

# SENIORS' RENTAL HOUSING

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**PROGRAM FRAMEWORK**

Updated June 2011



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## 1.0 INTRODUCTION

### Background

On January 27, 2009 the federal government announced its proposal to nationally invest \$400 million over two years in the creation and preservation of affordable housing through one time economic stimulus measures including housing for low-income seniors and housing for persons with disabilities initiatives. A Supplementary Agreement to the Canada - British Columbia Affordable Housing Agreement is in place to allow access to funding for the creation of affordable housing for seniors and persons with disabilities. The federal funding commitment is based on a 50/50 cost matching agreement with the province, and its partners. Together, the Government of Canada and the province of British Columbia will invest a combined \$104 million in housing for seniors, and another \$19.5 million in housing for persons with disabilities over the period January 27, 2009 – March 31, 2011. The Supplementary Agreement No.2 to the Canada-BC Affordable Housing Agreement defines the requirements for participation by the Province.

The creation of new affordable rental housing will respond to the need for more independent housing options for seniors and persons with disabilities with low incomes, particularly in small communities with a demonstrated housing need, and where the rental housing supply may be limited. BC Housing is responsible for delivering the Seniors' Rental Housing initiative which includes capital funding for the construction of new units for both seniors and persons with disabilities.

### Provincial Leverage

In addition to the creation of new units as a direct result of this federal-provincial partnership, BC Housing will leverage partnership opportunities to further increase the supply of affordable rental housing across the province. Central to this strategy is the province's capacity to provide construction and mortgage financing at reduced rates to developments specifically built for low to moderate income households. These combined efforts represent the province's Seniors' Rental Housing initiative.

Accordingly, in some developments, 100% of the new units created through the Seniors' Rental Housing initiative will receive federal funding. In other developments, only a portion of the units will receive federal funding, with the remainder of new affordable rental units created through BC Housing's other partnerships or through its independent efforts. In such cases, the remainder of the units must still maintain affordable rents in order to achieve affordability for moderate income households. The requirements mandated by CMHC apply only to those units receiving federal funding through the federal economic stimulus measures.

As shown in BC Housing's *Housing Continuum* below, Seniors' Rental Housing is situated within the range of independent housing. Increasing the supply of independent rental housing currently fills a gap along the housing continuum, and within the residential construction industry.

**Figure 1 The Housing Continuum**



The program framework outlines the program intent, goals, principles, target populations, core program elements, standards and guidelines, monitoring and reporting requirements, and defines the roles and responsibilities of BC Housing and its partners in the delivery and management of the Seniors' Rental Housing initiative.

## **2.0 GOALS**

1. Increase the supply of new affordable rental housing for low and moderate income seniors and persons with disabilities.
2. Develop rental housing that requires no ongoing government subsidies for operating funding, and no funding for support services where possible.
3. Stimulate local economies through the development of new rental housing and the use of local materials where possible.

## **3.0 OBJECTIVES**

1. Increase the supply and range of rental housing options by creating or leveraging up to 1,000 units of new affordable rental housing in communities with housing need across British Columbia.
2. For federal-provincial cost-shared units: offer rents at no more than 30% of a household's income or the maximum shelter component for those on Income Assistance.
3. For levered units, offer rents that are at or below market rents for that community.
4. Accomplish results quickly primarily through the use of manufactured housing.
5. Promote the use of BC wood products.
6. Leverage opportunities for partnerships.
7. Stimulate the development of more affordable housing by leveraging the units being created through federal funding.

## **4.0 OUTPUTS AND OUTCOMES**

A monitoring and reporting process focused on both outputs and outcomes enables BC Housing to determine adherence to program requirements and principles, to track progress and effectiveness at achieving the goals and objectives of this Initiative.

### **4.1 Output**

By March 31, 2011, BC Housing, together with its partners, will commit up to 1,000 new affordable rental housing units across BC for low and moderate income seniors and persons with disabilities.

### **4.2 Outcomes**

1. Increased affordable rental housing options for targeted households in targeted communities.
2. Low vacancy rates in all years of the program.
3. Rental housing is operated successfully over the expected life of the developments without government subsidies or supplemental funding.
4. BC Housing's expenditures for capital repairs, replacements and improvements over the life of the program match its forecast Capital Plan for the program.

