

Re: LETTER FROM THE HONOURABLE HUGH A CURTIS WHICH APPEARED ON THE AGENDA FOR THE MAY 25, 1976 MEETING OF COUNCIL (ITEM 4g)  
FEDERAL PROVINCIAL MUNICIPAL INCENTIVE GRANT PROGRAM

Following is a report from the Director of Planning regarding a letter from the Honourable Hugh A. Curtis which was received by Council last week.

If it is the intention of specific developers to obtain the benefits of the AHOP program, it appears that, with careful consideration and design and discussion of a given project with the regulating CMHC staff, the standards of the AHOP program and of the Burnaby development requirements can be made to coincide. A review of rezoning proposals currently under consideration indicate that the following projects are intended to qualify within the established AHOP criteria.

<u>Project</u>	<u>Type of Project</u>	<u>Approximate Number Of Eligible Units</u>
Burnaby 200	Cluster	600
RZ #31/75	Townhouse	44
RZ #30/74	Townhouse	31
RZ #50/75	Cluster	58

The preceding information is subject to changing market conditions at the time of the construction of the projects, and approval by CMHC of a detailed application which requires an accurate detailed account of the construction and land costs, and other related costs.

RECOMMENDATIONS:

1. THAT Council agree to use the funds obtained from the Municipal Incentive Grant Program to encourage and facilitate the production of housing in Burnaby; and
2. THAT the Minister of the Department of Housing be informed of the passage of this resolution.

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TO: MUNICIPAL MANAGER

PLANNING DEPARTMENT  
MAY 27, 1976

FROM: DIRECTOR OF PLANNING

SUBJECT: FEDERAL/PROVINCIAL MUNICIPAL INCENTIVE GRANT PROGRAM

In a release dated May 14, 1976, Mr. Hugh A. Curtis the Minister of the Department of Housing announced that the Province has reached a satisfactory agreement with the Federal Government with regard to their Municipal Incentive Grants and that an additional \$500 grant has been approved by the Province.

The Federal/Provincial agreement covers three financial assistance programs:

- a) Assisted Home Ownership Program
  - i) \$750 provincial subsidy to qualifying buyers
  - ii) federal interest-reduction loan to qualifying buyers
  - iii) \$750 federal subsidy to qualifying buyers
- b) Assisted Rental Program
  - i) \$600 grant to builders (provincial)
  - ii) \$1,200 interest-free loan to builders (provincial)
  - iii) \$1,200 interest-free loan to builders (C.M.H.C.)
- c) Municipal Incentive Grant Program - for construction of medium-density, modest-size, affordable housing units.
  - i) \$500 provincial grant per housing unit for designated municipalities.
  - ii) \$1,000 federal grant per housing unit for designated municipalities.

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The Information Circular outlines the terms of the Municipal Incentive Grant Program including the following:

- a) The applicable grant depends on the project density: 199
- i) \$1,500 grant from CMHC and the Province
    - 10-45 units per net acre is required for lands that have been serviced for at least five years.
    - 10-30 units per net acre.
  - ii) \$500 grant from the Province only
    - 31-60 units per acre in core areas of larger urban centres.

b) Eligible units must have a building permit dated between November 1, 1975 and December 31, 1978.

c) The value of units will vary according to their type and size (i.e. Bachelor, 1-Bedroom, 2-Bedroom, etc.). For the Vancouver area the value ceiling is generally \$47,000. This value must include the total unit cost including building, land, legal closing costs, real estate fees, etc. Consequently the actual cost to the prospective eligible owner will be less than \$47,000 after the ownership grants are deducted.

From discussion with Central Mortgage & Housing Corporation (CMHC) the most appropriate manner of determining the unit value is to request a complete estimated unit valuation from the builder at the time of the release of the Preliminary Plan Approval/Building Permit with a further confirmation or clarification of this valuation at the time of the release of the occupancy permit. The builder's unit valuation would be evaluated and either confirmed or rejected by the CMHC staff as part of their application processing procedure.

d) The maximum floor areas outlined in the program are virtually equal to the minimum Burnaby floor areas, and it appears, at this time, that there should be no operational problems in this regard. The CMHC maximum floor areas for apartments are generally computed according to inside wall surface dimensions and do not include unit stairwells down from the main living area, laundry areas, bulk storage areas, and utility/service areas.

e) The first initial application for individual projects will be made by the Municipality to the Province at the time of the Preliminary Plan Approval/Building Permit which will enable the Province to budget for the eligible grants. After the occupancy permit has been released a formal full application would be submitted to CMHC for approval and the release of the grant funds.

f) This Municipality will be designated by the Department of Housing as eligible for the grants after the appropriate resolution is passed by Council. Clarification was requested of the processing authorities whether the municipality was to be limited in the manner in which funds received from the Municipal Incentive Grant Program were to be utilized. It was explained that the resolution constitutes the general intent of the municipality to use the grant funds "to encourage and facilitate the production of housing". Therefore, the funds could be utilized for, among others, the provision of services and roads, land banking, parks acquisition, or any other purpose which can be reasoned to assist in the general opening up or creation of suitable residential communities and developments. Therefore, for the required resolution, it is advised that the wording suggested by the Department of Housing be utilized.

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In addition, at the May 25, 1976 Council meeting a question was raised as to the relationship of the Municipal Incentive Grant Program to the adopted GVRD Livable Region Program. It appears that there is a conflict between the population goals of the Livable Region Program which encourages the increase in future population in central urban areas such as Vancouver, Burnaby, and New Westminster rather than in less developed ex-urban areas such as Surrey or Delta; and the probable development pattern promoted by the Municipal Grant Incentive Program which due to unit value and density limitations would encourage the construction of new residential developments in the outlying suburban areas where land values are less. It is our understanding that the City of Vancouver may be requesting some relaxation of the density limits so that the higher city land values can be sufficiently counteracted to allow for developments under the AHOP program to be developed economically within the city. The GVRD planning staff have been contacted. They have expressed their concern as to the effect of the program on the distribution of new residential development in the GVRD which is at variance with the Livable Region Program.

However, it is noted that the program was originally initiated by the Federal government. The program criteria have been established on a broad national basis and consequently, specific regional variances and situations have not been given particular attention. It would appear, at this point in time, that the density criteria are firmly established with no indication of any adjustments to the program in the near future.

In summary, the Planning Department in cooperation with other municipal departments will set up operational procedures to ensure that the necessary application is made for any eligible housing developments in Burnaby in order to obtain the funds made available by the Federal/Provincial program.

RECOMMENDATION

It is recommended THAT Council agree to use the funds obtained from the Municipal Incentive Grant Program to encourage and facilitate the production of housing in Burnaby, and THAT the Minister of the Department of Housing be informed of the passage of this resolution.

  
A. L. Parr,  
DIRECTOR OF PLANNING.

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c.c. Municipal Treasurer  
Chief Building Inspector  
Land Agent