

THE CORPORATION OF THE DISTRICT OF BURNABY

HOUSING COMMITTEE

HIS WORSHIP, THE MAYOR
AND MEMBERS OF COUNCIL

Madam/Gentlemen:

FILE: 1816

REPORT OF THE HOUSING COMMITTEE

1. Computer Data Base for the Housing Compaction Study

Recommendations:

- (a) "THAT Council approve in principle the concept of establishing a graphic computer data base for a housing compaction study utilizing Municipal Incentive Grant funds up to a maximum of one hundred thousand dollars (\$100,000).
- (b) "THAT Council request the Management Committee to review this proposal and provide their comments to Council."

R E P O R T

At the Housing Committee meeting held on 1982 June 03, the Director Planning and Building Inspection had prepared a report regarding the concept of establishing a Computer Data Base for the Housing Compaction Study, which reads as follows:

Recommendations

- (i) "THAT the Housing Committee approve in principle and recommend Council's endorsement of establishing a graphic computer data base for a housing compaction study utilizing Municipal Incentive Grant funds up to a maximum of \$100,000.
- (ii) THAT the Housing Committee request that the Management Committee review this proposal and provide their comments to Council.

A. Summary

The Planning and Building Inspection Department has investigated the applicability of the Municipal Incentive Grant funds, and the information requirements of and computer availability/suitability for creating a computer data base for studies in housing compaction. The graphics computer system has ample capacity to accommodate the data base and is ideally suited to display-oriented work such as would be a large part of the study. Municipal Incentive Grant funds would, with bylaw and ministerial approval, be available for this project.

- AGENDA 1982 JUNE 14
- COPY - MANAGER

This report outlines the various actions which would be necessary in order to create the data base and proposes a budget and timetable for the work.

B. Use of Municipal Incentive Grant Funds

The Municipal Treasurer advises that the funds available in the Federal/Provincial Housing Reserve account as at 1981 December 31 totalled \$3,317,972.56, made up as follows:

Federal/Provincial Municipal Incentive Program 1977 - 1979	\$ 928,600.00
Provincial Revenue Sharing Grants (Housing Starts) 1976 - 1981	1,448,928.32
Interest Income 1977 - 1981	<u>940,444.24</u>
Total	<u><u>\$3,317,972.56</u></u>

The objectives stated by the British Columbia Department of Housing and CMHC for the 'Municipal Incentive Grant Program - British Columbia 1976' were:

'To encourage Municipalities:

- (i) develop more land for medium density, modest size, affordable housing units;
- (ii) promote house construction on already serviced land;
- (iii) examine their development standards and bylaws in light of accelerated costs;
- (iv) speed up housing approval process;
- (v) make more efficient use of land.'

Our 1976 May 31 Council adopted a resolution stating the general intent of the Municipality to use the grant funds 'to encourage and facilitate the production of housing'. The Planning Department reported to Council at that time that:

"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 constituted 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 other, 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."

The proposal to use a portion of the funds to develop a computer based data system to inventory existing and potential residential land and to assist in analyzing options available to the Council for increasing housing opportunities is fully in accord with the objectives of the program and the general intent outlined above.

The funds are held in an interest-bearing Reserve account, and subject to the provisions of Section 378 of the Municipal Act. Council may, by bylaw, provide for expenditure from the Fund. Such a bylaw would need to be adopted by a vote of at least 2/3 of the members of Council, and would require ministerial approval.

The Planning Department is preparing a proposal to Council for consideration in connection with use of the major portion of the Housing Reserve Fund; this report will be submitted in the near future.

C. Relationship to Existing Work Programs

The creation of a computer data base which provides information for housing compaction discussion is both a part of and complimentary supplement to existing work programs. Within the Planning and Building Inspection Department the Residential Neighbourhood Environment Study focuses on the issue of compaction (or densification) within established neighbourhoods. A substantial data base has been assembled for that study and would be over a period of time entered onto the graphics computer. On an inter-departmental level a Data Base Coordination Committee (chaired by Mr. Vic Wiebbe of the Engineering Department) is in the process of generating a graphically oriented data base with data input from many Municipal departments. Most of the information that would be required for compaction discussion has been identified as a part of this data base. The use of Municipal Incentive Grant monies would serve to shorten significantly the time frame for collecting and entering much of the data.

D. Proposed Data Base

The scope of the data involved is outlined below in a two phased program.

Phase I

(i) Lot Data

- property lines
- frontage
- area
- zoning
- land use
- ownership

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(ii) Building Data

- occupancy
- condition of single and two family residential
- ground level basement
- assessed value

(iii) Neighbourhood Services and Related Information

- school enrolment/capacities
- park capacities
- recreation facilities
- shopping facilities
- bus service
- Conceptual Transportation Plan

(iv) Resident Opinions

- Resident Opinion Survey Results
- resident housing related concerns as expressed to Council

Phase II

(i) Lot Data

- property sales (values)

(ii) Building Data

- Building Permit information
 - values of work
 - demolitions
 - new construction
 - additions
 - renovations

(iii) Neighbourhood Service and Related Information

- Trend Information

- population
- school enrollment
- property sales/values

(iv) Resident Opinions

- continued entry of local concerns as expressed to Council

Obtaining and entering the noted data appears from preliminary investigation to be both feasible and practicable. It should be noted that many of the data items would require ongoing updating, and should not be seen as static facts.

Also other data items may be required for specific Committee investigations.

E. Typical uses of the Data

The establishment of the data base will enable members of the Housing Committee to assess the impact that a change in regulations or policy may have prior to the action being taken, and to monitor the actual impact after a change. For example, the changing of lot size requirements in a specific zoning category could be investigated as to the potential number of lots which meet the proposed size in a given area. Then after the policy change the lot sale prices could be monitored to determine if the change has affected prices. Another use might relate to the capacity of parks and schools in an area. Still another application could search out areas with large or small lots of a certain type of zoning, located near parks or schools.

While there is a long list of possible uses for the data, staff are comfortable that the main data items which would be necessary for most uses have been included in the proposal.

F. Staff and Cost Requirements

While the work would require coordination and supervision by existing Municipal staff, most of the collecting, coding and entering of data could be done by temporary planning assistants (perhaps summer students). Programming would require the services of a professional to prepare programs for the entry, maintenance and manipulation of data. The assistance of a programmer in pre-designing data layout and schemes is also required. The generalized costs arising from this proposal could be as high as \$100,000. Included in this estimate is:

Phase I

- (i) Two Planning Assistants for four months \$20,000
- (ii) Programmer for three months (\$350/day) 21,000
- (iii) Key punching, data entry and related costs 19,000 \$ 60,000

Phase II

- (i) Two Planning Assistants for three months \$15,000
- (ii) Programmer for two months 14,000
- (iii) Key punching, data entry and related costs 11,000 \$ 40,000

TOTAL COST

\$100,000

G. Timing

Once the Housing Committee has decided to undertake this work and recommend to Council that Municipal Incentive Grant funds be used, a bylaw to expend the funds must be prepared and ministerial approval obtained. Phase I would then take approximately 3 to 4 months to complete and Phase II approximately 3 months.

H. Conclusions

The use of Municipal Incentive Grant funds to accelerate the process of creating the Graphic Computer data base for the purpose of studying housing compaction alternatives is both feasible and desirable.

The Planning and Building Inspection Department, therefore, recommends that the Housing Committee approve in principle and recommend Council's endorsement of establishing a graphic computer data base for housing compaction study utilizing Municipal Incentive Grant funds up to a maximum of \$100,000."

2. Proposed Sale of Municipally Owned Property to the Greater Vancouver Housing Corporation for Non-Profit Family Rental Housing

- (a) Site 1 - 18th Avenue at 19th Street
 - (b) Site 2 - Wedgewood Street at 4th Street
- (See attached sketches #1 and #2)

Recommendation:

"THAT Council approve in principle the sale of Site 1 and Site 2 to the Greater Vancouver Housing Corporation to enable it to construct housing under the non-profit family rental housing program subject to agreement of a mutually acceptable purchase price and to the pursuance of a rezoning application by the Greater Vancouver Housing Corporation."

