

# Project update

## Mayor's Task Force on Resident Housing Initiative #7

Committee of the Whole  
16 April 2019

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### RESORT MUNICIPALITY OF WHISTLER

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# Objective of today's presentation

- To provide an update on the work that has been completed so far; and
- Share the proposed direction at this stage of the project

# Agenda

**1. Background**

**2. Research and proposed approach**

**3. Next Steps**

## MTFRH # 7 – *“Refine the employee restricted housing program for eligibility criteria and enforcement framework”*

Initiated because:

- Concern in community about misuse / abuse of rules (or intent) of employee housing program
- Community needs have evolved (diversity of households/more families, breadth of income ranges etc)

Specifically, the initiative's key elements (as presented by MTFRH Dec 2017) :

- *Establish an income/asset verification framework to tighten the existing eligibility criteria*
- *More punitive penalties with additional enforcement powers*
- *To reduce negative sentiment about misuse by some residents*

# The WHA story

- **Mission Statement:**

*“Whistler's long-term success as a vibrant resort community is contingent upon retaining a stable resident workforce.”*

*“We will partner with the resort community to sustain a range and supply of housing options for Whistler's active and retired workforce.”*

- **Established in 1997 by the Municipality**

- ✓ Innovative approach to housing resort staff
- ✓ Amazing resource and point of pride for our community

- **Administration & Management of employee housing**

- ✓ Administration of employee restricted eligibility program
- ✓ Oversees sales of employee restricted ownership homes
- ✓ Administers and manages employee restricted rental properties
- ✓ Enforcement of covenants – eligibility, price, occupancy
- ✓ Active development of 116 new employee restricted homes
  - Recent – 1310 Cloudburst (27 units)
  - New / In progress – 1020 Legacy Way (24 units), 8350 Bear Paw Trail (20), 1330 Cloudburst (45)

- **WHA has implemented a number of changes over the years with program updates (eg changing covenants) and now this is a continuation of that process taking a wider holistic approach given the changing environment and community needs**

# Over time...

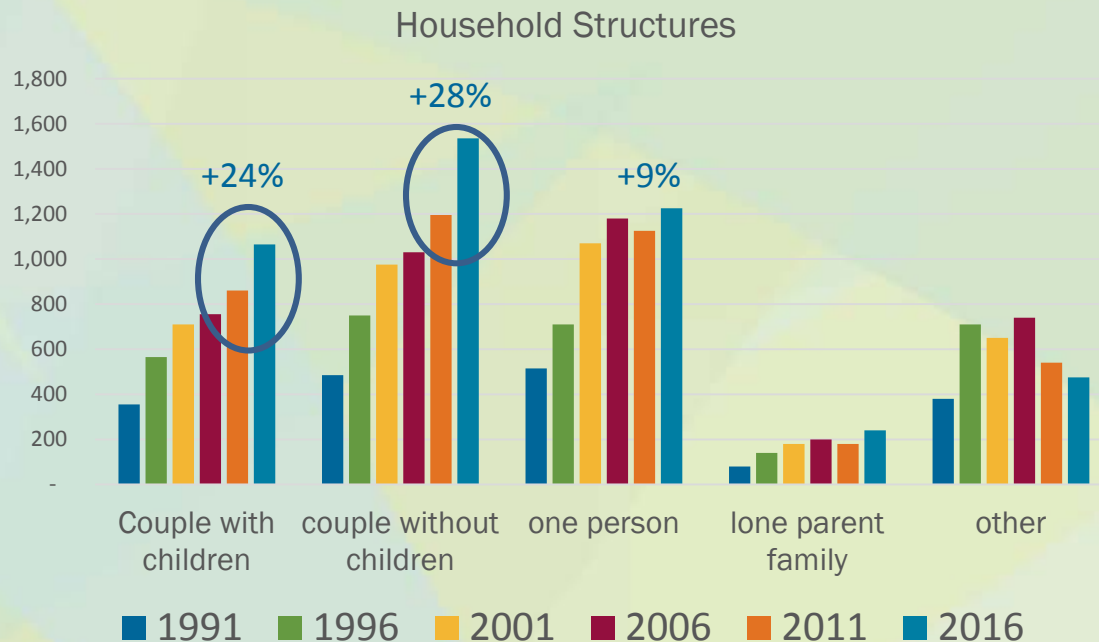
- Resort has seen unprecedented growth



- Thousands of jobs created – more than historical records
- More jobs = more people...