## 5.0 CORE PROGRAM ELEMENTS

### Tenants

- Targeted at seniors and persons with disabilities with low income who are on, or are eligible to be on, a waiting list for social housing.
- Targeted at seniors and persons with disabilities with low to moderate income, as defined by the top of the second quintile of household incomes for British Columbia households.

### Developments

- Developments are located in communities with demonstrated housing need.
- New single storey modular housing construction used wherever possible, dependent on specific community needs, conditions, partnerships and resources. Multi-storey housing forms may be used where the land value requires a higher density in order to achieve an economically viable project and community planning objectives.
- Suitable and appropriate infill opportunities are maximized.
- Modest unit sizes, as established by BC Housing.
- Primarily one bedroom units.
- Developments comply with provincial & CMHC environmental assessment requirements
- All developments are required to meet energy efficiency requirements as specified in the Canada-BC Affordable Housing Agreement. All projects must also meet any provincial requirements for PRHC owned properties.<sup>1</sup>
- For federal-provincial cost-shared units:
  - Eligible sites owned or leased by PRHC,
  - Developments are managed by partners on behalf of PRHC.

### Operations

*For units owned by PRHC:*

- Operator agreement: Where feasible, providers will enter into an operator agreement with BC Housing for 60 years. Where this is not feasible, a shorter Term, for example 30 years, may be allowable.
- Household income verified by housing provider on commencement of tenancy and annually; rents monitored and adjusted by providers as required; rent increases as governed by the Residential Tenancy Board.
- BC Housing is responsible for funding and replacing major capital items only. Where federal-provincial cost-shared units are a portion of the entire development of affordable rental housing, BC Housing will be responsible for funding and replacing only the proportion of major capital items commensurate with the proportion of the development represented by federal-provincial cost-shared units.
- BC Housing is responsible for insuring or self insuring the property and improvements.
- Providers are responsible for maintaining liability insurance as specified by BC Housing.
- Providers are responsible for paying property taxes.

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<sup>1</sup> See Section 9.0 [Facility Guidelines](#) below for details  
Seniors' Rental Housing Initiative

*For levered units:*

- Operating agreement: Where feasible, providers will enter into an operating agreement with BC Housing for 60 years. Where this is not feasible, a shorter Term, for example 30 years, may be allowable.
- Household income verified by housing provider on commencement of tenancy; rents monitored and adjusted by providers as required
- Providers are responsible for funding and replacing all capital items including major capital items.
- The provider is responsible for insuring the property and improvements.

*All projects:*

- Providers submit an annual operating budget for approval by BC Housing.
- Aggregate rental revenue must enable housing providers to at least break even without a requirement for operating funding, subsidy funding or support services funding from BC Housing.
- An accumulated operating surplus may be retained by the provider up to a maximum, as specified in the operator / operating agreement:
  - For PRHC owned units, operating surpluses beyond the specified maximum must be returned to BC Housing for the benefit and viability of the program overall. For example, surpluses beyond the specified maximum will assist to further offset the costs of running the program, including the payment of property taxes
- Providers must have a maintenance plan approved by BC Housing and reviewed every 5 years.
- Replacement Reserves:
  - Providers must have a replacement reserve schedule which specifies capital items to be replaced on forecast life cycles.
  - Providers are required to maintain a replacement reserve fund which will ensure the requirements of the replacement reserve schedule are met.
  - Contributions to the Replacement Reserve will be made by providers directly from rental revenues and not from BC Housing.
  - Revenues permitting, recommended contributions to replacement reserves are as follows:
    - For modular housing owned or leased by PRHC: \$30-60 per unit per month,
    - For site-built housing with market units: \$60-100 per unit per month.

## 6.0 PRINCIPLES

The following principles guide how BC Housing implements and operates the initiative, our relationship with partners, and with government.

### ***Increased affordable rental housing options***

- Affordable new housing will be built in communities where there is a demonstrated need for new affordable rental housing among the targeted populations.
- Increase affordability for low and moderate income households.