R E P O R T

Council, on 1981 May 22 referred a letter from the Greater Vancouver Housing Corporation requesting to buy or lease Municipally owned land to construct non-profit family rental housing to the Housing Committee for consideration and a subsequent report to Council.

Subsequently, the Housing Committee directed the Planning Department to report on the availability of Municipally-owned property to fulfill this need. On 1981 June 22, the Housing Committee reviewed the report from the Planning Department in which four sites were identified, and the Greater Vancouver Housing Corporation was also present to further explain the concept of non-profit family rental housing.

Arising out of this meeting, the Planning Department was directed to obtain further information from the Greater Vancouver Housing Corporation and prepare a further report regarding specific housing development sites for this purpose. The Greater Vancouver Housing Corporation advised that they would like to pursue the acquisition of the two aforementioned sites-one in the 7000 block of 18th Avenue and the other in the 7900 block of Wedgewood Street.

The Director Planning and Building Inspection prepared a comprehensive report for review by the Housing Committee at its meeting on 1982 June 03, which reads as follows:

"Proposed Sale of Municipally-owned Property to the Greater Vancouver Housing Corporation for Non-Profit Family Rental Housing -

- (a) Site 1 - 18th Avenue at 19th Avenue
 - (b) Site 2 - Wedgewood Street at 4th Street
- (See attached sketches #1 and #2)

Recommendations:

1. THAT the Housing Committee approve in principle the sale of Site 1 and Site 2 to the Greater Vancouver Housing Corporation to enable it to construct housing under the non-profit family rental housing program subject to agreement to a mutually-acceptable purchase price and to the pursuance of rezoning application by the Greater Vancouver Housing Corporation.
2. THAT Council be requested to concur with this recommendation.

REPORT

1.0 Summary

Two Municipally-owned sites on 18th Avenue (Site 1 - 0.43 ha) and on Wedgewood Street (Site 2 - 1.27 ha) accommodating approximately 13 units and 38 units respectively are considered appropriate for development under the Greater Vancouver Housing Corporation non-profit family rental housing program. Each of the two sites requires rezoning to the Comprehensive Development District (CD) utilizing the R8 (R5) Group Housing District as a guideline.

Under this non-profit program, the G.V.H.C. feels that it can afford a per unit serviced land cost of \$20,000 at this time. The Legal and Lands Department indicates that allowing for contingencies and holding costs, fully-serviced land would be reasonably priced at \$30,000 per unit. As indicated in this report, the estimated servicing costs are substantial - for Site 1 - \$198,785 (\$192,500 + \$6,285) or \$15,291 per unit and for Site 2 \$267,710 (\$262,500 + \$5,210) or \$7,045 per unit. G.V.H.C., the rezoning applicant, would be expected to pay the per unit Neighbourhood Parkland Acquisition Charge.

A leasehold arrangement has also been suggested as a possible option. It is the opinion of the Legal and Lands Department that either a freehold sale or a leasehold proposition involves a substantial subsidy by the Municipality to this G.V.H.C. program. The optimum arrangement recommended by the Legal and Lands Department is to negotiate the reversion of land and buildings to the Municipality after a prepaid lease period of 20 years.

Of the 2,849 units constructed or planned by the G.V.H.C. since its incorporation in 1974, none is located in Burnaby. The Housing Committee of Council has appeared willing to enter into the G.V.H.C. non-profit housing program and to seriously consider the sale of Municipal property for this purpose dependent in great part on the degree of subsidization of the land price below market value which it is willing to recommend to Council.

2.0 Background

On 1981 May 22, Council received a letter from the Greater Vancouver Housing Corporation indicating its desire to buy or lease Municipally-owned land in order to construct non-profit family rental housing. In reviewing the availability of Municipally-owned property including those suggested by a consultant for the Housing Corporation, Planning identified four (4) sites for further consideration by the Housing Committee of Council. The Planning report was received by the Housing Committee and Mr. R. Hall, Administrator of the Greater Vancouver Housing Corporation was also present at the Committee's meeting to explain the G.V.H.C. non-profit program.

Planning staff was directed to obtain further information from the G.V.H.C. and to prepare a further report to the Housing Committee regarding specific recommended housing development sites. The G.V.H.C. has advised that it would like to further pursue the acquisition of two sites - one in the 7000 block of 18th Avenue (13 units) and the other in the 7900 block of Wedgewood Street (38 units).

3.0 General Comments

3.1 High quality developments are required regardless of the income level of the intended project residents. Too great a concentration of low income households should be avoided in a given project, so as to avoid creating stigmatized residential foci at odds with adjacent residential environments. Past proposals have suggested a maximum 25% subsidized rental households as being appropriate.

3.2 Greater Vancouver Housing Corporation - The Greater Vancouver Housing Corporation since its incorporation in 1974 has been involved in a total 2,849 units under the headings of projects completed and occupied, projects under construction and projects to commence by 1982 Spring.

The total of 2,849 units is spread among the municipal-ities as follows:

Coquitlam	182
Delta	90
New Westminster.....	160
North Vancouver City.....	59
Port Coquitlam	313
Port Moody	56
Richmond	420
Surrey	669
Vancouver	900

The district municipalities of North Vancouver, West Vancouver and Burnaby are noticeable by their absence.

However, it is noted that in the early 1970's the Municipality of Burnaby sold property to accommodate two (2) senior citizens' housing projects of 71 and 110 units, and two (2) duplex projects of 6 and 16 units. These projects were coordinated by the Greater Vancouver Housing Corporation.

3.3 Cooperative Housing Enquiries

From time to time, Planning has been contacted by various cooperative housing groups and consultants for these groups, inquiring as to whether there are any municipally-owned properties available for sale to accommodate family-oriented, multiple housing. The Corporation has little land available for family-oriented, multiple-housing and even less specific land which could be developed at this time. The two identified sites on Wedgewood Street and 18th Avenue are virtually the only appropriate ones in Burnaby.

Cooperative housing would appear to be a possible close private sector equivalent to publicly developed non-profit housing. A number of sites being sold by the Province within the Burnaby 200 community area have been acquired by cooperative housing groups. A number of cooperative housing groups are aware of the Wedgewood site and have expressed keen interest in having the opportunity to possibly acquire it.

The purpose of this section is to make the Housing Committee aware of the past and current interest and requests of cooperative housing groups regarding the Wedgewood site.

4.0 Analysis of Site 1 (see Sketch #1 and Schedule 'A')

4.1 Address: 7020, 7030, 7044, 7058 and 7070
Eighteenth Avenue.

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4.2 Legal:

Lots 2, 3, 4, 5, and 6, Block 48, D.L. 95N, Plan 1643.

4.3 Location:

The site is located in the East-burn area south of Edmonds Street at the south-east corner of Nineteenth Street and Eighteenth Avenue.

4.4 Net Area:

4,379 m² (47,094 sq. ft.)
0.43 ha (1.08 acres)
44.4 m (145.8 ft.) x 100.6 m
(330 ft.)

4.5 Site Observation:

The site is vacant and well-treed, with some specimen conifers in evidence. To the south are single-family dwellings facing Seventeenth Avenue. To the west across Nineteenth Street are industrial buildings. To the north is a future ravine park trail area with two single-family dwellings and the balance of the area vacant and well-treed. To the east is a developed park trail area with a deep ravine.

4.6 Development Guide-line:

The site would be developed as a family-oriented townhouse project accommodating 13 units (allowable maximum of 12 units per acre). The site would be zoned to the Comprehensive Development District (CD) utilizing the Group Housing R8 (R5) Zoning District as a guideline. The site is currently zoned Residential District R5.

4.7 Development Comment:

Located on the western periphery of a generally single-family dwelling area, bounded on two sides by park trail uses and adjacent but buffered from the Nineteenth Street secondary arterial, the subject site is ideally suited to a family-oriented townhouse project. The site is convenient to schools, community facilities, and the Middlegate Shopping Centre. The site is one block from the proposed ALRT Edmonds Station.

