submissions received

➤ Nov/Dec 2017 evaluation and selection of successful proponents

➤ 889 units (230 units already under development)

DOWNTOWN

1 1190 Burrard Street & 937 Davie Street

2 1210 Seymour Street & 560 Davie Street

3 177 West Pender Street

MIDTOWN

4 1001 Kingsway

5 3279-3297 Vanness Avenue

EAST FRASER LANDS

6 3183 & 3245 Pierview Crescent (Parcels 3 & 5A)

7 3310 Marine Way (Parcel 13)



Housing First: Temporary Modular Housing



- Collaboration between VAHA and Housing
- 600 Temporary Modular Homes to provide housing for homeless people
- Provincial funding
- Located on vacant or underused sites across the city
- Pilot project: 220 Terminal Avenue, completed in February 2017, created 40 units of Temporary Modular Housing

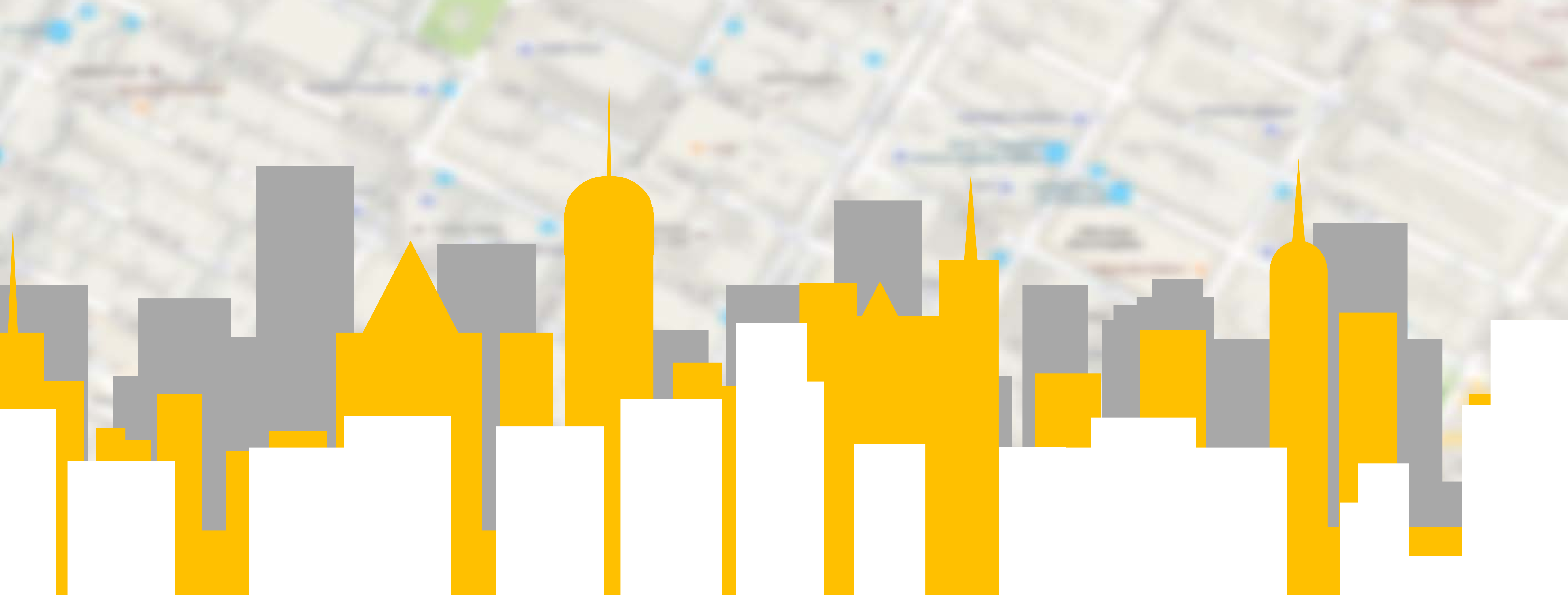
VAHA Significant Milestones

2017

- **25 Feb** – Tenants move into 220 Terminal Ave
- **7 Mar** – 8 additional City-owned sites allocated to VAHA
- **17 Jul** – DP issued for EFL Parcel 8A
- **24 Jul** – RFPs for 7 VAHA sites issued
- **17 Oct** – RZ approved at Public Hearing for 2221 Main St

2018

- **Q1** – Proponents selected for VAHA RFP sites; BP for EFL Parcels 3&5A; Ground-breaking for EFL Parcel 8A; RZ for SW Marine Dr and W Pender St; DP for Main St; Delivery of initial HF TM units
- **Q2** – Ground-breaking for EFL Parcels 3&5A; RZ for Fraser; DP for SW Marine Dr and W Pender St; BP for Main St SW Marine Dr and W Pender St
- **Q3** – Ground-breaking for Main St, SW Marine Dr. and W Pender St; DP for Fraser



vaha



Website
<http://vaha.ca>