# Over time...

- Resort has seen unprecedented growth
- Permanent population has grown



- ✓ Driven by more job opportunities
- ✓ And, greater mobility in workforce (technology/telecommuters, improved S2S/City workforce)



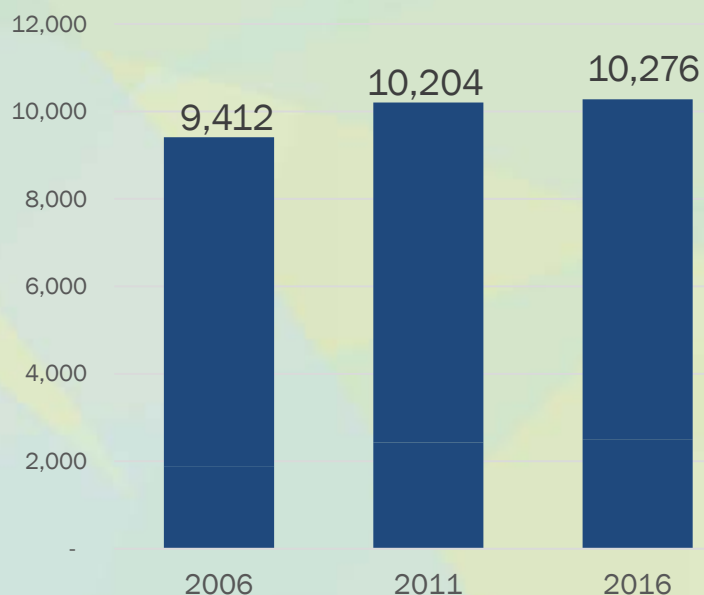
# Over time...

- Resort has seen unprecedented growth
- Permanent population has grown
- More Competition for limited housing supply

