



Corporate

 NO: R036

Report

 COUNCIL DATE: February 25, 2002

REGULAR COUNCIL			
TO:	Mayor & Council	DATE:	February 22, 2002
FROM:	General Manager, Planning and Development	FILE:	4815-20
SUBJECT:	Administration Agreement with the Greater Vancouver Housing Corporation for the Home Ownership Assistance Program		

RECOMMENDATION

It is recommended that Council:

1. Receive this report as information; and
2. Authorize staff to enter into an administration agreement with the Greater Vancouver Housing Corporation (the "GVHC") to administer Phase 2 of the Home Ownership Assistance Program (the "Program"), on the basis of the draft agreement attached as Appendix "I".

PURPOSE

The purpose of this report is to obtain Council authorization to enter into an agreement with the GVHC for the administration of Phase 2 of the Program.

BACKGROUND

At the Regular Council meeting of January 21, 2002, Council considered Corporate Report No. R014, "Home Ownership Assistance Program – Proposed Revisions for Phase 2 and Use of the Affordable Housing Reserve Fund", a copy of which is attached as Appendix "II". Council, at that meeting, approved the following implementing steps for Phase 2 of the Program:

- Revisions to the Program policies to improve access to the Program for more Surrey households;
- Implementation of Phase 2 of the Program with funding up to a maximum of \$300,000, which has been included in the City's approved annual operating budget; and

- Authorization for staff to negotiate an Administration Agreement (the "Agreement") with the GVHC to administer Phase 2 of the Program, subject to the agreement being forwarded for Council approval, prior to execution.

DISCUSSION

The proposed Agreement that has been negotiated with the GVHC is attached to this report as Appendix "I" and includes provisions for the program deliverables, timetable and fee schedule. The Agreement incorporates the program and policy revisions approved by Council on January 21, 2002. Phase 2 of the Program will commence as soon as the Agreement is finalized. The GVHC will initiate the marketing and promotion of the Program starting in March, 2002 and will begin accepting applications from Surrey households, to pre-qualify for the Program, starting April 1, 2002. Applications for assistance under the Program will be received commencing on April 15, 2002.

Schedule "C" (Fees) of the Agreement, provides a brief overview of both the general components of the proposed Agreement and the fees associated with each component, which include the following:

- Program administration, including marketing, application forms and processes, application support and review \$9,200
- Advertising and press releases \$3,400
- Information meetings/open houses and consultation with Surrey residents, developers and real estate agents \$2,400
- Administration costs per household – \$800 per household to a maximum of \$15,000 \$15,000

Upset Limit on Fees = \$30,000

The GVHC is proposing to administer the delivery of the Program at a maximum cost, up to \$30,000, including a flat fee of \$15,000 for the overall Program administration and delivery and a variable fee of \$800 for each household directly assisted in purchasing a home under the Program, up to a maximum of \$15,000 in relation to this variable fee component. Since the Program allows for up to \$15,000 of assistance, per household, it is expected that up to approximately 18 households will be provided with assistance through this phase of the Program. In addition, there will be nominal costs associated with monitoring of the Program in the years 2003 to 2006 to ensure ongoing Program compliance. The Planning and Development Department considers both the Agreement and the proposed fee structure to be reasonable and considers the GVHC to be in a very good position to implement the Program, given its on-going involvement in the provision of housing in the region.

Legal Services has reviewed the draft Agreement and found it to be satisfactory.

CONCLUSION

The GVHC is prepared to administer the Program for another term (Phase 2) of the Program. The proposed Agreement, attached in Appendix "I" outlines the specific processes to be completed by the GVHC, on behalf of the City and sets out the timetable and fee schedule for each component, up to a maximum cost of \$30,000 to the City. It is recommended Council authorize staff to enter into an agreement with the GVHC in accordance with Appendix "I" and proceed to implement Phase 2 of the Program.

Murray Dinwoodie
General Manager,

Planning and Development

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Appendix "I" Draft Greater Vancouver Housing Corporation Administration Agreement

Appendix "II" Corporate Report R014