4.8 Site Servicing:

The site would be sold as a serviced site. The Director Engineering has submitted estimates of costs necessary to service this site. The total estimated servicing costs are \$192,500 plus \$6,285 as connection fees. The servicing details are outlined in the attached Schedule 'A' in the format of a Tentative Letter of Approval to a private applicant. This format assures greater certainty that all standard requirements and procedures are covered.

4.8 Site Servicing

Required services include the up-grading of Eighteenth Avenue along the frontage of the site. A new 3.0 m wide easement is required along the south property line and the existing sewer easement crossing the northeastern corner of the site is to be retained.

The actual procedure proposed for the closure of the existing lane right-of-way and the required Frontage Road dedication along Nineteenth Street would be by means of a Road Exchange Bylaw rather than the Road Closing Bylaw mentioned in Schedule 'A'. The Municipal Solicitor is in support of this Road Exchange Bylaw procedure.

4.9 Neighbourhood Park-
Land Acquisition
Charge:

The developer of a housing project would be required to pay the requisite per unit Neighbourhood Parkland Acquisition Charge prior to final adoption of a rezoning bylaw. The applicable charge at this time is \$829.00 per unit.

5.0 Analysis of Site 2 (see Sketch #2 and Schedule 'B')

5.1 Address: 7969 Wedgewood Street

5.2 Legal: Part of Lot 152, D.L. 90, Plan 40495.

5.3 Location: The site is located just west of Robert Burnaby Park, a lot depth north of Edmonds Street.

5.4 Net Area: Approximately -
12,761 m² (137,214 sq.ft.)
1.27 ha (3.15 acres)
63.1 (207 feet) x 202 m (663 feet)

5.5 Site Observation: The site is vacant and well-treed. To the north, west and south are single-family dwellings and duplexes on deep lots and in good condition. To the east lies Robert Burnaby Park.

5.6 Development Guide line: The site would be developed as a family-oriented townhouse project accommodating approximately 38 units (allowable maximum of 12 units per acre). The site would be zoned to the Comprehensive Development District (CD) utilizing the Group Housing (R8) Zoning District. The site is currently zoned Residential District R5.

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5.7 Development Comment:

A relatively large property, tucked in behind single-family and duplex dwellings on deep lots just west of the Robert Burnaby Park amenity, the subject site is well-suited to a family-oriented townhouse project. The site is convenient to schools and community facilities. However, on the other hand, we are aware of a degree of opposition by the residents of surrounding, existing single-family and duplex development to a townhouse project.

5.8 Site Servicing:

The site would be sold as a serviced site. The Director Engineering has submitted estimates of costs necessary to service this site. The total estimated servicing costs are \$262,500 plus \$5,210 as connection fees. The servicing details are outlined in the attached Schedule 'B' in the format of a Tentative Letter of Approval to a private applicant. This format assures greater certainty that all standard requirements and procedures are covered.

Required services include the extension on a curving alignment of Fourth Street from Edmonds Street northwards to the Fourth Street alignment along the west boundary of Robert Burnaby Park, and the completion of the Wedgewood Street cul-de-sac at the south western extremity of the subject site. The required right-of-way would be dedicated by the Municipality. The primary access to this site would be from the Fourth Street extension.

The 30 ft. wide unopened right-of-way to the south would be retained, to protect possible future-needed, rear access to the properties fronting Edmonds Street. No lane construction would be required at this time.

5.9 Neighbourhood
 Parkland Acquisition
 Charge:

The developer of a housing project would be required to pay the requisite per unit Neighbourhood Parkland Acquisition Charge prior to Final Adoption of a rezoning bylaw. The applicable charge at this time is \$829.00 per unit.

6.0 Property Valuation

As was the case with property previously sold to the Greater Vancouver Housing Corporation in the early 1970's, Municipal property would be based on a per unit value. The sites would be provided fully serviced. The deposit of Neighbourhood Parkland Acquisition Charges would be required separate from the determined land sale price.

The Legal and Lands Department advises that the Greater Vancouver Real Estate Board reported 29 townhouse sales in Burnaby between 1982 February 10 and 1982 May 10; 20 of these sales were three bedroom units, the average sale price \$87,050, highest recorded sale \$103,000. The remainder were two bedroom units, average sale price \$83,005, highest recorded sale \$97,000. Having considered the recorded sales it would not be unreasonable to assume that there should be a market for new units priced around \$110,000.

Based on the Greater Vancouver Housing Corporation's estimated construction cost per unit of \$70,000, the residual land value indicated is \$40,000 per unit. Allowing for contingencies and holding costs, fully serviced land would be reasonably priced at \$30,000 unit.

The Greater Vancouver Housing Corporation has submitted the attached letter regarding their proposed financing arrangements. The G.V.H.C. feels that it can afford a per unit, serviced land cost of \$20,000. This represents an increase of \$8,000 from the previously indicated G.V.H.C. land cost estimate. The G.V.H.C. states that it will be necessary to budget for any Municipal fees such as the Neighbourhood Acquisition Charge in setting a final figure for the maximum amount possible for actual land acquisition. The G.V.H.C. is also amenable to a leasehold proposal based on a 40-year minimum lease rather than a freehold one if desired by this Municipality. However, it is noted that the G.V.H.C. does not appear to have any readily available funding for these two possible projects in Burnaby for 1982. It is likely that the G.V.H.C. could arrange for financing of these projects in 1983. Based on a purchase price of \$20,000 per unit, Site 1 would be sold for \$260,000 (13 units) and Site 2 for \$760,000 (38 units).

The Legal and Lands Department has also submitted the attached lengthy memo discussing the various financial ramifications of selling or leasing Municipal property under this non-profit housing program. The conclusion of the Legal and Lands Department is that release of Municipal property under this program would entail significant financial subsidization by the Municipality relative to sale or lease of the property under market conditions. The suggested 40-year lease period is considered to be too long as the economic life of the building would virtually have expired and may well be a liability to the Municipality by that time. The optimum arrangement recommended by the Legal and Lands Department is to negotiate the reversion of land and buildings to the Municipality after a prepaid lease period of 20 years.

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7.0 Conclusion

In conjunction with recent discussions of the G.V.H.C. non-profit housing program, the Housing Committee has appeared willing to enter in this G.V.H.C. program and to seriously consider the sale of Municipal property for this purpose dependent in great part on the degree of subsidization of the land price below market value which it is willing to recommend to Council.

The following is a fiscal summary of factors identified thus far related to the two sites:

<u>Description</u>	<u>Site 1</u>	<u>Site 2</u>
	18th Avenue 13 units	Wedgewood Street 38 units
Estimated Servicing Costs	\$ 192,500	\$ 262,500
- servicing	6,285	5,210
- connection fees	198,785	267,710
Total Estimates		
Estimated Servicing Cost Per Unit	15,291	7,045
Preliminary G.V.H.C. Purchase Offer of \$30,000 per unit	260,000	760,000
Legal and Lands Depart- ment Suggested fully-serviced Land Price of \$20,000 per unit	390,000	1,140,000
Currently Applicable Neighbourhood Parkland Acquisition Charge of \$829 per unit	\$ 10,777	\$ 31,502

