

Present:

Chairperson - Councillor Hayne
Mayor Hepner
Councillor Gill
Councillor LeFranc
Councillor Martin
Councillor Starchuk
Councillor Steele
Councillor Villeneuve
Councillor Woods

Absent:

Staff Present:

City Manager
City Clerk
General Manager, Corporate Services
General Manager, Engineering
General Manager, Finance
Acting General Manager, Parks, Recreation & Culture
General Manager, Planning & Development
Deputy City Solicitor

A. DELEGATIONS

1. Anna Mathewson Manager, Sustainability

File: 0512-02; 0550-20-10

The delegation was rescheduled to July 9, 2018.

2. Armin Amrolia, Associate Vice President, Development, Dan Maxwell, Vice President, Corporate Services and Chief Financial Officer, and Raymond Kwong, Provincial Director, HousingHub

File: 4815-20; 0550-20-10

The delegation provided a presentation outlining a proposal regarding an affordable home ownership program proposed to be launched with a project in Surrey City Centre and highlighted the following information:

- The HousingHub was established in 2018 with a mandate to increase the supply of affordable housing for middle-income earners.
 - Multiple homeownership options have been explored and it has been determined that clear, conventional ownership is the key.
 - HousingHub is delivering the Affordable Home Ownership Program (AHOP) to support the development of new, affordable homes for purchase by eligible middle-income families and individuals. AHOP works by providing interim construction financing at reduced rates and leveraging land and other contributions from project partners to create below market value units for eligible home buyers. The difference between the sale price of a unit and market value is secured through a second mortgage that are recaptured and paid into the City's Affordable Housing Fund.
 - A second mortgage is provided through a 25 year term that is interest and payment free. Participants must utilize AHOP purchased units as a principal residence for at least five years. Homeowners are permitted to
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sell on the open market; however a repayment is required on the sale. The second mortgage is due in full upon: sale or change in ownership; default on the first or second mortgage; or the end of the 25 year term.

- AHOP targets the intended population and secures affordability. All partner contribution values are protected in the long term. The second mortgage reduces or eliminates load insurance costs and provides purchasers a buffer against interest rates and market fluctuations.

In response to questions from Council, the delegation provided the following information:

- Development Cost Charges (DCCs) can be contributed by local governments to assist with affordable housing projects. Funding provided by the City would be returned to the City's Affordable Housing Fund through the second mortgage repayments. Another value the City can provide is additional density to affordable housing projects.
- HousingHub can work with third party land owners, such as churches, that have land available for development; however, partnerships depend on the land ownership options available.
- AHOP is aimed mostly at first time home buyers who are currently living in rental units. In some instances, it will make sense for families to move into a bigger home. If the family can afford to purchase a new home and retain their AHOP home, the program would allow them to rent the AHOP purchased unit.
- HousingHub has recently completed an AHOP development in Victoria with 80-85% units purchased in the first six months. It is anticipated that the income metric developed for AHOP will make the program successful.
- HousingHub will continue to work with the City on rental projects.
- HousingHub works with non-profit organizations to secure the best interest rates for loans for construction but does not provide first mortgages. AHOP is intended for self-sufficient individuals who can qualify for a mortgage on their own.
- As HousingHub was established in 2018, an annual budget for second mortgages and targets for units to be sold as part of AHOP have not been developed.

The delegation advised that the AHOP Framework will be provided to staff.

B. ITEMS REFERRED BY COUNCIL

C. CORPORATE REPORTS

- D. DELEGATION REQUESTS
- E. COUNCILLORS' REPORTS
- F. OTHER COMPETENT BUSINESS
- G. ADJOURNMENT

It was

now adjourn.

Moved by Councillor Villeneuve
Seconded by Councillor LeFranc
That the Council-in-Committee meeting do

Carried

The Council-in-Committee adjourned at 5:21 p.m.



Jane Sullivan, City Clerk



Mayor Linda Hepner, Chairperson