

REPORT  
1995 DECEMBER 04

CITY OF BURNABY

HOUSING COMMITTEE

HIS WORSHIP, THE MAYOR  
AND COUNCILLORS

RE: SALAMAT HOUSING SOCIETY PROPOSAL FOR AFFORDABLE HOUSING

RECOMMENDATIONS:

1. THAT Council support the change in the proposed project at 4213 Norfolk Street to a seniors' life-lease housing development.
2. THAT Council direct the City Solicitor to prepare a Housing Agreement for this project in conjunction with the Salamat Housing Society for the development of a seniors' life-lease project.
3. THAT Council direct the City Solicitor to prepare a Bylaw authorizing the City to enter into a Housing Agreement with the Salamat Housing Society.

REPORT

The Housing Committee, at its meeting held on 1995 November 28, adopted the attached staff report outlining changes to the Salamat Housing Society's proposed seniors' housing development at 4213 Norfolk Street. Staff advised that the Salamat Housing Society initially attempted to develop a seniors' equity co-op. Recently representatives from the Society requested that consideration be given to changing the project to a seniors' life lease concept. The attached report responded to that request.

Respectfully submitted,

Councillor L.A. Rankin  
Chairman

Councillor C. Redman  
Member

: COPY - CITY MANAGER  
- DIR. PLNG. & BLDG.  
- CITY SOLICITOR

Councillor J. Young  
Member

TO: CHAIRMAN AND MEMBERS  
HOUSING COMMITTEE

1995 NOVEMBER 23

FROM: DIRECTOR PLANNING AND BUILDING

OUR FILE: RZ#18/90

SUBJECT: SALAMAT HOUSING SOCIETY PROPOSAL FOR AFFORDABLE HOUSING

PURPOSE: To inform the Housing Committee about changes to the Salamat Housing Society's proposed seniors' housing development at 4213 Norfolk Street.

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#### RECOMMENDATIONS:

1. **THAT** the Housing Committee recommend that Council support the change in the proposed project at 4213 Norfolk Street to a seniors' life-lease housing development.
2. **THAT** the Housing Committee recommend that Council direct the City Solicitor to prepare a Housing Agreement for this project in conjunction with the Salamat Housing Society for the development of a seniors' life-lease project.
3. **THAT** the Housing Committee recommend that Council direct the City Solicitor to prepare a Bylaw authorizing the City to enter into a Housing Agreement with the Salamat Housing Society.

### REPORT

#### 1.0 BACKGROUND

The Salamat Housing Society has been pursuing the rezoning of a privately owned site at 4213 Norfolk Avenue for a senior citizens housing development. Realizing that government programs that fund seniors' housing projects have all but disappeared, they have been attempting to develop the project outside of senior government funding. Currently, the rezoning bylaw has received Second Reading, with most of the prerequisites to the rezoning being completed.

The Salamat Housing Society were initially attempting to develop a seniors' equity co-operative. Recently representatives from the Society approached staff and requested that consideration be given to changing the project to a seniors' life-lease concept. This report responds to this request.

## 2.0 THE LIFE-LEASE CONCEPT

The Directors of the Salamat Society propose to change the project from a seniors equity co-operative to one in which Salamat continues to own the land and enter into "life-leases" with its members. Some of characteristics of the proposed changes to the project, as outlined by the Salamat Housing Society, are:

1. In return for a lump sum payment and the payment of monthly fees to cover ongoing operating costs, each purchaser will have the right to occupy the unit in the project for life. In an equity co-operative, the member would purchase a share in the co-op and enter into an occupancy agreement with the co-op.
2. When the member vacates his or her unit or dies, the lease would terminate and the member will not be reimbursed any more money than his or her original investment. The co-op concept which was originally proposed allowed for some profit to the member upon sale of his or her share.
3. Salamat will continue to own the project and control it through the life-lease arrangement. With the Equity co-op concept, the co-op would own the Project and Salamat's control of the Project would be through the incorporation documents of the co-op. The life-lease arrangement would allow Salamat to take a greater leadership role in managing the project as compared to the self management typical of an equity co-operative.
4. Over time, if Salamat had excess funds, it could reduce the requirement for the lump sum amount or subsidize the rent for people in need.

## 3.0 OTHER ISSUES RELATED TO THE PROJECT

Staff has contacted Salamat to receive clarification on the following issues:

### 1. Age Restriction

Salamat Housing Society understands that the project is developed as a seniors' housing development and has offered to enter into a Housing Agreement with the City to restrict occupancy to the units to at least one regular occupant who is 55 years or older.

### 2. Status of Salamat Housing Society

Salamat is a registered non-profit society. As such, any excess funds raised through housing projects would have to go into the project or other charitable purposes. If Salamat Housing Society should dissolve, its assets must go to another charitable organization with a similar purpose. Salamat will provide the Solicitor with an up to date copy of their incorporation documents at the time that the Housing Agreement is under preparation.

#### 4.0 CONCLUSION

From staff's perspective the proposed change could result in a seniors' development that meets the intent of the institutional zoning district that the project will be developed under. In staff's opinion, the life-lease arrangement means the Society will have a greater role in managing the project and providing for the needs of the residents. The resale of the life-leases should be easier to manage under a life-lease arrangement in that an increase in equity for the purchaser is not required.

Salamat is proposing that the life-leases be resold at market value. Considering the lower value that life-leases will command in the market place as compared to condominium units, the project should remain affordable.

Salamat Housing Society should be commended for developing an affordable seniors' housing project in absence of government funding, and using private land. The seniors life-lease housing project will provide a new alternative living arrangement in Burnaby for seniors who desire to live in a seniors oriented development that is affordable.

Staff recommend that the Housing Committee and Council support the change in the project from a seniors' equity co-operative to a seniors' life-lease project. In addition, it is recommended that the Solicitor be requested to prepare a Housing Agreement that reflects the life-lease arrangement and restricts occupancy of the units to at least one regular occupant who is a senior citizen; and that the Solicitor prepare a bylaw authorizing the City to enter into a Housing Agreement.

D.G. Stenson, Director  
PLANNING AND BUILDING

BG/db

cc: City Manager  
City Solicitor