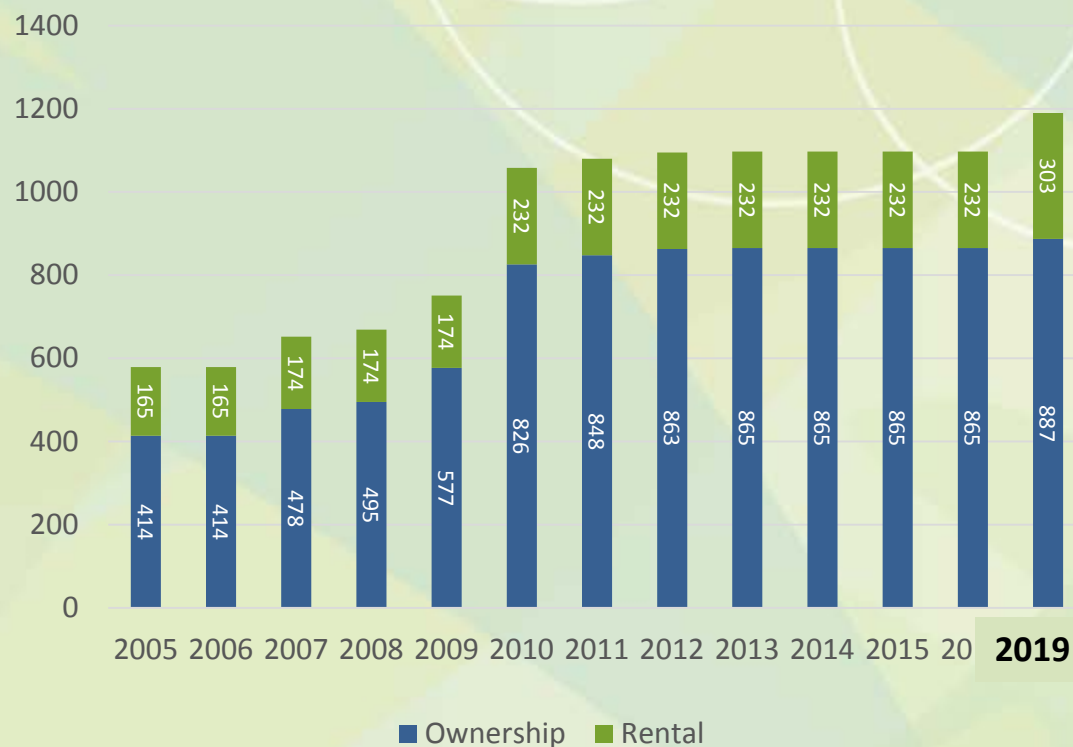


# Competition for limited housing supply

Total Residential inventory

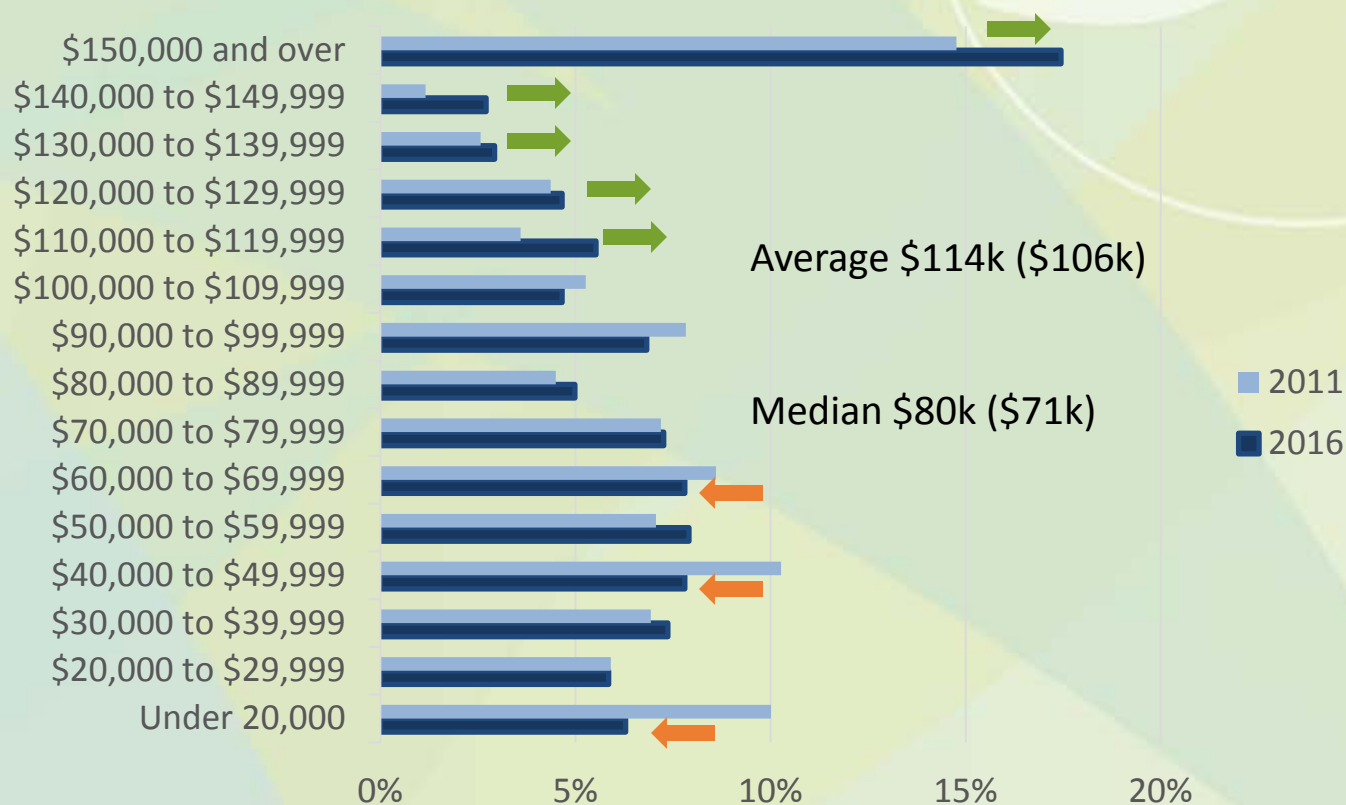


Employee Restricted Inventory



- ✓ Increase in residential homes mostly from development of employee restricted homes
- ✓ Very little change in restricted rental supply
  - While market rental inventory dwindling due to redevelopments / change of use