### ***Financial, physical & environmental sustainability***

- All developments represent quality housing expected to last 60 years.
- Developments will be sustainable without operating subsidies, funding for support services, or funding for deficits.
- Non-profit housing providers are responsible for developing maintenance plans and practices that protect the development and minimize capital repair and replacement costs over the long term.
- Since the financial sustainability of developments requires competent ongoing management of physical infrastructure, tenant rents, finances and reporting, management of developments will be awarded only to providers that have demonstrated satisfactory experience in operating and managing affordable housing.
- When possible, construction will utilize BC wood and pine beetle products.

### ***Efficiencies and innovation in housing design and land use***

- *Universal Design* principles will be incorporated at the design phase.
- Barrier-free units will be available.
- Healthy communities will be promoted through integration of mixed land use and housing design.
- Co-locating on existing sites; maximizing on infill opportunities where possible.

### ***Transparency & accountability***

- BC Housing will employ fair and consistent processes when selecting housing providers, consultants and suppliers and in developing and negotiating agreements.
- Housing providers will maintain reliable and consistent records and fulfil reporting obligations to BC Housing.
- BC Housing will maintain reliable and consistent records and fulfil reporting obligations to the Province, to CMHC and to the public.

## 7.0 TENANTS

### 7.1 Eligibility

For federal-provincial cost-shared units: Eligible households are Seniors or Persons with Disabilities who:

- Are low income households, with incomes below the Maximum Income Level for the project, which is based on the lesser of the non-market area Housing Income Limit (HIL) for each region of the province or 5 times the established maximum market rent (where applicable) for the development multiplied by 12.
- Are on, or eligible to be on, a waiting list for social housing.
- Have less than \$100,000 in assets, as per BC Housing's Asset Policy.<sup>2</sup>

Priority must be given to eligible households as specified below, but where providers encounter difficulty filling vacant units, Seniors or Persons with Disabilities with low to moderate income will be eligible.

For affordable rental units: Eligible households are Seniors or Persons with Disabilities who:

- Are low to moderate income households, as defined by the top of the second quintile of household incomes for British Columbia households.

### 7.2 Tenant Rents

For federal-provincial cost-shared units: The housing must be affordable to eligible households on the basis of geared-to-income rent levels that will not exceed 30% of total household income, or for those targeted households in receipt of Income Assistance the rent charged will not exceed the shelter component of Income Assistance. In select projects, BC Housing may approve a maximum market rent.

For affordable rental units: Rents will be set at or below the current market rent for comparable housing in the community or area, and as determined by a market rent survey/appraisal of comparable sized units in the community. The 'set' rent will be applicable to all eligible households (as described in Section 7.1) and will not be based on a proportion of income.<sup>3</sup>

### 7.3 Tenant Selection

Tenant selection is the responsibility of housing providers. Housing Providers will be required to become a member of the Housing Registry.

For federal-provincial cost-shared units: All tenants will be selected from the Registry.

For market units: Initial tenant selection will be from the Registry, but where providers encounter difficulty filling vacant units, they may select tenants from their own waitlists, provided all tenants are Seniors or Persons with Disabilities with low to moderate income.

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<sup>2</sup> For further information on BC Housing's Asset Policy, see Appendix B: Glossary of Terms

<sup>3</sup> As the top thresholds within the income quintiles change, so may the maximum allowable market rent for levered units based on the maximum ratio of 30% of the top of the second income quintile. Statistics Canada "Survey of Labour and Income Dynamics" is conducted annually, therefore the maximum allowable market rents may change annually, as determined by BC Housing and the Residential Tenancy Act.

The Registry provides a single point of access for applicants, and is intended to provide ease of accountability for housing providers. The Housing Registry is a comprehensive housing information service for providers of affordable rental housing in British Columbia. The Housing Registry allows households in search of affordable housing to submit a single application form to be considered for available units managed by all housing providers that utilize the Housing Registry.