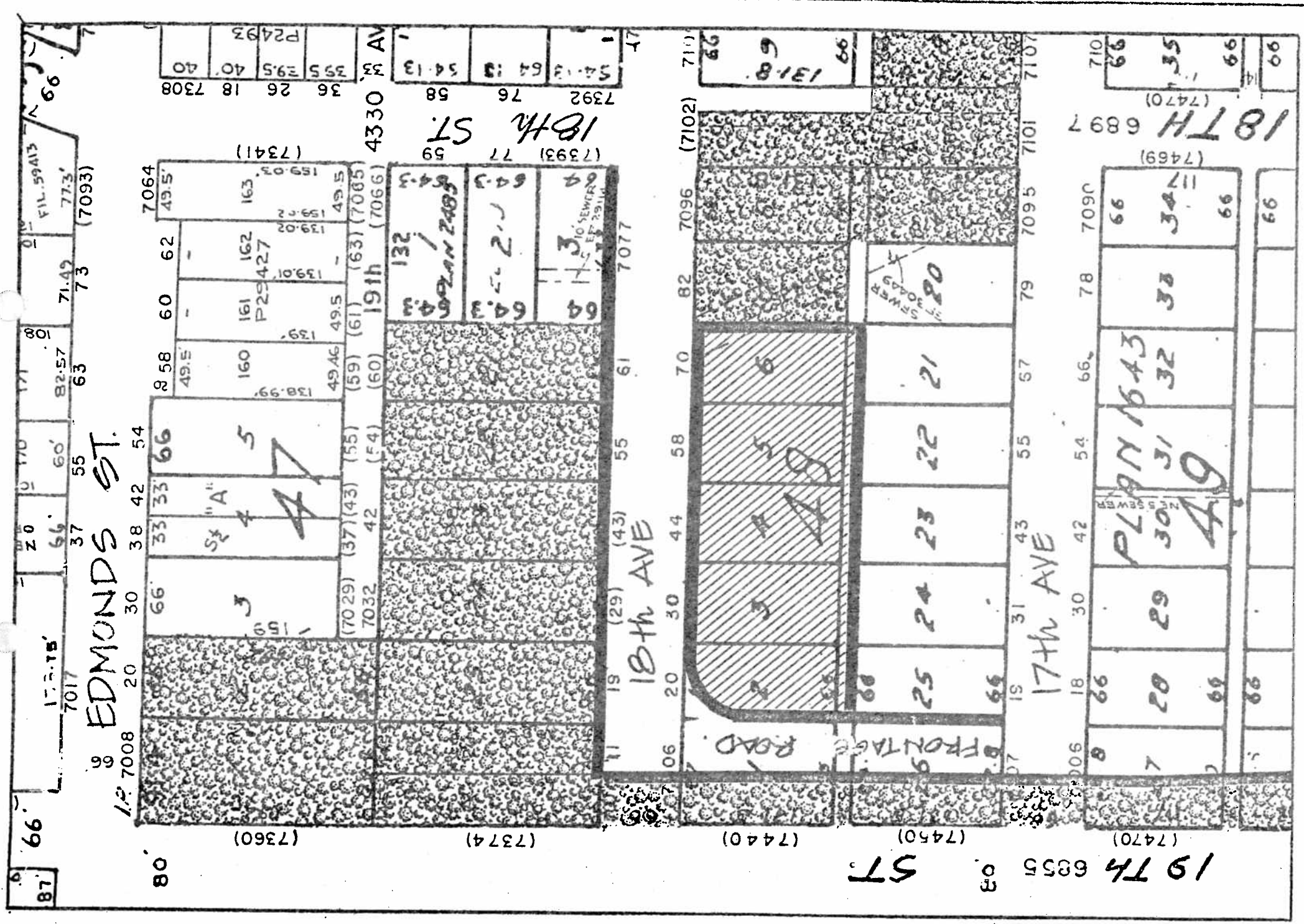
The two proposed sites are both within R5-zoned areas which permit both single and two-family dwellings. The sites are considered appropriate for the development of townhouse developments at a maximum 12 units per acre which is compatible on a R8 Group Housing basis to the maximum density permitted in the R5 Zoning District. However, the Planning and Building Inspection Department, in the light of past initiatives and casual feedback from residents, would expect some opposition from those residents residing in the vicinity of the Wedgewood Street site to a townhouse development. The degree of resident concern would become evident at a Public Hearing required in conjunction with a rezoning application."

Respectfully submitted,

Alderman V.V. Stusiak,
Chairman

Alderman D.P. Drummond,
Member

Alderman A.H. Emmott,
Member



Date
JUNE 1981

Scale
1" = 100'

Drawn By

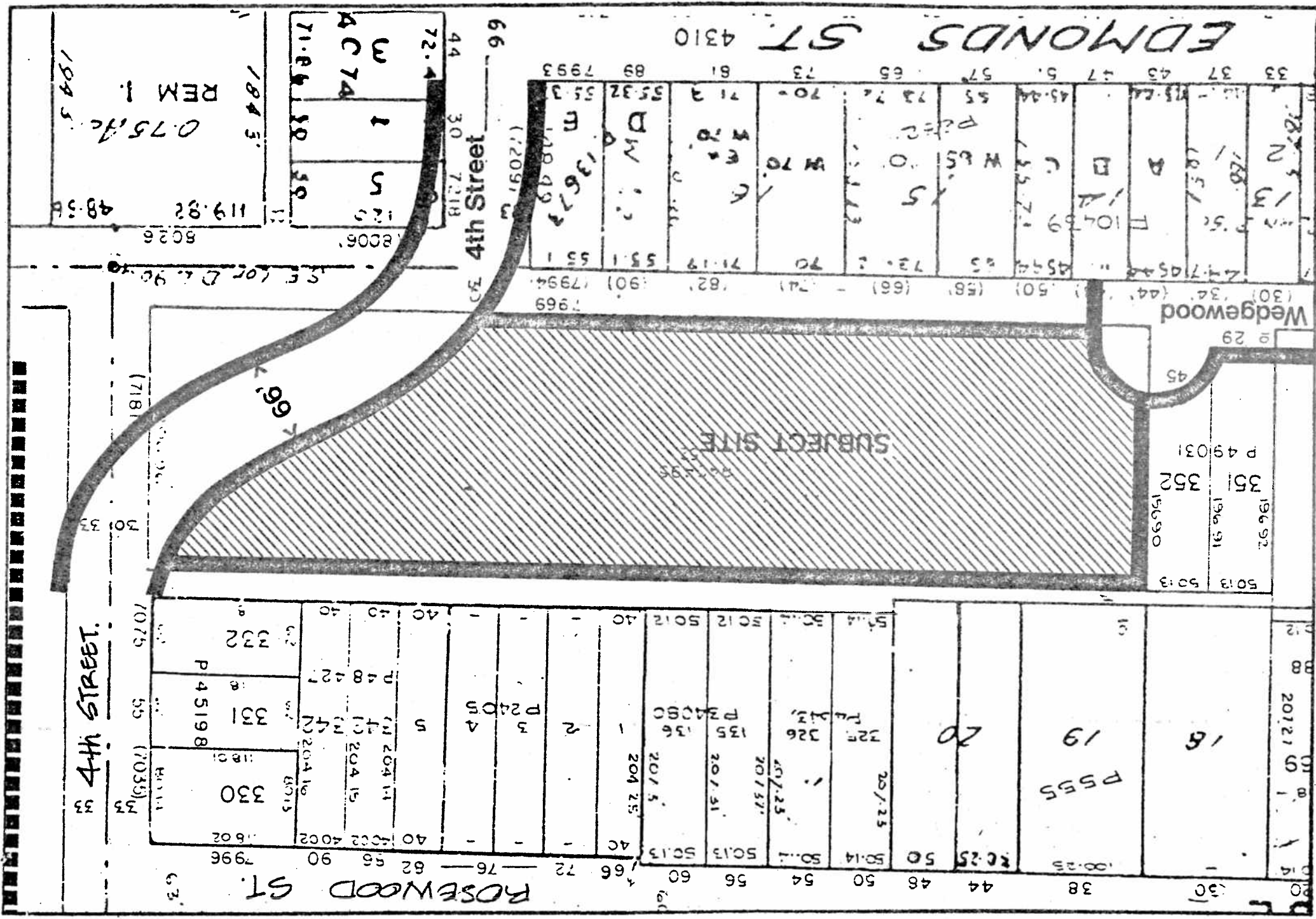
SITE 1

Burnaby Planning Department

7020, 7030, 7044, 7058 & 7070 18TH AVE
LOTS 2, 3, 4, 5, 6, BLOCK 48, D.L. 95 N, P.I. 1643

NET SITE: 0.43 ha (.03 acre)

SKETCH 1



ate
31 05 12

cale
1" = 100'

rawn By



SITE 2

Burnaby Planning Department

Municipally owned property

7069 Wedgewood, part of lot 152, D.L. 90, P.I. 40495

Approx. 3.15 acres net site



North

SKETCH 2

" " " " " "
SCHEDULE A

Tentative Letter of Approval Format for a residential development site to be developed by the Municipality (Note: The Municipality as applicant in this schedule is addressed in the same manner as a private developer.)