# Competition for housing & disparity of incomes



- ✓ Evolution of diversity within our community – contrasting ability to pay
- ✓ Competition between those working in our economy and (trying to) get ahead
- ✓ Residents deriving income/wealth from outside of the resort

# Over time...

- Resort has seen unprecedented growth
- Permanent population has grown
- Competition for housing & disparity of incomes
- House prices increasing well ahead of wages growth
  - ✓ Demand for non-market homes outstripping supply
- Financial model of employee housing has changed

# Financial model of employee housing has changed

- Many factors in the business model which determine rent/sale prices that can be offered – while being self-sustaining
  - ✓ Funding sources typically used
    - Past included VANOC, Housing reserves, Commercial developer contributions etc
    - Borrowings from MFA (RMOW), external lenders (banks)
  - ✓ Some programs now available with government grants or low cost financing (eg WHA recent)
    - Subsidization through Federal/Provincial programs are typically tied directly to targeted needs of particular groups (generally income based)
  - ✓ Construction costs have dramatically increased – in excess of Olympics inflation



# Many factors have changed

- Resort has seen unprecedented growth
- Permanent population has grown
- More competition for housing & disparity of incomes
- House prices increasing well ahead of wages growth
- Financial model of employee housing has changed

# What hasn't changed is the intent of employee housing program

- ✓ Goals to support economic stability which in turn enables community sustainability
- ✓ Overall target of housing 75% of employees in Whistler
- ✓ Housing stock made up of:
  - Market housing (rental and ownership)
  - Employee housing (rental and ownership, private and public)
    - Administered by WHA as municipal owned housing provider
    - for those whose employment justifies residing in Whistler and directly relates to the provision of goods and services within the municipality
- ✓ Steadfast commitment to employee housing – over 2100 employee homes – price, eligibility and occupancy restrictions



# Feedback received about opportunities for change...

*Huge supporter of WHA & what they are trying to accomplish. It's the only reason my husband & I were able to stay in town all those years ago, and subsequently build our family and contribute to the community"*

*"While I think WHA is an important organization, I think they should focus on **development of higher density and "low end" properties**. IE - while Rainbow single family homes are great, they don't really help the larger problem..."*

*"The WHA is **not doing enough in terms of current owners of resident housing keeping their properties and then purchasing non-market housing**. If you can afford to purchase market housing, you should then release your resident restricted home. "*

*"... **Restricted housing, for seniors, isn't meant to be a retirement plan for folks coming out of market housing.**"*

***"WHA should also be going after the people who own WHA and also own market housing."***

*"There should be some flexibility for WHA housing for "unusual situations". i.e. a parent with children trying to leave a failed marriage but cannot afford to due to the cost of housing. Even if it for a short term such as one year. "*

*"Current employee housing program **subsidizes individuals with large personal net worth - no limit on cash in the bank**. Low income staff can barely afford whistler housing units, even if they were available."*

*check ups and enforcement of WHA regulations .. Many buy houses and eventually move to Vancouver, using the WHA home as a weekend house".*

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# Agenda

**1. Background**

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# Many communities have established non-market housing providers

✓ BC Housing (Provincial Rental Housing Corp)	1961
✓ Banff – National Parks	1960's
✓ Aspen/Pitkin County Housing Authority	1982
✓ WHA	1997
✓ Canmore Community Housing Corporation	2000
✓ Vancouver Affordable Housing Agency	2014
✓ Tofino	2018
✓ .....	

- Many of these established non-market housing providers have looked at the WHA model to develop their own
- Research looked closely at:
  - ✓ Operating models – ownership and/or rental
  - ✓ Determination of who has access and how they enforce the rules
  - ✓ Consideration of “workforce” needs in contrast to “social” housing



# BC HOUSING

**Spectrum of target audiences – from shelter / transitional housing (Provincial jurisdiction) to affordable housing for low to moderate income households**

*Definition: “Affordable rental housing – housing with **rents equal to, or lower than, average rates in the private market**”*

#### Eligible:

- Permanent resident families with dependent children, seniors, singles, couples
- Employed with source of income
- **Income limited in different programs:** some up to \$58,000; 1br \$71,000, 2br \$104,000
- **Assets limited to \$100,000** (excludes RRSP, RESPs and personal effects); or deemed income from assets, added to income from T4s