The Housing Registry staff accepts and processes applications on behalf of housing providers, reducing administrative time and expense that would be required for the maintenance of an applicant database. In addition, The Housing Registry eliminates duplication of effort amongst housing providers who in the absence of the services provided by the Housing Registry may have received applications from the same applicants. Housing providers continue to maintain autonomy and are responsible for setting and following their own resident selection procedures and can access applicant information on demand through a simple internet connection.

## **8.0 ROLES AND RESPONSIBILITIES AND AGREEMENTS**

### **8.1 Roles and Responsibilities**

#### BC Housing

On behalf of the Province, BC Housing will coordinate and deliver the Seniors' Rental Housing initiative. BC Housing is responsible for:

- Flowing capital funding and coordinating the construction of all developments funded through this Initiative.
- Annual approval of operating budgets.
- Funding and developing capital plans for the repair, replacement or improvement of large capital items such as roofs, cladding and structure.
- Monitoring and evaluating the success of the initiative.

#### Housing Providers

Housing providers are responsible for:

- Managing Provincial Rental Housing Corporation (PRHC) owned, or society owned developments.
- Day to day operations and management of the housing, including the provision of property management services.
- Identification and selection of tenants, including verification of their income.

### **8.2 Agreements**

Selection of sites and providers will take into account:

- i) Demonstrated need for housing in the proposed community;
- ii) Compliance with program framework and provincial and federal requirements; and
- iii) Experience of the non-profit providers in operating and managing affordable housing.

Successful proponents will normally be required to enter into a 60 year operator and/or operating agreement with BC Housing, which governs the relationship between the partners. BC Housing will monitor the provider's operations to ensure conformity with program requirements. In addition to compliance with these guidelines, renewal of operator or operating Agreements will outline the submission of annual reports, BC Housing's annual approval of operating budgets and regular Operational Reviews.

It is the responsibility of housing providers to ensure that rent levels honour requirements while reflecting the true costs of operating developments over the long term, taking into account all of the budget items (e.g. maintenance) as outlined in the Financial Reporting Template (Appendix D). As such, housing providers will be required to balance the range of tenants at various income levels within the eligibility requirements to ensure true operating costs are covered. See Appendix E for an example of how income blending can support the viability of a project.

## **9.0 FACILITY GUIDELINES**

### **9.1 Energy Efficiency**

All developments are required to meet or exceed energy efficiency requirements as specified below. All projects must also meet any provincial requirements for PRHC owned properties.

- Projects must achieve the energy performance standard of *EnerGuide 80*.
- Use of Energy Star rated products.
- Reduce Greenhouse Gas (GHG) Emissions as per the requirements of Bill 44, Greenhouse Gas Reduction Targets Act. This Act requires BC Housing to offset all GHG emissions from these projects with the purchase of carbon credits.

### **9.2 Maintenance, Capital Repair and Replacement Reserves**

*All projects:*

- It is the responsibility of the housing provider to manage and operate the development in a proper, efficient and timely manner as would a prudent owner of similar property. In addition to the submission of an annual operating budget, housing providers will be required to develop a 5 year maintenance plan. Housing providers will ensure all required maintenance items are anticipated and accounted for within the annual operating budgets.
- Housing providers will budget for replacement reserve amounts within a range that is determined by BC Housing. The range will take into consideration factors such as housing form, scale, location of project, and other relevant site specific factors. Providers will have a replacement reserve schedule which specifies capital items to be replaced on a 30 year cycle. The replacement reserve schedule will be approved by BC Housing and reviewed every 5 years.

- Providers are required to maintain a replacement reserve fund which will ensure the requirements of the replacement reserve schedule are met. The fund is to be maintained and used only for the purposes identified in the operator or operating agreement. The fund will be included as a line item in the provider's annual budget, as specified in BC Housing's Financial Reporting template (see Appendix D).

*For units owned by PRHC:*

- BC Housing is responsible for funding and replacing the following major capital items only: roofs, windows, cladding/siding, septic system, sewer service, water service, electrical service, gas service, and structural upgrades.