RE: SUBDIVISION REFERENCE #25/82
D.L. 95N, Lots 2, 3, 4, 5 & 6, Block 48, Plan 1643
18th AVENUE AT 19th STREET

One of the conditions of Rezoning Reference # [redacted] was the consolidation of all properties into one site. We would advise that Tentative Approval of the consolidation is hereby granted, according to the attached layout and subject to the following:

Conditions governing the consolidation:

1. The proposed zoning is CD Comprehensive Development District. Any development on the proposed lot must meet all requirements of the Zoning By-law for this zone.
2. A description of the servicing requirements and estimates of the cost of installation are provided in the Engineer's report attached. Design drawings as required must be prepared by a qualified Design Engineer and be submitted to and approved by the Engineering Department. The Design Division of the Engineering Department will, upon request, provide the developer or his appointed Design Engineer with details of the standards and specifications for the services to be installed.
3. A deposit covering the cost of installing the services must be placed with the Engineering Department. The deposit may be made by an irrevocable Bank Letter of Credit or by certified cheque. Attached is a list of the requirements for Letters of Credit. Would you please present this list to your bank to ensure that all requirements are included in the Letter of Credit.

The payments listed on the Engineer's report in the amounts of \$3,475 for a sanitary sewer connection, \$2,800 for a storm sewer catch basin, \$700 for transferring water connections and \$10 for a street light connection must be made directly to the Engineering Department by cheque or cash.

You will note that boulevard trees and grassing are required. Details on the planting procedure, timing, the number of trees, and their locations will be forwarded subsequent to the issuance of Final Approval of subdivision. It should be noted that for the purposes of bonding for these two items, \$100 per tree is held from the overall Letter of Credit. 80% of the amount will be released at the time of satisfactory inspection. The remaining 20% will be held for a period of one year thereafter as a guarantee that the subdivider will satisfactorily maintain and replace any trees as becomes necessary.
4. A 4% inspection fee, based on the cost of installing the services, must be submitted to the Engineering Department by certified cheque.

5. The developer must enter into a Servicing Agreement with the Corporation. If it is your intention to proceed with consolidation, please complete the attached form and return it to Planning. At that time, an up-to-date Certificate of Encumbrances showing the correct legal description, the correct names of the owners, and the charges, if any, for all of the properties within the subdivision must be submitted to Planning. This Certificate may be obtained from the Land Title Office.
6. A certified copy of the developer's insurance policies must be submitted to Planning. The policies are to contain the requirements listed on the attached sheet.
7. The easement as shown on the sketch must be granted to the Corporation for sewerage and drainage works. The location and width of the required easement must be in accordance with the finally approved engineering design drawings. The Corporation's Legal Department will prepare the agreement and deposit all items pertaining to the consolidation in the Land Title Office. The developer must pay all registration costs and the costs associated with preparation of the documents to Planning prior to final registration.
8. The existing easement as shown must be retained.
9. Telephone and electrical service to the lot and across all lot frontages, including all wiring throughout the development and to the point of connection to the existing service where sufficient services are available, must be underground. The transformer vaults must also be underground if the drainage is adequate. An application must be made to B.C. Hydro for this service.
10. The registration set of survey plans and right-of-way plans, including one original, two mylar copies, together with ten paper prints must be executed by the owner(s) and any Mortgagee(s) and submitted to Planning. Please note that the survey plans must be signed with either india ink or a black felt pen. Rubber stamped plans and plans signed with a ballpoint pen are not acceptable to the Land Title Office.
11. A Certificate of Encumbrances must be submitted to Planning for the preparation of the above described easement agreement.
12. The consolidation application fee of \$25.00 must be submitted to Planning by cheque or cash.
13. When the survey plan is tendered for Final Approval, it shall be accompanied by a final examination fee of \$10.00. This amount may be paid by cheque or cash.
14. Any outstanding taxes must be paid. This includes payment of 1982 taxes.
15. We are prepared to recommend to Council the cancellation and sale of the 14 foot lane allowance abutting the site as shown on the sketch to yourself, subject to the following conditions:
 - (a) Consolidation of the cancelled allowance with the site.
 - (b) Payment of compensation to the Municipality in the amount of \$_____ per square foot for the area being closed.
 - (c) Submission of all necessary road closing by-law and consolidation plans. It should be noted that legal consents must be obtained from the owners of all properties abutting the lane to the south.

(c) cont.....

The necessary Deed of Land will be prepared by our Solicitor after the Road Closing By-law has been prepared and received all four readings by Council.

The attached Statement as to Citizenship must be completed and returned to Planning.

We would request your written concurrence with these conditions in order that we may request Council's approval of the cancellation and sale.

This conditional approval is valid for three months and must not be construed as Final Approval for land registration purposes. Please advise Planning, in writing, if you plan to proceed with the consolidation.

Yours truly,

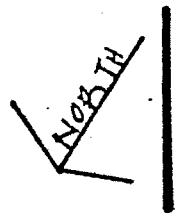
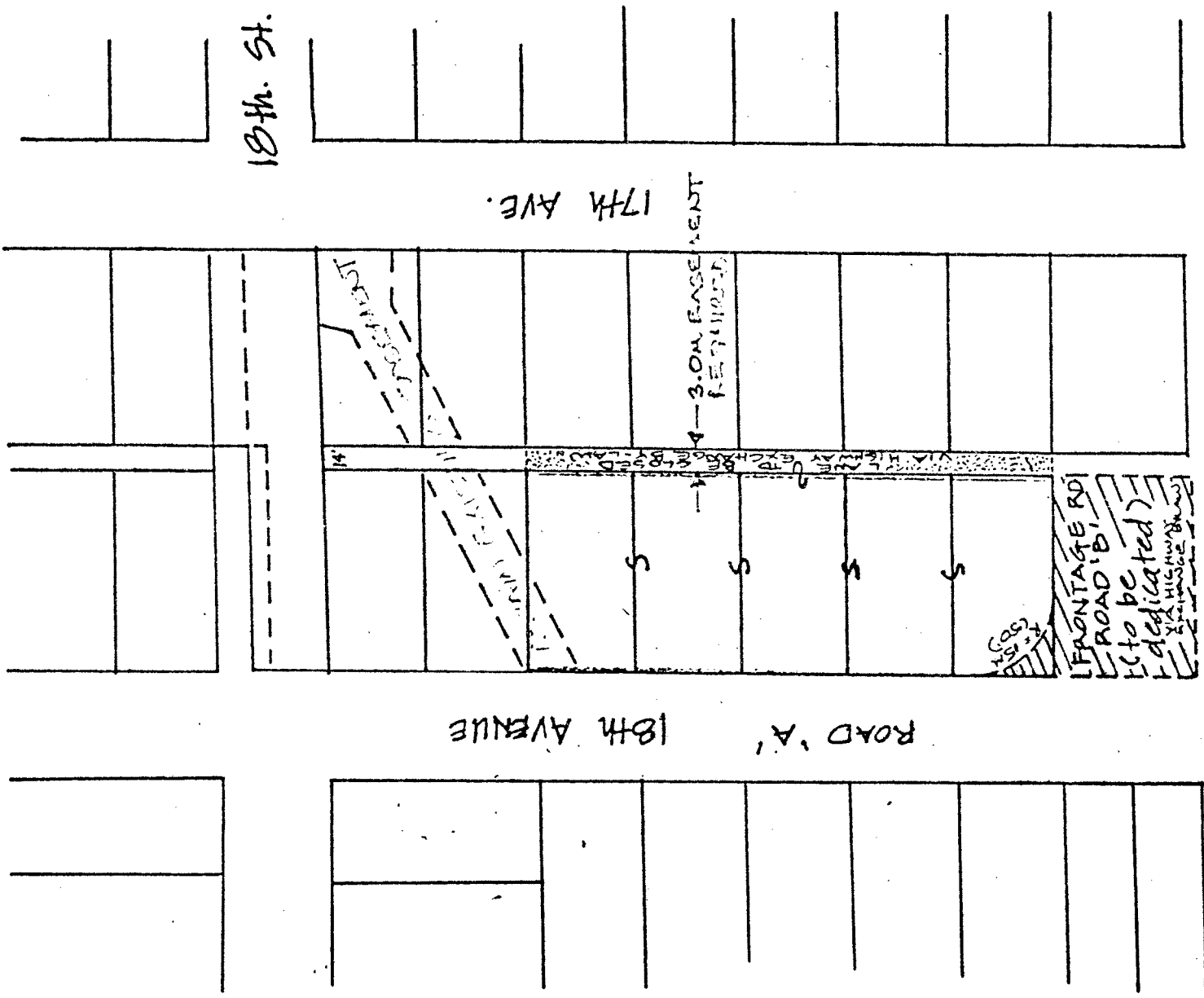
A. L. Parr,
APPROVING OFFICER

