

**TO:** CITY MANAGER 2001 DECEMBER 05

**FROM:** DIRECTOR PLANNING AND BUILDING OUR FILE: 17.750

**SUBJECT: FUTURE OF BURNABY'S RRAP OPERATION**

**PURPOSE:** To review the viability of Burnaby's continued involvement with delivery of the Residential Rehabilitation Assistance Program (RRAP) and to provide recommendations accordingly.

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**RECOMMENDATIONS:**

1. **THAT** the Vancouver Office of CMHC be sent a letter which indicates that, in anticipation of upcoming retirements at Burnaby's RRAP Office, the City will:
  - a) continue to deliver RRAP to Burnaby residents through the Building Department until the Federal Government's current funding commitment to the program expires in 2003,
  - b) continue to provide RRAP inspection services to residents of the six municipalities currently served by the City's RRAP Office until the end of 2002 February, when the RRAP Advisor is scheduled to retire,
  - c) offer to assist CMHC in promoting RRAP through InfoBurnaby, senior centres, or other appropriate venues, and
  - d) monitor the effectiveness and issues surrounding RRAP on an ongoing basis, providing recommendations to the Vancouver Office of CMHC or the Federal Minister Responsible for CMHC, as appropriate.
2. **THAT** the Mayor, on behalf of Council, write to the Councils of the municipalities served by the Burnaby RRAP Office to indicate the City's intent to wind down its RRAP operation, while providing assurance that residents of those municipalities will continue to be eligible to receive RRAP through the auspices of CMHC.
3. **THAT** copies of this report be sent to Burnaby's MPs and MLAs.

**R E P O R T**

**1.0 BACKGROUND**

Burnaby began administering the Residential Rehabilitation Program (RRAP) in 1978. Since that time, through the program, the City has been able to help about 1400 low income local

residents in undertaking necessary repairs to their homes. RRAP is a cost-effective program which facilitates the independence of recipients. In addition to funding needed home repairs, the program helps recipients delay or avoid seeking the more expensive options of social housing or institutional care. RRAP also improves the overall quality of the community's housing stock and helps the local economy by providing work for people in the housing renovation industry.

While acknowledging these benefits, the City has faced considerable challenges and uncertainty in delivering RRAP, particularly over the past decade. For example, the Burnaby RRAP Office has had to contend with significant funding cuts from Canada Mortgage & Housing Corporation (CMHC) and changes to eligibility guidelines (notably a property assessment criterion) which sharply reduced the number of Burnaby residents eligible for program benefits. Given these challenges and uncertainties, and the fact that the two staff working at the Burnaby RRAP Office are due for retirement shortly, it was considered timely to review the City's continued involvement with delivery of the program.

With the foregoing as context, this report provides an overview of the Burnaby RRAP operation, a discussion of options for the future, and recommendations for the consideration of Council.

## **2.0 BURNABY'S RRAP OPERATION**

Through the auspices of CMHC, the Federal Government introduced RRAP in 1973. RRAP provides repayable and forgivable loans to qualifying low income homeowners. Homeowner RRAP helps recipients in making necessary health and safety improvements to their homes (e.g., major structural repairs, electrical work, plumbing). RRAP for Persons with Disabilities helps qualifying low income disabled applicants in making their homes more accessible.

Since 1998, the Vancouver Office of CMHC (which is responsible for BC and the Yukon) began allocating RRAP funds for repairs of leaky condominiums, subject to the program's property assessment and income guidelines. The Burnaby office does the processing for the leaky condo applications, while CMHC assumes responsibility for the inspections. RRAP also has Rental and Rooming House components, which are administered directly by CMHC.

Between 1978 and 1983, Burnaby's RRAP office served the Burnaby area exclusively. In 1993, as a response to dramatically declining budget allocations, the office also began serving five additional Lower Mainland municipalities (North Vancouver City and District, New Westminister, Coquitlam, and Port Moody). The City strives to offset the costs of delivering RRAP through agency fees it receives from CMHC. At present, the agency fee rates are \$833 for Homeowner and Person with Disability applications and \$544 for leaky

condominium applications. The agency fees consist of the following components: \$315 for administration (e.g., screening applicants, reviewing income information), \$229 for initial inspections, and \$289 for final inspections.