## **10.0 REPORTING AND MONITORING**

### **10.1 Provider Reporting**

Providers will verify incomes of targeted households upon commencement of tenancy, and will report the results in a manner approved by BC Housing. In addition, pursuant to Operator or Operating Agreements, housing providers will report to BC Housing on the following:

#### Annually

- A financial report, using the template provided by BC Housing. Key requirements of report: household type, rent levels, operating costs, level of replacement reserve fund.
- For federal-provincial cost-shared units<sup>4</sup>:
  - Income verification of current targeted households
  - Average household income

#### Every five years:

- Updated Maintenance Plans.
- Updated Replacement Reserves schedule

### **10.2 BC Housing Monitoring and Reporting**

For the first two years of operation, BC Housing will report to CMHC annually on the performance of the federal-provincial cost-shared units. Ongoing monitoring will allow BC Housing to ensure that PRHC assets are adequately managed and protected over the long term, and that the financial operations are managed effectively without government subsidies or supplemental funding.

Annually, BC Housing will:

- Review the provider's annual financial report.
- Collect energy consumption data from utilities and report on the project's energy consumption and consequent impact to government on greenhouse gas emissions.

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<sup>4</sup> As required by CMHC for federal-provincial cost-shared units  
Seniors' Rental Housing Initiative

Every five years, or as required, BC Housing will perform a review of the provider's operation of the Project (Operational Review) to determine conformance with the terms of the program framework and any agreements between housing providers and BC Housing. The Operational Review will include:

- Review of financial statements and rent levels against operating costs.
- Review of the Replacement Reserve fund levels and schedule to ensure adequacy, and to recommend an action plan if required.
- Review of maintenance practices against the maintenance plan.
- Review of capital repairs and replacements against the replacement reserve fund schedule.
- Building condition audit.

## **11.0 SIGN-OFF**

The Program Framework requires final sign-off by the BC Housing Vice-President of Development Services, the Vice-President of Operations, and the Vice-President of Corporate Services.

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**Vice President, Development Services**

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**Vice President, Operations**

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**Vice President, Corporate Services**

## APPENDIX A: PROGRAM LOGIC MODEL

INPUTS <i>Resources dedicated to or consumed by the program</i>	ACTIVITIES <i>What is done to fulfill goals and objectives</i>	OUTPUTS <i>The direct products of the activities</i>	OUTCOMES <i>Changes, benefits, or impacts as a result of an activity</i>		
			Short –Term <i>6 months</i>	Intermediate <i>2 years</i>	Long-term <i>5 years +</i>
Staff time <ul style="list-style-type: none"> <li>BCH</li> </ul>	<ul style="list-style-type: none"> <li>Develop Program Framework</li> <li>Identify community need/demand</li> <li>Identify potential sites</li> <li>Develop &amp; Release REOI</li> <li>Identify successful proponents</li> <li>Develop operating budget guidelines</li> <li>Develop &amp; execute Operator / Operating Agreement</li> <li>Develop &amp; coordinate procurement process</li> <li>Develop and employ strategy to protect capital assets</li> <li>Reporting to Government</li> <li>Monitor provider's ongoing compliance with program requirements</li> </ul>	<ul style="list-style-type: none"> <li>Up to 1000 new rental housing units built across BC</li> <li>New affordable housing provided for more than 1000 tenants living in the new rental units</li> </ul>	<ul style="list-style-type: none"> <li>Increased supply of rental housing options in communities with housing need</li> </ul>	<ul style="list-style-type: none"> <li>Increased supply of rental housing options in communities with housing need</li> <li>More than 1000 low to moderate income seniors or persons with disabilities housed</li> </ul>	<ul style="list-style-type: none"> <li>Increased affordable housing options for targeted households in targeted communities</li> <li>Rental housing is operated and managed successfully over the life of the development</li> <li>BC Housing's expenditures for capital asset repairs, replacements and improvements match the forecast Capital Plan for the program.</li> </ul>
Staff time <ul style="list-style-type: none"> <li>Partners</li> </ul>	<ul style="list-style-type: none"> <li>Identify and select tenants</li> <li>Operate rental housing &amp; provide property management services</li> <li>Report to BC Housing</li> </ul>				
Infrastructure Funding <ul style="list-style-type: none"> <li>Building materials</li> <li>Construction</li> </ul>	<ul style="list-style-type: none"> <li>Manage the development phase, including delivery of manufactured housing, and on- site construction</li> </ul>	<ul style="list-style-type: none"> <li>Local economy stimulated; up to 800 jobs created</li> </ul>			

## APPENDIX B: GLOSSARY

### ***Affordable Housing***

Housing which is modest in terms of floor area and amenities, based on household needs and community norms, and is priced at or below average market housing rents or prices for comparable housing in a community or area.