#### Rents:

- **30% of household total gross income, subject to minimum rent** based on number of people (RGI)

#### Entitlement:

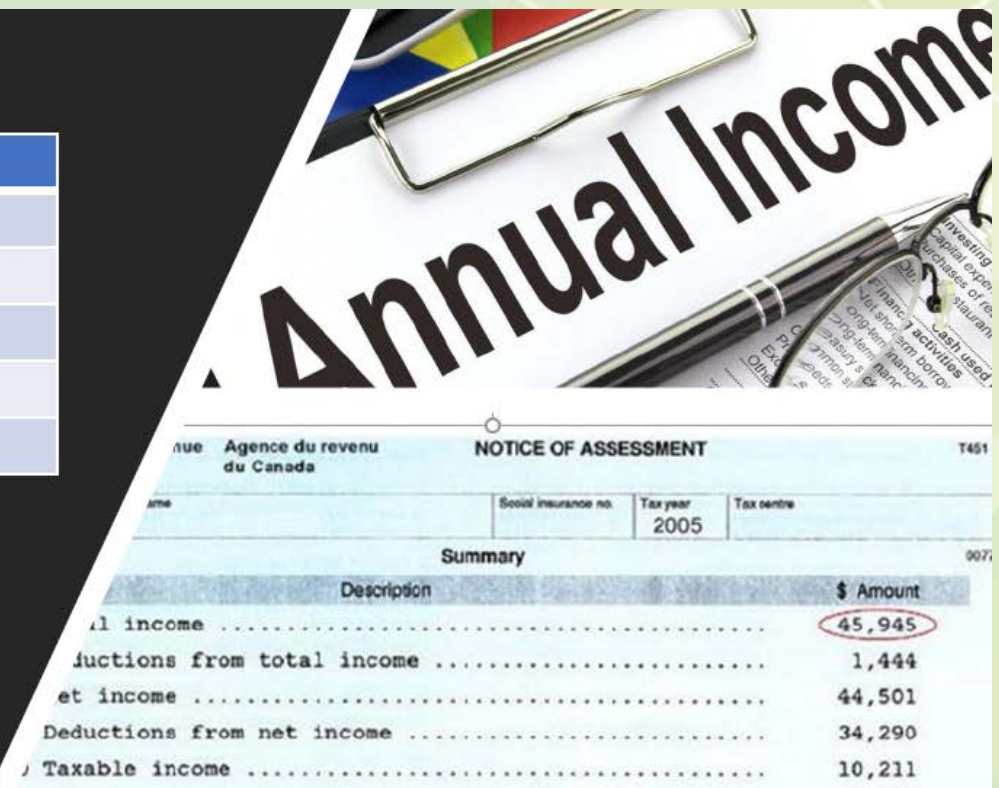
- Unit size based on **National Occupancy Standards**  
(1 br = 1 single/couple; 2br = parent/s with 1-2 children)

# A simple, direct approach that supports desire for tenants to pay equitable portion of income toward rent

...with verification to be made in future through transparent and consistent approach of tax returns

## Sample Calculation – Based on Tax Return

Annual Income	45,945.00
Divide by 12	÷ 12
Monthly Income	= 3,828.75
Multiply by 30%	× 30%
Equals Tenant Rent Contribution	= \$1,149.00



Summary	
Description	\$ Amount
Total income .....	45,945
Deductions from total income .....	1,444
Net income .....	44,501
Deductions from net income .....	34,290
Taxable income .....	10,211



## Banff National Park



**Parks Canada established eligible residency provisions to ensure that community residential lands are available exclusively for community use, rather than recreational or second home purposes.**

*Land within Town of Banff is leasehold – typical term being 42 years, with residential leases usually renewed at end of their term. Defined as 'need to reside'*

### Eligible Resident (lessee/owner or renter):

- Individual whose:
  - primary employment is in the park;
  - Operates a business in the park and **whose presence at the place of business is necessary for the day-to-day operation of the business;**
- Or retired individual who resides in the park and who, for 5 consecutive years immediately prior retirement met the above....
- Operation of a **Home Occupation business or B&B Home** does not satisfy requirements of eligible residency

### Enforcement:

- Public information program
- Random audit of 5% of all residential leases conducted annually
- Lessee non-compliance with lease terms can result in lease cancellation