As indicated, the past ten or so years of Burnaby's RRAP operation have been marked by challenge and uncertainty. Some of the key challenges and uncertainties were as follows:

- **Termination announcements** - On four occasions between 1993 and 1996, the Federal Government announced plans to terminate RRAP, subsequently extending the termination date on each occasion. With each termination announcement, Burnaby staff submitted reports to Council and prepared for the wind down of the program. The situation created anxiety and uncertainty for Burnaby RRAP Office staff and RRAP clients. It also presented challenges for program planning and delivery. The uncertainty was greatly alleviated in 1998, when the Federal Government announced a five year funding commitment for RRAP, which is set to expire in early 2003.
- **Budget cuts** - The 1990s saw significant cuts to the RRAP budget. By way of comparison, in 1984, when Burnaby delivered RRAP solely within its own boundaries, a total of \$668,000 was allocated to low income homeowners in the city. Between 1996 and 2000, when the Burnaby RRAP Office served six Lower Mainland municipalities, an annual average of \$334,201 was allocated to residents within the service delivery area. The annual average specifically delivered to Burnaby residents during this period was \$73,444 - about 11% of the 1984 figure, not accounting for inflation. Also, in 1984, Burnaby had 2.5 FTEs delivering RRAP from the site office at the Burnaby Heights Community Resource Centre. At present, the City has 0.7 FTEs involved with program delivery. Breakdowns of the Burnaby RRAP Office's recent service delivery and budget figures, are presented in Appendices 1 and 2, *attached*. A key point to note from the figures is that 68 Burnaby applications were approved between 1996 and 2000. This figure represents an average of 13 Burnaby applications approved per year, and 24% of all approvals administered through the City's RRAP Office during the period.
- **Program restructuring** - In 1995, CMHC introduced several changes to RRAP. Some changes were positive (e.g., raising the maximum forgivable loans for homeowners from \$5,000 to \$12,000). Others, however, caused problems for delivery of the program - most notably, introduction of a requirement that homes (i.e., land and buildings) must have an assessed value of less than \$250,000 in order to be eligible for RRAP benefits. Given the relatively high property values in the Lower Mainland, the property assessment criterion has rendered many potential applicants ineligible for RRAP. Burnaby and North Shore applicants have been particularly hard hit. Since 1995, an increasing share of RRAP funding has been allocated to owners of condominiums.

Despite the uncertainties and challenges, Burnaby has demonstrated a strong and consistent commitment to RRAP. Also, the City has proven to be innovative and flexible with respect to program delivery. For example, the decision to expand the City's service delivery area to include five additional municipalities was prompted by a diminishing RRAP budget for Burnaby in 1993. By expanding its service area, the City was able to offer quality services to neighbouring municipalities, while also ensuring that Burnaby's RRAP operation could continue to function on a financially viable basis. Another example of the City's flexibility occurred in 1996. Given further funding cuts, and the resignation of the RRAP Advisor at the time, the City's Building Department began doing the inspection work for RRAP applications. With the program's extension in 1997, a part time RRAP Advisor was retained, joining the part time Clerk-Typist at the RRAP Office who handles the administrative functions of program delivery.

In addition to adjustments made by the City's RRAP Office, Burnaby Council has played a strong advocacy role with respect to RRAP. On behalf of Council, Mayor Drummond and the former Mayor Copeland wrote several letters to the Federal Minister Responsible for CMHC calling for extensions and improvements to the program. Council also elicited support in its advocacy efforts from neighbouring municipalities, local Members of Parliament, FCM, and the Canadian Association of Housing & Renewal Officials.

### 3.0 OPTIONS FOR THE FUTURE

As noted, the Federal Government's current funding commitment for RRAP is set to expire in early 2003. Further, the volume of work related to Burnaby applicants (i.e., an average of 13 approved applications per year) is relatively modest. Also, the two auxiliary employees who work at the Burnaby RRAP office are scheduled to retire shortly: the Clerk-Typist in December and the RRAP Advisor in February.