### ***Asset Policy***

Eligibility for the program requires that the household (applicant and spouse) have less than \$100,000 in assets, as defined by BC Housing's Asset Policy, which may be changed from time to time.

### ***Affordable Rental Units***

Units whose rents are set at or below the appraised market rent for a comparable unit type in the community.

### ***Replacement Reserve***

Replacement reserves are established for the purpose of replacing capital items over the life of the project. The replacement reserve is used for items on the standardized list of replacement reserve items, provided by BC Housing. The budgeted annual replacement reserve provision is based on a fixed list of eligible items and does not normally change from year to year.

### ***Household Income Limits (HILs)***

Represents the income required to pay the average market rent for an appropriate sized unit in the private market. The threshold is based on the minimum income level required to obtain rental housing in good condition at not more than 30% of income. This threshold is also known as the Core Need Income Threshold (CNIT), and is set out in Appendix C.

### ***Housing Registry***

A partnership between BC Housing and other affiliated housing organizations to provide a centralized database with current application information.

### ***Infill Development***

The inclusion of additional housing units into an already approved subdivision or neighborhood. These can be in the form of additional units built on the same lot, by dividing existing homes into multiple units, or by creating new residential lots by further subdivision or lot line adjustments. Units may also be used by building on lots that were previously vacant.

### ***Low Income Households***

Low Income Households are defined as those who are on, or are eligible to be on, a waiting list for social housing. Eligibility is determined by the Household Income Limits as set out in Appendix C. From time to time these may change, as determined by CMHC, and the Province.

### ***Low and Moderate Income Households***

Means a gross household income that does not exceed the top of the second quintile of household incomes for British Columbia households, based on Statistics Canada "Survey of Labour and Income Dynamics reports, and as determined by BC Housing from time to time.<sup>5</sup>

### ***Maximum Income Level***

Represents the maximum annual income required for eligibility to be a RGI tenant. This maximum is based on the **lesser** of: Non-Market Area HILs for each region of the province (established by BC Housing from time to time); **or** 5 times the established Maximum Market Rent (where applicable) for the Development multiplied by 12.

### ***Maximum Market Rent***

Refers to the maximum a tenant will pay for rent in communities where BC Housing has approved the establishment of a market rent cap.

### ***Modular Housing***

Refers to a home in which 80 to 95% of it is built in a factory. It is constructed in sections or modules. These modules are transported to a building site, placed on foundations and assembled. Unlike its stick-built or site-built counterpart, when modular building techniques are used, the on-site builder's involvement is limited to excavation, final grading, construction of a suitable foundation, exterior wall finish, roof construction, HVAC hookup and connection to utilities.

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<sup>5</sup> In 2011, the top of the second income quintile for 2 person households is \$64,999 per annum.  
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**Operating Agreement**

The contractual agreement that governs the relationship between BC Housing and the Society chosen to operate a Society owned building.

**Operator Agreement**

The contractual agreement that governs the relationship between BC Housing and the Society chosen to operate a PRHC owned building.

**Persons with Disabilities**

A single person in receipt of a *recognized disability pension*, or a couple where at least one person is in receipt of a recognized disability pension, or are considered disabled for income tax purposes. Recognized disability pensions include disability tax credits, Long Term Disability payments, Workers Compensation Board disability payments, Canada pension plan disability payments, and Ministry of Housing and Social Development payments for persons with disabilities and/or persistent multiple barriers.

**Provincial Rental Housing Corporation (PRHC)**

Created in 1961 under the Company Act, PRHC owns the provincial assets invested in social housing stock, and carries out property transactions that add to or reduce the stock of land and buildings, and it leases land to non-profit sponsors for housing projects. PRHC is the land holding company for BC Housing.