CW:ad
Atts.

cc: Director Engineering
Area Assessor
Director Recreation and Cultural Services
B.C. Hydro & Power Authority
B.C. Telephone Company
Rezoning Reference #
Road Closure Reference #19/79
Solicitor

D.L. 95 N.
LOTS 2, 3, 4, 5, 6
BLOCK 40, PLAN 1643

SD # 25/82
ZONING CD (R0(R5))
(PROPOSED)
X. REF. R.C. # 15179



SCALE: 1" = 100'
APRIL 1902 KH.



4949 Canada Way, Burnaby, B.C. V5G 1M2
 Engineering Department

Telephone (604) 294-7460

Date 8/20/82

Preliminary Estimate of Cost of Services required for Subdivision of Land.

Planning Reference No. 25/82

Legal Description DL 95N

Street 18th AVE

Preliminary Cost Estimates

	PAYMENT REQUIRED
Roads	\$ 53100
Land <u>UNDERGROUND WORKING</u>	\$ 11100
Sanitary Sewers	\$ 89700
Storm Sewers	\$ 22500
Waterworks	\$ 16100
Others <u>Street Lights</u>	\$ 192500
	<u>\$ 3475 CONNECTION</u>
	<u>2800 CATCH BASIN</u>
	<u>10 Street Light Connection FEE</u>
	<u>6285</u>

The Corporation of the District of Burnaby does not install services in Subdivisions. The above cost estimates are approximate only and are provided as a guide to the Subdivider so that he may have an approximation of the costs of servicing that he will have to pay to service his property prior to subdividing.

No detailed engineering has been carried out in connection with the preparation of these cost estimates and if the Subdivider intends to proceed with the Subdivision of the property, it will become his responsibility to engage a Consulting Engineer for the preparation of detailed engineering drawings according to the Corporation "Engineering Requirements for Design of Services and Streets in Subdivisions".

In this connection, the Consulting Engineer should make personal contact with the Corporation Design Engineer in the Engineering Department before the preparation of engineering drawings.

All work to be carried out in servicing subdivisions must be in accordance with "Construction Specifications" of the Corporation which may be obtained from the Clerk in the Engineering Department, at a cost of \$10.00. The Corporation charges subdividers a 4% fee to cover the cost of inspecting servicing work in subdivisions. This 4% fee is based on contracted value of the work to be done and must be paid before construction proceeds in the subdivision.

Preliminary sketches of layout for services and easements are tentative only and are subject to revision at the time when final detailed engineering plans are prepared.

REMARKS:

[Signature]
 MUNICIPAL ENGINEER

SUBDIVISION REFERENCE NO. 25/82 - D.L. 95N 82 05 20

1. Water:

Construct a water main on 18th Avenue from the existing water main on 19th Street north approximately 185 m. This will be complete with fire hydrant, house connections, and all other necessary appurtenances.

Please Note:

The Municipality will transfer water connections for 7007 and 7019 - 18th Avenue to the new water main for a charge to the developer of \$700.

2. Sanitary Sewer:

The Municipality will construct a sanitary sewer connection to the site for a charge to the developer of \$3,475.

3. Storm Sewer:

Construct a storm sewer within an easement along the west property line from the south property line north approximately 120 m long, complete with an outlet structure. Also construct a storm sewer main on 18th Avenue from the south property line north to the north property line then west to tie-in to a proposed outlet structure. These sewer mains will be complete with manholes, catch basins, house connections, and all other necessary appurtenances.

Construct a storm sewer culvert to replace a wood stave culvert from the existing manhole west to the proposed outlet structure. Also construct an inlet structure and an outlet structure on the existing culvert under 18th Avenue. This will be completed with all necessary appurtenances.

Please Note:

The Municipality will install a catch basin at the northwest corner of 18th Avenue and 18th Street for a charge to the developer of \$2,800.

4. Road:

Upgrade 18th Avenue to a standard 8.5 m of pavement complete with curb and gutter, 1.5 m integral sidewalk south side, tree planting, and all other necessary appurtenances.

5. Underground Wiring: Required throughout the site.

6. Street Lighting: Required along 18th Avenue.

7. Easement:

A 3.0 m easement required along the west property line from the south property line to the north property line. Also retain all existing easements.

8. "As Built" Drawings: Required for all works completed under an approved engineering design.

KGW/ch

c.c. () Estimator

() Assistant Director Engineering, Design

SCHEDULE B

Tentative Letter of Approval Format for a residential development site to be developed by the Municipality (Note: The Municipality as applicant in this schedule is addressed in the same manner as a private developer.)

RE: SUBDIVISION REFERENCE #24/82
Lot 152, D.L. 90, Plan 40495
WEDGEWOOD STREET AT 4th STREET

One of the conditions of Rezoning Reference # was the dedication of road allowances from the subject property. We would advise that Tentative Approval of the subdivision is hereby granted, according to the attached layout and subject to the following:

Conditions governing the subdivision:

1. The proposed zoning is CD Comprehensive Development District. Any development on the proposed lot must meet all requirements of the Zoning By-law for this zone.
2. A description of the servicing requirements and estimates of the cost of installation are provided in the Engineer's report attached. Design drawings as required must be prepared by a qualified Design Engineer and be submitted to and approved by the Engineering Department. The Design Division of the Engineering Department will, upon request, provide the developer or his appointed Design Engineer with details of the standards and specifications for the services to be installed.
3. A deposit covering the cost of installing the services must be placed with the Engineering Department. The deposit may be made by an irrevocable Bank Letter of Credit or by certified cheque. Attached is a list of the requirements for Letters of Credit. Would you please present this list to your bank to ensure that all requirements are included in the Letter of Credit.

The payments listed on the Engineer's report in the amounts of \$10 for a street light connection, \$1,750 for a sanitary sewer connection and \$3,450 for transferring and tying in water connections must be made directly to the Engineering Department by cheque or cash.

You will note that boulevard trees and grassing are required. Details on the planting procedure, timing, the number of trees, and their locations will be forwarded subsequent to the issuance of Final Approval of subdivision. It should be noted that for the purposes of bonding for these two items, \$100 per tree is held from the overall Letter of Credit. 80% of the amount will be released at the time of satisfactory inspection. The remaining 20% will be held for a period of one year thereafter as a guarantee that the subdivider will satisfactorily maintain and replace any trees as becomes necessary.
4. A 4% inspection fee, based on the cost of installing the services, must be submitted to the Engineering Department by certified cheque.
5. The developer must enter into a Servicing Agreement with the Corporation. If it is your intention to proceed with subdivision, please complete the attached form and return it to Planning. At that time, an up-to-date Certificate of Encumbrances showing the correct legal description, the correct names of the owners, and the charges, if any, for all of the properties within the subdivision must be submitted to Planning. This Certificate may be obtained from the Land Title Office.

A certified copy of the developer's insurance policies must be submitted to Planning. The policies are to contain the requirements listed on the attached sheet.