# Banff Housing Corporation



**Offers price restricted and equity share home ownership and rental apartments**

*Compliance with eligible resident requirements per National Parks*

## Eligible

- Per National Parks resident requirement
- **Waitlist based on points** – ranking prioritized based on applicant's time in Bow Valley/Banff bonus, number of dependents, ...
- No annual confirmation = removal from list

## Ownership:

- **Annual administration fee** up to \$0.25 per sq.ft.
- **BHC Resale Fee** : \$500 deposit deducted against 0.6% Fee of full market value of the property once sold
- Price restrictions based on market appraisals and range limits
- **Property sold at below market cost where BHC retains 20-30% equity share**

## Rents (new projects)

- **Based on median employment income**
- Not to exceed 32% of median household income



# Aspen/Pitkin County Housing Authority

Offers price restricted ownership and rental housing – all categorized based on income limits

## Eligible

- **Work full-time** (1,500 hours per calendar year) in Pitkin County
- Occupy as primary residence
- Own NO other residential property within Exclusion Zone

## Qualification

- **Dependent on income category** – units categorized by income
- Submission of documentation to verify employment, household size, income/assets etc
- **Occupancy standards** established

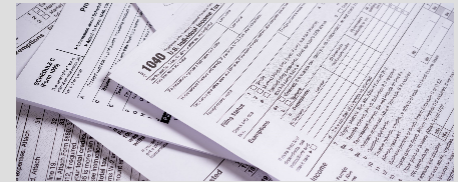
## Ownership:

- **Based on a bid process** at time of property offering
- Priority groups (eg 2+ person households) and lottery as needed

## Rents

- **Rental categories based on median income**

## NEWS & ANNOUNCEMENTS



### APCHA Announcement: 2018 Tax Returns

APCHA will require all new applicants and those updating packets to provide 2018 Tax Returns (including federal, state, and all schedules) starting Tuesday, April 16, 2019.

[Read on...](#)





## Significant policy and procedures documented

### Enforcement

- **Sale of existing home prior to**, or simultaneously with purchase of restricted home
- If not within 6 months, then restricted property is to be listed and sold
- **Ongoing regular qualification required** to verify continuous full-time employment, no ownership, and not exceeding income/asset limits

### Administration Operating Fund

- **Fees charged** for application, bid submission, requalification, processing of documents and other administrative services.
- **Sellers of ownership units are charged listing and transaction fees**

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18 Truscott Place  
Aspen, CO 81611

109 long-term rental units with rental priority given to longest proven full time consecutive employment in Pitkin County.

## Maximum Occupancy

- Studio: 2 people
- 1 bedroom: 2 people
- 2 bedroom: 4 people



## Income Limits

Household Size	Category 2	Category 3	RO Category
1-person	\$64,260	\$98,280	No Income Limit
2-person	\$73,440	\$112,320	No Income Limit
3-person	\$82,620	\$126,360	No Income Limit

Net Assets not in excess of:

- Category 2: \$310,000
- Category 3: \$410,000
- RO Category: \$2,250,000

## Monthly Rental Rates

Unit Size	Category 2	Category 3	RO Category
Studio	\$807	\$1,001	N/A
1 Bedroom	\$949	\$1,268	
2 Bedroom	\$1,087	\$1,401	\$1,499

# Canmore Community Housing Corp



## Offers price restricted ownership and rental apartments

### Rental

- Working minimum 20 hours per week in Canmore licensed business
- Units have **maximum income thresholds dependent on the unit size**

### Ownership:

- Working for a **minimum of 30 hours per week in Canmore**
- **Income limited** to \$136,404, and **Assets limited** to \$133,850
- Price restrictions with annual maximum increases for resale prices
- All properties are leasehold for up to 100 years
- **Administration Fee on sale** 2.5% of selling price

### Verification

- **Tax Notice of Assessments required & asset/liability documents** (bank accounts, investments, etc)
- Letters of Employment / Contract and 3 recent pay slips

Unit Size	Income Limit
Studio*	\$45,500
1 Bedroom	\$68,200
2 Bedroom	\$90,950
3 Bedroom	\$113,675