**Recognized Disability Pensions**

- Ministry of Employment and Income Assistance – Persons with Disabilities
- Ministry of Employment and Income Assistance – Persons with Persistent Multiple Barriers
- Canada Pension Plan – disability
- Workers Compensation Board (WorkSafe BC) – disability pension
- Long Term Disability payments
- Disabled for income tax purposes – Demonstrated by receiving the disability tax credit on previous year's income tax return

**Residential Unit**

A self-contained residential dwelling within the Development.

**Senior**

A single person age 55 or older, or a couple where at least one person is age 55 or older.<sup>6</sup>

**Tenancy Agreement**

An agreement, lease, license or other right of a Tenant to occupy a Residential Unit.

**Tenant**

The person or persons legally entitled to reside in a Residential Unit pursuant to a Tenancy Agreement, including any person residing in a Residential Unit who is not named in the Tenancy Agreement.

**Tenant Rent**

Tenant rent contributes to the shelter component of operating the unit. For PRHC owned units, this may take into consideration an allowance for utilities, such as heat, and will be determined on a case by case basis.

**Universal Design**

A concept that considers the design of housing environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialized design. The intent is to simplify living environments at little or no extra cost by incorporating in the initial design standards.

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<sup>6</sup> People living in Vancouver's Downtown Eastside (DTES) are known to have more complex health issues than the general population, and as a result of their deteriorating health status, may be prone to more rapid aging. For this reason, if new affordable rental housing is built in this neighbourhood, eligibility for senior persons is defined as age 45 or older.

**APPENDIX C:  
2011 NON-MARKET AREA HOUSEHOLD INCOME LIMITS/CORE NEED  
INCOME THRESHOLDS FOR BC**

<b>2011 HILs/CNITs Non-Market Areas</b>					
<b>Lower Mainland</b>	<b>Bach</b>	<b>1 Bdrm</b>	<b>2 Bdrm</b>	<b>3 Bdrm</b>	<b>4+ Bdrm</b>
Lower Mainland	N/A	\$52,800	\$59,400	\$68,200	\$73,700
Southern BC	N/A	\$51,700	\$58,300	\$67,100	\$71,500
Vancouver Island	N/A	\$51,700	\$58,300	\$67,100	\$71,500
Northern BC	N/A	\$44,000	\$50,600	\$60,500	\$66,000

Housing Income Limits represent the income required to pay the average market rent for an appropriately sized unit in the private market. Average rents are derived from CMHC's annual Rental Market Survey, done in the fall and released in the spring. The size of unit required by a household is governed by federal/provincial occupancy standards.

## APPENDIX D: SAMPLE FINANCIAL REPORTING TEMPLATES

### STATEMENT OF CHANGES IN OPERATING FUND

**HOUSING PROVIDER:**

**FISCAL YEAR END:**

	BUILDING1		BUILDING2		BUILDING3		TOTAL
	SHELTER	NON-SHELTER	SHELTER	NON-SHELTER	SHELTER	NON-SHELTER	
<b>REVENUE:</b>							
OTHER MINISTRIES' SUBSIDY							
TENANT RENT							
INTEREST *							
LAUNDRY							
PARKING							
OTHER:							
<b>Total</b>							

**EXPENDITURES:**

REPLACEMENT RESERVE PROVISION**							
BAD DEBT							
CABLE							
ELECTRICITY							
HEATING							
WATER & SEWER							
WASTE REMOVAL							
NON-RECURRING MAINTENANCE							
ADMINISTRATION SALARIES							
OFFICE OVERHEAD							
MAINTENANCE LABOUR							
BUILDING MAINTENANCE							
GROUNDS MAINTENANCE							
SERVICE CONTRACTS							
OTHER MAINTENANCE:							
INSURANCE							
MEMBERSHIP & DUES							
OTHER:							
<b>Total</b>							

EXCESS (DEFICIENCY) OF REVENUE  
OVER EXPENDITURES:

OPERATING FUND BALANCE,  
BEGINNING

OPERATING FUND BALANCE, ENDING

\* Please exclude Interest revenue on Replacement Reserve Fund account.