6. Telephone and electrical service to the lot and across all lot frontages, including all wiring throughout the development and to the point of connection to the existing service where sufficient services are available, must be underground. The transformer vaults must also be underground if the drainage is adequate. An application must be made to B.C. Hydro for this service.
7. The registration set of subdivision plans, including one original, two mylar copies, together with ten paper prints must be executed by the owner(s) and any Mortgagee(s) and submitted to Planning. Please note that the survey plans must be signed with either india ink or a black felt pen. Rubber stamped plans and plans signed with a ballpoint pen are not acceptable to the Land Title Office.
8. The subdivision application fee of \$25.00 must be submitted to Planning by cheque or cash.
9. When the subdivision plan is tendered for Final Approval, it shall be accompanied by a final examination fee of \$10.00. This amount may be paid by cheque or cash.
10. Any outstanding taxes must be paid. This includes payment of 1982 taxes.
11. Proposed Lot 2 is to be deeded to the Municipality for park purposes. Our Solicitor will prepare the necessary Deed of Land once we are in receipt of the subdivision plans and will deposit all items in the Land Title Office. The developer must pay all registration costs and the costs associated with preparation of the Deed to Planning prior to final registration.

This conditional approval is valid for three months and must not be construed as Final Approval for land registration purposes. Please advise Planning, in writing, if you plan to proceed with the subdivision.

Yours truly,

A. L. Parr,
APPROVING OFFICER

CW:ad
Atts.
cc: Director Engineering
Area Assessor
Director Recreation and Cultural Services
B.C. Hydro & Power Authority
B.C. Telephone Company
Rezoning Reference #

D.L. 90
PART OF LOT 152
PLAN 40495

SD #24/82
ZONING CD (PROPOSED)



SCALE: 1"=100'
APRIL 1982 KL.



THE CORPORATION
OF THE DISTRICT OF
BURNABY

4949 Canada Way, Burnaby, B.C. V5G 1M2

Engineering Department

Telephone (604) 294-7460

Date 8/20/86

Preliminary Estimate of Cost of Services required for Subdivision of Land.

Planning Reference No. 24/82

Legal Description DL 90

Street WEDGEWOOD

Preliminary Cost Estimates

Roads	\$ 149500	Payments required \$10 Street light connection fee \$ 1750 connection \$ 3450 tie-in & transfer of water services
Lanes	\$	
Sanitary Sewers	\$	
Storm Sewers	\$ 94500	
Waterworks	\$ 18500	
Others	\$	
	<u>\$ 262500</u>	

The Corporation of the District of Burnaby does not install services in Subdivisions. The above cost estimates are approximate only and are provided as a guide to the Subdivider so that he may have an approximation of the costs of servicing that he will have to pay to service his property prior to subdividing.

No detailed engineering has been carried out in connection with the preparation of these cost estimates and if the Subdivider intends to proceed with the Subdivision of the property, it will become his responsibility to engage a Consulting Engineer for the preparation of detailed engineering drawings according to the Corporation "Engineering Requirements for Design of Services and Streets in Subdivisions".

In this connection, the Consulting Engineer should make personal contact with the Corporation Design Engineer in the Engineering Department before the preparation of engineering drawings.

All work to be carried out in servicing subdivisions must be in accordance with "Construction Specifications" of the Corporation which may be obtained from the Clerk in the Engineering Department, at a cost of \$10.00. The Corporation charges subdividers a 4% fee to cover the cost of inspecting servicing work in subdivisions. This 4% fee is based on contracted value of the work to be done and must be paid before construction proceeds in the subdivision.

Preliminary sketches of layout for services and easements are tentative only and are subject to revision at the time when final detailed engineering plans are prepared.

REMARKS:

[Signature]
MUNICIPAL ENGINEER

PRELIMINARY SERVICING REQUIREMENT

SUBDIVISION REFERENCE NO. 24/82 - D.L. 90

82 05 25

1. Water:

Construct a water main on the proposed Road "A" from the existing water main on 4th Street south to the existing main on 4th Street, approximately 185 m. This will be complete with a fire hydrant, house connections, and all other necessary appurtenances.

Please Note:

The Municipality will transfer the house connections from 7218 and 7230 - 4th Street and tie-in the proposed water main for a charge to the developer of \$3,450.

2. Storm Sewer:

Construct a storm sewer from the existing storm sewer on Rosewood Street southeast on 4th Street approximately 100 m. Also construct a sewer main on the lane along the northwest property line from the southwest property line to the proposed storm sewer on 4th Street. Construct a storm sewer main from approximately 25 m beyond the south west property line northwest along the Wedgewood Road right-of-way approximately 220 m then drain to existing ditch. Also connect the existing storm sewer on 4th Street to the proposed sewer main on Wedgewood right-of-way. All works will be done as required by the Design Engineer and will be complete with manholes, catch basin, house connection, and all other necessary appurtenances.

3. Sanitary Sewer:

The Municipality will construct a sanitary sewer connection to Lot 1 at the north corner of the site for a charge to the developer of \$1,750.

4. Roads:

Construct Road "A" to a standard of 8.5 m of pavement from Rosewood Street to Edmonds Street approximately 250 m long. Also construct a cul-de-sac on Wedgewood Street as required by the Design Engineer. This will be complete with curb and gutter, street lighting, boulevard grassing, tree planting, sidewalks, and all other necessary appurtenances.

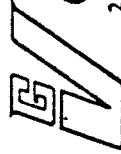
5. "As Built" Drawings:

Required for all work completed under an approved engineering design.

-KGW/ch

c.e. () Estimator
() Assistant

Director Engineering, Design



Greater Vancouver Housing Corporation

2294 WEST TENTH AVENUE VANCOUVER, BRITISH COLUMBIA V6K 2H9 TELEPHONE 731-1155

Please refer to our file number:

August 17, 1981

A.L. Parr
 Director of Planning
 The District of Burnaby
 4949 Canada Way
 Burnaby, B.C.
 V5G 1M2

Dear Mr. Parr:

Re: Possible municipally-owned sites for non-profit family rental housing

In response to the Discussion Paper dated June 19, 1981 and other information received from Burnaby in response to enquiries initiated by this office this spring, we would like to advise that we would like to further pursue the acquisition of at least two sites specified in the Discussion Paper: site 1 in the 7000 block of 18th Avenue (12 units) and site 2 in the 7900 block of Wedgewood (38 units).

Since our letter to the Mayor and Council in May we have been allowed an increase in our allowable housing cost, and we feel that we can afford a per-unit serviced land cost of \$20,000 per unit at this time. It will be necessary for us to budget for any off-site service improvements and any municipal fees, such as the neighborhood park and acquisition fee, in setting a final figure for the maximum amount possible for actual land acquisition. Other municipalities have elected to offer us land on a leasehold basis rather than on a freehold basis (a minimum 40-year lease is required). This approach offers the advantage to the Municipality of retaining the long-term equity gain. The \$20,000 times the number of units, less the off-site costs, would therefore represent the amount available for the prepayment of the long-term lease. During the period of our leasehold the G.V.H.C. would pay full municipal taxes and maintain and manage a high-quality family rental project, taking full advantage of available monies from senior governments to provide affordable rents. At the end of the leasehold period the land and improvements would revert to the Municipality.

Under the funding formula available from the federal government, we are able to provide a mix of two- and three-bedroom ground-oriented housing units for an average capital cost of \$90,000 per unit. Soft costs, including construction financing, represent approximately \$8,000 per unit, and construction costs represent approximately \$62,000, leaving approximately \$20,000 for land.

A.L Parr

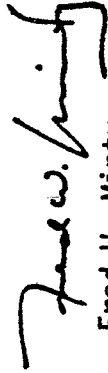
- 2 -

August 17, 1981

The amortized cost of a \$90,000 unit at 18% is \$1,305 per month, the maintenance costs - including municipal taxes - add approximately \$195 per month, and the federal subsidy amounts to approximately \$1,000 per month. Therefore we require an average rental return of approximately \$500 per month. We would offer approximately 70% of the units at a set rate of approximately \$600 per month to a range of "middle-income" families who need housing and can afford these rates. We would rent the balance to a range of "lower-income" families who could not afford these rates and would have their rent set at a level they could afford. The result would be a social mix of families at various income levels.

