

ITEM  
MANAGER'S REPORT NO. 13  
COUNCIL MEETING 93/10/12 61

TO: CITY MANAGER 1993 OCTOBER 05  
FROM: DIRECTOR PLANNING AND BUILDING OUR FILE: 17.751  
SUBJECT: WIND UP OF BURNABY RRAP OPERATION  
PURPOSE: To propose a strategy for the wind up of Burnaby's RRAP operation.

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**RECOMMENDATION:**

1. THAT this report be received for information purposes.

**REPORT**

**1.0 BACKGROUND**

At its meeting of 1993 March 22, Council received a report concerning proposed expansion of Burnaby's Residential Rehabilitation Assistance Program (RRAP) operation. The report indicated that CMHC would be reducing its funding commitment for RRAP in 1993. For the City's operation to continue to function in a cost-effective manner, the report recommended that Burnaby explore the feasibility of expanding its program delivery to five other Lower Mainland municipalities. Council adopted the recommendation. City RRAP staff began processing applications from the other municipalities in April.

At its meeting of 1993 June 7, Council received a further report concerning the impacts of the 1993 April Federal Budget on RRAP. The report indicated that the Federal Government would cease its funding for the program after 1993. It recommended that the Mayor write to the Federal Minister of Canada Mortgage and Housing expressing Council's strong disappointment both with the termination of RRAP and the lack of formal notification given to program delivery agents of the decision. Council adopted the recommendation and the Mayor forwarded the letter, accordingly.

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Despite disappointment in the Federal decision, the June report indicated that staff were committed to ensuring that RRAP continue to be delivered in a competent, professional manner. To this end, the report indicated that staff would develop a wind up strategy for the program, which would be forwarded to Council for information. This report responds to that commitment. It provides an overview of the current status of the City's RRAP operation, proposes a wind up strategy for the program, and closes with concluding comments.

## 2.0 CURRENT STATUS

The 1993 budget for the six municipalities served by the Burnaby RRAP office is \$235,331. Between 1993 January 1 and September 30, 49 RRAP applications had been approved, with over \$185,000 in funding being committed. In addition to the work approved in 1993, RRAP staff have been dealing with applications with work pending from previous years. It is projected that a total of 95 RRAP jobs will be completed during 1993, with 14 being carried over to 1994. Additional statistics on Burnaby's RRAP operation are contained in Appendix 1, *attached*.

The majority of RRAP funds committed in the Burnaby service area are being allocated to Burnaby residents. In 1993, for example, 53% of committed funds were for Burnaby homeowners; the remainder were allocated to residents in the five adjacent municipalities served by the Burnaby RRAP office. The preponderance of Burnaby applications demonstrates the historic value of the City employing its own RRAP delivery agents (i.e. City-employed delivery agents are in a better position than CMHC employees to promote RRAP amongst the local population and provide personalized service to qualified applicants).

The RRAP office receives roughly \$800 in revenues for each approved RRAP application it completes (ie. after the approved work has been satisfactorily completed and the final inspections have been carried out). This year, the office expects to receive \$78,000 in agency fees - \$27,000 over the 1992 totals and \$18,000 over the projected cost of operating the RRAP office for 1993. Some of the applications approved this year will not be completed until 1994. If the City was able to complete the final inspections for those applications next year, it would receive about \$11,000 in agency fees in 1994.

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**3.0 WIND UP STRATEGY**

In determining a strategy for winding up Burnaby's RRAP operation, staff were guided by two objectives: 1) to ensure that RRAP applicants from Burnaby and adjacent municipalities receive an optimum level of service as their home repairs proceed, and 2) to ensure that sufficient work and revenues are available to make the continued operation of the RRAP office a viable proposition for the City.

Based upon these objectives, and a projection of future program activity, staff concluded that it would be reasonable to keep the RRAP office open until 1993 December 31. Regrettably, the two employees at the RRAP office would be terminated at that time. No alternate City positions have been found for them to date.

As noted, it is expected that 14 RRAP applications, including 6 located in Burnaby, will be carried over to 1994. Rather than foregoing the roughly \$11,000 in agency fees that would accrue and turning the RRAP files over to CMHC, it is proposed that existing City staff conduct any necessary follow up work with the remaining RRAP applicants. The Chief Building Inspector has indicated that City Building staff could assume this role on a short term basis. Indeed, two former Burnaby RRAP Advisors work in the Building Department.