\*\* Please exclude Replacement Reserve expenditures from maintenance expense reported on this statement.

**STATEMENT OF CHANGES IN REPLACEMENT RESERVE FUND**

HOUSING PROVIDER: \_\_\_\_\_

FISCAL YEAR END: \_\_\_\_\_

	BUILDING1	BUILDING2	BUILDING3	TOTAL
FUND BALANCE, BEGINNING				
INTEREST REVENUE				
REPLACEMENT RESERVE PROVISION				
EXPENDITURES:				
APPLIANCES				
PAINTING				
FLOORING				
HOT WATER TANK				
OTHER:				
Total Expenditures				
FUND BALANCE, ENDING				

RESTRICTED CASH IN ACCOUNT				
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**STATEMENT OF FINANCIAL POSITION**

**HOUSING PROVIDER:** \_\_\_\_\_

**FISCAL YEAR END:** \_\_\_\_\_

BUILDING1      BUILDING2      BUILDING3      TOTAL

**ASSETS:**

CASH - OPERATING				
CASH/INVESTMENT-REPLACEMENT RESERVE				
SHORT TERM INVESTMENTS				
ACCOUNTS RECEIVABLE				
OTHER RECEIVABLE				
PREPAID EXPENSES				
SECURITY DEPOSITS				
FUNDS IN TRUST				
CAPITAL ASSETS				
OTHER:				
Total				

**LIABILITIES:**

BANK OVERDRAFT				
ACCOUNTS PAYABLE				
ACCRUED LIABILITIES				
CURRENT PORTION OF MORTGAGE				
DEFERRED REVENUE				
SECURITY DEPOSITS				
MORTGAGE				
OTHER:				
Total				

**FUND BALANCES:**

REPLACEMENT RESERVE				
OPERATING				
OTHER:				
Total				

**APPROVED BY:**

\_\_\_\_\_  
DIRECTOR

\_\_\_\_\_  
DIRECTOR

## APPENDIX E: TENANT RENT INCOME BLENDING

The following is an example of income blending within a 100% PRHC owned site, where tenants are required to pay rent based on a rent geared to income scale (currently set at 30% of household income, or the maximum shelter component of Income Assistance). Projects are also required to, at minimum, break-even on their operations. That is, revenue from tenant rents must cover all costs of operating the building, including any approved replacement reserves.

In order to maintain ongoing project viability (i.e. revenue equals operating cost), when selecting tenants a blending of incomes is required. Priority must be given to tenants with income at or below the applicable Housing Income Limit (HIL) for the region of the development, and size of the unit (based on number of bedrooms). Within the HIL a blend of incomes must be targeted to maintain project viability. The example below illustrates a 4 unit project in Quesnel.

**Table 1: Example Project, Quesnel, BC (Northern Region)**

**Non-Market HIL:** \$ 44,000 per annum  
(\$3,667 per month)

**Per Unit Monthly Operating Cost:** \$415

Tenants	Income	Rent
# 1	Income Assistance	\$ 375
# 2	\$ 3,667	\$ 1100
# 3	\$ 2,600	\$ 780
# 4	\$ 1,667	\$ 500
<b>Total</b>	<b>\$ 7,934</b>	<b>\$ 2,755</b>
<b>Average per unit</b>	<b>\$ 2,645</b>	<b>\$ 689</b>

In this example, the Housing Income Limit for the Northern region is \$44,000 per annum or \$3,667 per month, for a 1-bedroom unit. So the operator must give priority to persons with incomes below this level. Operating costs come to \$415 per unit per month. This means that for the development to continue to be viable, the operator must get at least an average of \$415 per unit per month in rent revenue.

Tenant 1 is on income assistance and pays the full shelter component of \$375 per month. The other tenants are at or below the HIL and pay 30% of income, with rents ranging from \$500 to \$1,100. Overall, average per unit per month rent is \$689, so the operator will be in a surplus position. In the event of a tenant turnover, the incoming tenant could have an income lower than those shown, providing the average rent did not drop below \$415.