




City of Richmond

Report to Committee




To: Planning Committee **Date:** February 13, 2013
From: Cathryn Volkering Carlile **File:**
 General Manager
Re: **Affordable Housing Strategy: 2013 Annual Review of Income Thresholds and Affordable Rent Rates**

Staff Recommendation

That the Richmond Affordable Housing Strategy be amended by approving and adding as Addendum No. 5 to the Strategy the 2013 Annual Income Thresholds and Maximum Permitted Rents for Affordable Housing (as outlined in Attachment 1 to the staff report dated February 13, 2013 from the General Manager of Community Services).


 Cathryn Volkering Carlile
 General Manager
 (604-276-4068)

Att. 1

REPORT CONCURRENCE			
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER	
Finance Division	<input checked="" type="checkbox"/>		
Development Applications	<input checked="" type="checkbox"/>		
Policy Planning	<input checked="" type="checkbox"/>		
REVIEWED BY DIRECTORS	INITIALS: 	REVIEWED BY CAO	INITIALS: 

Staff Report

Origin

On May 28, 2007, Council adopted the “Richmond Affordable Housing Strategy” dated May 9, 2007.

On June 8, 2009, Council amended the Richmond Affordable Housing Strategy to update the annual income thresholds and maximum permitted rents and to include provisions for staff to annually adjust the annual income thresholds and the maximum permitted rents specified in the City’s housing agreements to reflect:

- Updated Core Need Income Threshold (CNIT) and/or other applicable data produced by CMHC in years when it is released, and
- CPI for Vancouver for the previous calendar year plus 2 % in years when the CNIT and/or other applicable data from CMHC was not released.

On October 25, 2010, Council amended the Richmond Affordable Housing Strategy again to update annual income thresholds and the maximum permitted rents and to provide that staff annually adjust these amounts based on analysis of updated CNIT and/or other applicable data produced by CMHC in years when it is released.

Staff have completed the required periodic review of income thresholds and maximum permitted rents. Staff recommend adjusting these amounts based on staff analysis of updated Housing Income Limits (HIL) (formerly known as Core Need Income Threshold data).

This report presents the review findings and recommends 2013 Housing Income Limits (HILs) and Affordable Rent Rates for Council consideration.

The report supports the following Council term goal:

Development of a clearer definition of affordable housing priorities and subsequent utilization of affordable housing funding.

Analysis

The 2006 Census estimated that 10,470 renter households or 63 percent of Richmond renters earn less than \$59,999 annually, and therefore are low to moderate income households.

HIL values are determined from the annual CMHC Rental Market Survey. The HIL values represent the income required to pay the average market rent for an appropriately sized unit in the private market.

The 2013 HIL limits are:

	<u>Bachelor</u>	<u>1 Bedroom</u>	<u>2 Bedroom</u>	<u>3 Bedroom</u>
Annual Income	\$34,000	\$38,000	\$46,500	\$57,500

The current Affordable Housing Strategy total household annual income and maximum monthly rent are:

	<u>Bachelor</u>	<u>1 Bedroom</u>	<u>2 Bedroom</u>	<u>3 Bedroom</u>
Total Household Annual Income	\$33,500 or less	\$37,000 or less	\$45,500 or less	\$55,000 or less
Maximum Monthly Rent	\$837	\$925	\$1,137	\$1,375

The adjusted Affordable Housing Strategy total household annual income and maximum monthly rent to align with 2013 HIL limits are:

	<u>Bachelor</u>	<u>1 Bedroom</u>	<u>2 Bedroom</u>	<u>3 Bedroom</u>
Total Household Annual Income	\$34,000 or less	\$38,000 or less	\$46,500 or less	\$57,500 or less
Maximum Monthly Rent	\$850	\$950	\$1,162	\$1,437

Current Adjustments

The adjustments will be applied to all new housing agreements brought forward after the effective date and will be applied to existing housing agreements in accordance with Richmond Affordable Housing Strategy Addendum 5 (**Attachment 1**) (with the exception of those existing housing agreements which do not contemplate adjustments as set out above).

Future Adjustments

Staff recommend that they will review the Income Thresholds and Affordable Rent Rates annually, bring recommendations to Council for approval, and once such are approved the adjustments would become effective immediately following the adoption by Council.

Financial Impact

The proposed changes will have no direct impact to the City.

Conclusion

It is recommended that the 2013 adjusted rates as presented in **Attachment 1**, be approved by way of a fifth Addendum to the Richmond Affordable Housing Strategy.



Dena Kae Beno
Affordable Housing Coordinator
(604-247-4946)

DKB:dkb

Richmond Affordable Housing Strategy
Addendum No. 5
(Date Council Approved)

That the Richmond Affordable Housing Strategy dated May 9, 2007, approved by Council on May 28, 2007, as amended, be further amended as follows:

1. Annual Income Thresholds

The annual income thresholds as shown on Table 1 be used to determine who qualifies for affordable housing and be included in the housing agreements used to secure the use and occupancy of the affordable housing units.

2. Maximum Permitted Rents

The maximum permitted rents as shown on Table 1 be used to determine the permitted rent for affordable housing and be included in the housing agreements used to secure the use and occupancy of the affordable housing units.

3. Future Adjustments to Annual Income Thresholds and Maximum Permitted Rents

Staff adjust the annual income threshold and maximum permitted rent for affordable housing shown in Table 1, once every calendar year based on the following data sources and use the adjusted information in new housing agreements brought forward after the date of adjustment and apply it to existing housing agreements (with the exception of those existing housing agreements which do not contemplate adjustments as set out in this Addendum) and advise Council accordingly:

Primary Data Source: staff analysis of updated Housing Income Limits and/or other applicable data produced by the Canada Mortgage and Housing Corporation (CMHC) in years when it is released.

Table 1: 2013 Annual Income Threshold and Maximum Permitted Rents for Affordable Housing

Annual Income Thresholds (2013)	
Affordable Subsidized Rental Housing	Households with an annual income of less than \$34,000
Affordable Low End Market Rental Housing	Households with an annual income of between \$34,000 and \$57,500
Maximum Permitted Rents (2013)	
Bachelor Unit	\$850 a month (e.g., for eligible tenant having an annual income threshold of \$34,000 or less)
One-Bedroom Unit	\$950 a month (e.g. for eligible tenant having an annual income threshold of \$38,000 or less)
Two-Bedroom Unit	\$1,162 a month (e.g. for eligible tenant having an annual income threshold of \$46,500 or less)
Three-Bedroom Unit	\$1,437 a month (e.g. for eligible tenant having an annual income threshold of \$57,500 or less)