The rationale for proposing that existing City staff administer the outstanding RRAP applications in 1994 is twofold. First, by administering the outstanding applications, the City would receive \$11,000 in agency fees that it would otherwise have to forego. Second, given the stage to which the applications have advanced, the amount of extra work involved would be minimal. The Building Inspectors would likely only need to conduct final inspections on the RRAP jobs, ensuring that the applicants were satisfied and the agreed-upon work had been completed. Indeed, for some Burnaby jobs, the Inspectors could combine the RRAP inspections with the permit inspections they would be conducting on the homes anyway.

**4.0 CONCLUSION**

This report has provided information on the current status of Burnaby's RRAP operation and proposed a wind up strategy for the program. To summarize, it is proposed that the Burnaby RRAP office cease operation after 1993 December 31 and that Building staff assume responsibility for the outstanding RRAP files. Staff believe that this proposal is reasonable, ensuring that RRAP applicants continue to receive optimum service while also ensuring that Burnaby's RRAP operation functions in an efficient, economically viable manner. Unless directed otherwise by Council, staff will administer the wind-up of the program accordingly.

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In closing, it is regrettable that RRAP is being cancelled. The program has proven to offer a cost-effective means of helping low income and disabled homeowners remain in safe and secure housing. Since 1978, RRAP has enabled 1477 Burnaby homeowners to undertake about \$5.5 million in necessary repairs to their homes. While acknowledging the financial pressures facing all levels of government, staff do not believe the cancellation of RRAP makes sense. It is hoped that the Federal government will recognize the shortsightedness of the cancellation and introduce an enhanced replacement program in the future.



D.G. Stenson, Director  
PLANNING AND BUILDING

JF\db

Attachment

- cc: Director Finance
- Director Administrative & Community Services
- Chief Building Inspector
- Human Resources Director
- President, CUPE Local 23

## Appendix 1

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### RRAP STATISTICS -

### **APPLICATIONS, WORK IN PROGRESS AND AGENCY FEES - 1993<sup>1</sup>**

Area	Dollar Value of Work Approved in 1993	# Approved in 1993	Dollar Value of Work Pending from 1993 Budget	# Pending from 1993 Budget	Total # to be completed in 1993	# To be completed in 1994	Agency Fees to Receive to 1993 Dec. 31	Agency Fees Anticipate to Earn in 1994
<b>BURNABY</b>								
Homeowner	\$ 90,962	25	\$ 2,433	1	56	5	\$ 47,063	\$ 4,005
Disabled	\$ 11,065	3	\$ 4,761	2	13	1	\$ 10,337	\$ 801
<b>COQUITLAM</b>								
Homeowner	\$ 30,369	7	0	0	6	1	\$ 4,806	\$ 801
Disabled	\$ 4,000	1	\$ 2,309	1	1	1	\$ 801	\$ 801
<b>NEW WESTMINSTER</b>								
Homeowner	\$ 6,100	2	\$ 11,819	3	4	1	\$ 3,204	\$ 801
Disabled	\$ 3,400	1	0	0	1	0	\$ 801	0
<b>PORT MOODY</b>								
Homeowner	\$ 4,896	1	0	0	1	0	\$ 801	0
Disabled	0	0	0	0	0	0	0	0
<b>NORTH VANCOUVER DISTRICT</b>								
Homeowner	\$ 13,382	5	\$ 15,464	5	7	3	\$ 5,607	\$ 2,403
Disabled	\$ 3,075	1	0	0	1	0	\$ 801	0
<b>NORTH VANCOUVER CITY</b>								
Homeowner	\$ 8,432	2	\$ 12,864	3	4	2	\$ 3,204	\$ 1,602
Disabled	\$ 5,000	1	0	0	1	0	\$ 801	0
<b>TOTALS:</b>	<b>\$185,681</b>	<b>49</b>	<b>\$ 49,650</b>	<b>15</b>	<b>95</b>	<b>14</b>	<b>\$ 78,226</b>	<b>\$ 11,214</b>

1. Note: These statistics represent RRAP activity as of 1993 September 30.