If the Municipality is interested in providing either or both of the above sites to the Greater Vancouver Housing Corporation, we would then so agree subject to rezoning, development permit approval, the approval of our Directors, and the commitment of CMHC subsidies and proceed to obtain these approvals. We will be happy to meet with you or your staff at your convenience. A photo album showing many of our projects is being given on loan to Mr. Ito, as he requested, and we will be happy to provide more information on our housing projects. We look forward to working with Burnaby to provide partial solutions to the housing problems of our area.

Yours truly,



Fred W. Minty
Consultant

FWM/ec

cc: K. Ito
Burnaby Planning Department



DIRECTOR PLANNING AND
BUILDING INSPECTION

TO: (Attn: K. Ito)

INTER-OFFICE COMMUNICATION

DEPARTMENT:

DATE: April 01, 1982

FROM: SOLICITOR (F. Evans)

DEPARTMENT:

OUR FILE #

SUBJECT: PROPOSED NON-PROFIT RENTAL HOUSING
GREATER VANCOUVER HOUSING CORPORATION

YOUR FILE #

In response to your request for input from the Legal/Lands Department, we submit the following:

CURRENT MARKET CONDITIONS

Due to the current economic climate, we are experiencing an increase in the demand for affordable rental housing. This is a direct result of those families which under normal circumstances would be purchasing their own homes. The demand for home ownership though very strong is not backed by adequate incomes to meet the required mortgage payments at the abnormally high interest rates.

Developers are unable to construct even the most modest homes and compete with the large number of existing homes currently offered for sale well below replacement cost.

Due to the lack of demand backed by the inability to pay, the real estate market has virtually ground to a halt. Homes are selling only where the existing mortgage is favourable and assumable. New home construction has almost ceased and the demand for building lots is virtually non-existent.

PROPOSED NON-PROFIT HOUSING

In order to verify the status of the Vancouver Housing Corporation's proposal of August 17, 1981 we telephoned Mr. Fred W. Minty, Consultant to the Greater Vancouver Housing Corporation and he advised that due to the Governmental restraints he could only recommend the acquisition of land on the following terms:-

1. That the purchase price of land should not exceed \$20,000 per unit of development;
2. Other municipalities have elected to offer land on a leasehold basis rather than on a freehold basis (a minimum 40 year lease is required). The prepaid lease being represented by a value of \$20,000 per unit; at the end of the leasehold period the land and improvements would revert to the Municipality. Mr. Minty expressed the opinion that they would prefer to purchase the land outright, as their experience in setting up the required lease agreement between the municipalities and the Provincial Government proved exceedingly difficult and time consuming.

RENTAL STRUCTURE

The rental of a typical two bedroom townhouse unit would run around \$650 - \$730 per month. The minimum qualifying income requirement is \$2,000 per month and maximum income \$40,000 per annum. Approximately 25 to 35 percent of the units will be occupied by the lower income working class where an additional rental subsidy will be paid relative to income.

CONSTRUCTION COST

The recession in the building industry has stabilized the construction costs according to Mr. Minty. He is of the opinion that he can still construct a typical ground-oriented housing unit at a total capital cost of \$90,000 per unit made up as follows:

Soft costs including construction financing	\$ 8,000
Direct construction costs	62,000

leaving a residual value to land of \$20,000 per unit.

METHOD OF FINANCING

The total cost is to be financed at 18 percent and repaid at \$1,305 per month. This represents a mortgage of 18 percent compounded semi-annually with a total repayment period of 35 years. The debt including taxes and maintenance is to be serviced from the rental income together with a Federal subsidy of approximately \$1,000 per month per unit.

OBSERVATION

A mortgage at an interest rate of 18 percent could be repaid over a shorter period at tremendous savings, for example: reduce the term to say 15 years - the monthly repayment would be \$1,408.13 per month; this is only an increase of \$103.13 per month.

In the circumstances, we feel that as a new development the rents should be able to absorb the additional cost of \$103.13 per month per unit. After 15 years the rental income should be adequate for the project to be self-supporting; this would save the taxpayers 20 years of subsidies.

CURRENT RENTAL MARKET

In the Wednesday edition of the Vancouver Sun (March 31, 1982) there were approximately 85 unfurnished homes for rent in the lower mainland at around or below the proposed subsidized housing rental rates. These are used homes and townhouses offered for rent without subsidy by the private sector and represent a reflection of what the rental market will pay or can afford to pay in today's economy, (average rent per unit \$620 per month, deviation \$95).

Mr. Ken Ito
 Planning Dept.

(3)

April 01, 1982

LAND VALUES

Early in 1981 townhouse sites were selling from as high as \$45,000 per unit to around \$36,000 per unit. While recognizing that there is no demand for lots at this time we cannot fail to recognize that the Greater Vancouver Housing Corporation will not be in a position to acquire any further properties until their 1983 budget has been determined. We are therefore required to commit the use of Municipal land one year before it is required and also such land must be fully serviced to the required standard.

We note that up to March 15, 1982 there were 22 townhouse units sold in Burnaby through the Multiple Listing Services of the Greater Vancouver Real Estate Board and the average price per unit was \$92,795, deviation \$12,513.

As new construction the units would have a market value of around \$115,000. Based on the estimated construction cost of \$70,000 per unit and allowing for building profit, the value to land even on today's market would be around \$30,000 per unit. This would suggest that the Burnaby taxpayers would be contributing \$10,000 in land value to each unit of construction on an outright sale or lease of land.

As a lease proposition, the present value of the land reverting back to the Municipality 40 years hence at a future value of \$30,000 bearing an interest of 15 percent per annum = \$112.

The reversionary value of the improvements 40 years hence based on an economic life of 50 years = \$14,000 per unit, discounted for 40 years.

Present value	\$ 52.26
Present value of Reversion	164.26

As a lease proposal the value to the Municipality is \$20,000 + \$164.26 = \$20,164.26 per unit.

SUMMARY

From the facts related above, the rental rate offered is comparable to the unsubsidized rates offered by the private sector. The interest rate and term of the mortgage needlessly extends the cost of financing and subsidies an additional 20 years. The proposed complex will provide new housing for a privileged few at an extraordinary high cost to the taxpayers. In addition to the municipality losing the equivalent value of \$10,000 per unit of land value, we are denying the home buyer the opportunity to acquire a new home and take advantage of the mortgage privileges available to him.

CONCLUSION

In order to determine a reasonable proposal which we should find acceptable, we prepared the following analysis based on a 15 year mortgage amortization period bearing an interest rate of 18 percent compounded semi-annually. This would meet the requirements of the Greater Vancouver Housing Corporation in that there must remain at least five years of a ground lease after the final payment of the mortgage.

Based on the above we should negotiate the reversion of land and buildings to the municipality after a prepaid lease period of 20 years.

Opportunity cost to municipality on \$10,000 (being contribution by reduced value for land) deposited for 20 years and earning an interest rate of 15 percent per annum would accumulate to \$163,665 .

POSSIBLE RECAPTURE 20 YEARS HENCE

Depreciated value of improvements 20 years hence based on an economic life of 50 years (40 percent depreciation) - value per unit \$42,000

- value of land per unit 30,000
- estimated value of recapture \$72,000

Using the capitalization method at a rate comparable with that acceptable to the private sector of 9 percent per annum -

Value of net income per unit $\$535 \times 12 = \$6,420$ per annum
capitalized at 9 percent = \$71,333.

From both methods used, clearly in 20 years time the reversionary value to the municipality will be around \$72,000; this represents less than half the opportunity cost on the \$10,000 of land value originally contributed to the project.

FAE:gmc

cc: Manager
Treasurer
Director Engineering

W. L. Stirling
for
W. L. Stirling
MUNICIPAL SOLICITOR