With the foregoing as context, staff considered three distinct options with respect to the future delivery of RRAP: retain new auxiliary employees to continue delivery of the program, explore the possibility of having other City employees absorb responsibility for RRAP delivery into their existing workloads, and cease to deliver RRAP.

Our conclusion was that the most viable approach would be to pursue a modified version of the second option (i.e., having other City employees absorb responsibility for RRAP delivery into their existing workloads). Under the modified option, rather than delivering RRAP to the six municipalities currently covered by the Burnaby Office, the City would deliver the program solely to Burnaby residents.

The advantages of the foregoing option are as follows:

- *Administrative Feasibility* - Given the recent economic downturn and resulting reduction in Building Permit activity, the Chief Building Inspector has indicated that his

Department should be able to absorb the added responsibility for *local* RRAP delivery, at least until the Federal Government's current funding commitment to the program is set to expire in 2003. The Chief Building Inspector notes that, based on the experience with delivering the program to six municipalities on an interim basis about five years ago, the Department lacks the resources to deliver RRAP beyond Burnaby's boundaries.

- *Cost-Effectiveness* - Delivery of RRAP through the Building Department would be cost effective (i.e., the staff and "infrastructure" for the service delivery is already in place; also, the RRAP agency fees would yield a small revenue return for the City).
- *Service to Local Residents* - By continuing the local delivery of RRAP, the City would have increased assurance that Burnaby residents continue to receive high quality provision of services.

An additional advantage of the option is that it would free up office space at the Burnaby Heights Community Resource Centre which, in turn, could be leased to another community agency in need.

If Council concurs with staff's conclusions, arrangements will be made for the existing RRAP staff to provide training for their Building Department counterparts, helping to ensure that the transition to City Hall's service delivery proceeds as smoothly as possible. Also, the City would need to formally notify CMHC of its intention to continue to deliver RRAP locally, but cease delivery to other municipalities. Under the Agency Agreement in place between the City and CMHC, Burnaby is required to provide three months written notice if it plans to discontinue its role as a RRAP agent. Should Council adopt the recommendations of this report, staff will explore with CMHC the possibility of an earlier transition. This may be possible given that:

- 1) the City and CMHC have enjoyed a long, healthy, and mutually supportive relationship over the years,
- 2) the City would continue to provide inspection services to other municipalities until the end of February, when the RRAP Advisor is scheduled to retire (i.e., CMHC would only be responsible for administrative functions during that period),
- 3) January to March are traditionally slow times for RRAP; further, the Clerk-Typist for the program expects that, prior to her departure, she should be able to complete most of the paper work for the outstanding applications approved in 2001 (i.e., the main activities needing to be covered by CMHC staff in early 2002 should thus involve providing information and answering inquiries).

In addition to notifying CMHC, the City would need to inform other municipalities of the decision to cease delivery of RRAP. The letter should stress that residents of those cities would still be eligible to receive program benefits. The only difference would be that the

service would be provided directly by the Vancouver office of CMHC, rather than by Burnaby's RRAP Office.

#### 4.0 CONCLUSION AND RECOMMENDATIONS

The City of Burnaby has been delivering RRAP to local residents since 1978. Its record for committed and quality service delivery has been strong. Indeed, since 1978, the City has been involved in allocating \$6.3 million in RRAP funds to Burnaby residents, thereby benefitting 1395 applicants and helping with repairs to 1510 units. Also, in spite of decreasing budgets and several threats from the Federal Government to terminate RRAP over the years, the City persisted with its program delivery.

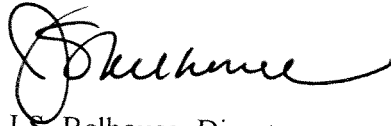
The value of RRAP is clear. That said, given upcoming retirements of the City's RRAP Office staff, and in light of program changes and budget declines in recent years, it was considered timely to review the City's continued role in program delivery. Upon reviewing the various options, the report concluded that the most viable approach would be for the City to continue local delivery of RRAP through the Building Department, while asking CMHC to assume responsibility for program delivery to the other municipalities currently served by the Burnaby RRAP Office.

Based on the foregoing, it is recommended that the Vancouver Office of CMHC be sent a letter which indicates that, in anticipation of upcoming retirements at Burnaby's RRAP Office, the City will:

- 1) continue to deliver RRAP to Burnaby residents through the Building Department until the Federal Government's current funding commitment to the program expires in 2003,
- 2) continue to provide RRAP inspection services to residents of the six municipalities currently served by the City's RRAP Office until the end of 2002 February, when the RRAP Advisor is scheduled to retire,
- 3) offer to assist CMHC in promoting RRAP through InfoBurnaby, senior centres, or other appropriate venues, and
- 4) monitor the effectiveness and issues surrounding RRAP on an ongoing basis, providing recommendations to the Vancouver Office of CMHC or the Federal Minister Responsible for CMHC, as appropriate.

It is also recommended that the Mayor, on behalf of Council, write to the Councils of the municipalities served by the Burnaby RRAP Office to indicate the City's intent to wind down its RRAP operation, while providing assurance that residents of those municipalities will

continue to be eligible to receive RRAP through the auspices of CMHC. Lastly, it is recommended that copies of this report be sent to Burnaby's MPs and MLAs.



J.S. Belhouse, Director  
PLANNING AND BUILDING

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Attachments(2)

cc: Chief Building Inspector  
Director Finance

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**BURNABY RRAP OFFICE ACTIVITY: 1996 - 2000**  
**(For 6 Municipalities)**

Year	# of Applications Approved	\$ Value of Approved Applications	Burnaby RRAP Office Expenditures	Burnaby RRAP Office Revenues	Net
1996	47	\$184,500	\$39,700	\$63,894	\$24,194
1997	44	\$213,471	\$24,665	\$25,418	\$753
1998	56	\$356,725	\$31,609	\$30,142	(\$1467)
1999	60	\$396,848	\$37,655	\$24,701	(\$12,954)
2000	72	\$511,189	\$37,055	\$45,882	\$8827
1996 - 2000 TOTAL	277	\$1,662,733	\$170,684	\$190,037	\$19,353
1996 - 2000 AVERAGE ANNUAL	55.8	\$332,546	\$34,136	\$38,007	\$3,870

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DETAILED SERVICE DELIVERY STATISTICS FOR BURBARY RRAP OFFICE 1996 TO 2000

APPENDIX 2

AREA	1996 # Approved	1996 \$ Value Work Approved	1997 # Approved	1997 \$ Value Work Approved	1998 # Approved	1998 \$ Value Work Approved	1999 # Approved	1999 \$ Value Work Approved	2000 # Approved	2000 \$ Value Work Approved
BURNABY Homeowner Disabled Leaky Condos	9 0 0	\$26,106 0 0	18 2	\$76,044 \$26,340	13 0 0	\$56,196 0 0	5 8 3	\$23,601 \$18,001 \$22,103	4 5 1	\$23,950 \$37,378 \$57,503
COQUITLAM Homeowner Disabled Leaky Condos	17 1 0	\$76,752 \$1,200 0	14 1 0	\$51,251 \$4,644 0	6 5 15	\$17,024 \$36,854 \$143,992	10 1 21	\$48,647 \$12,000 \$216,078	7 2 27	\$53,047 \$8,881 \$210,270
NEW WEST Homeowner Disabled Leaky Condos	5 1	\$29,168 \$1,605 0	3 0 0	\$21,102 0 0	3 0 7	\$19,391 0 \$61,576	6 1 2	\$21,107 \$2,798 \$24,000	2 1 4	\$18,924 \$2,675 \$38,710
N VANCOUVER CITY Homeowner Disabled Leaky Condos	11	\$27,465	1 1	\$1,765 \$9,702	2	\$5,254	1	\$918	3 0 1	\$11,739 0 \$12,000
N VANCOUVER DISTRICT Homeowner Disabled Leaky Condos	3	\$22,204	0	0	2	\$8,096 \$6,807	1	\$6,618	0	0
PORT MOODY Homeowner Disabled Leaky Condos	0	0	4	\$22,623	1	\$1,535	1	\$977	2 1 2	\$6,404 \$11,933 \$17,775
TOTALS	47	\$184,500	44	\$213,471	56	\$356,725	60	\$396,848	72	\$511,189