# Vancouver Affordable Housing Agency / City of Vancouver



Develop shelter housing (for the Province) and affordable housing for low-moderate incomes

## Rental

- Typically income related to BC Housing parameters
  - Below market rents
  - Income limits based on unit size or maximum rental rates

## Enforcement for homes to be used as residential

- City of Vancouver Empty Homes Tax
  - Statutory declaration required
    - Non-submittal = Automatic 1% property tax charge
    - Annual audits
    - Non-compliance = 1% property tax charge

# Summary of programs – housing type

		BC HOUSING	Banff	APCHA	Canmore Housing	City of Van	Whistler
Ownership	Below market restricted	✗	✓	✓	✓	✗	✓
	Non price restricted	✗	✓	✓	✗	✗	✓
Rental	Below market restricted	✓	✓	✓	✓	✓	✓
	Non price restricted	✗	✗	✓	✗	✗	✗
Waitlist	Prioritized or application time	Application date	Prioritized (# children etc)	Prioritized (first in with criteria)	Application date	Per BCH	Application date
	Seniors separate process	✗ Aligned	✗ Aligned	✗ Aligned	✗ Aligned	✗ Aligned	✓

# Summary of eligibility criteria

		BC HOUSING	Banff	APCHA	Canmore Housing	City of Van	Whistler
Employee Restricted	Full-time	na	✓	✓	PT – rental FT - purchase	na	✗  Min 20hrs/wk
	Employment warrants residing locally	na	✓	✓	✓	na	Partly
	Retiree defined as 'employee'	na	✓	na	✓	na	✓
	Occupancy	na	✓	✓	✓	na	✓



# Summary of limits on financial wealth

		BC HOUSING	Banff	APCHA	Canmore Housing	City of Van	Whistler
Income Limits	Eligible Maximums	✓	✓ Rent/Own	na	✓ Rent	✓ Rent	✗ 1 building
	Qualifying Categories	na	na	✓ Rent/Own	na	na	✗
Rent relative to income levels		✓ minimum	✓	✓ minimum	✓	✓	✗ 1 building
Asset limits		✓	✗	✓	✓	✓ Per BCH	✗
No real estate holdings rule		✓ Application & occupancy	✗ But priority to applicants without	✓ Application & occupancy	✗ But below asset limit	na	✓ Application only



# Summary of what else determines housing that applicants qualify for..

		BC HOUSING	Banff	APCHA	Canmore Housing	City of Van	Whistler
Occupancy Standards	Min/max People per unit size (rent)	✓	✗	✓	✗	✓	✓ informally

# Summary of Enforcement

		BC HOUSING	Banff	APCHA	Canmore Housing	City of Van	Whistler
Annual declaration		✓	✓	✓	✓	✓	✓ Own (not rent)
Document verification (employment, income, assets, bank, credit agency etc)		✓	✓	✓	✓	✓	✗ At application
Annual Audit process		✓	✓	✓	✓	✓	✗
Rental Lease cancellation		✓	✓	✓	✓	na	✓
Own: Financial Penalties		na	✗	✗	✗	✓	✗
Own: Forced sale		na	✓	✓	✓	na	✓
Right of first refusal		na	✓	✓	✓	na	✓
Annual Admin Fees – ownership & on sale		na	✓	✓	✓	na	waitlist

# Key principles in non-market housing

- **Standard and consistent access to housing program with clearly defined rules & processes**
- **The reality of limited resources to develop housing is acknowledged** and that every individual need is not necessarily catered to (range of housing, but there are limitations)
- **Focus is very much on supporting those who cannot afford private market** (income/asset thresholds are fairly standard)
- **Financial viability of non-market housing organizations requires stable predictable revenues** (ownership fees, rental revenues)... while still maintaining a **focus on affordable pricing** (eg defined rents per apartment)
- **Verification and enforcement** is a key element to any program

# Proposed way forward for Whistler

## Employment

- ✓ Move to **full-time work requirement** (minimum 30 hours, ~1,560 per year)
- ✓ Where applicant's **employment requires residing in Whistler**
- ✓ **Single waitlist process**, aligned for all including seniors

## Income thresholds & rent/purchase relative to ability to pay

- ✓ Implementation of **income categories** so rent amount reflects one's ability to pay
- ✓ Acknowledging **restricted ownership** inventory has broad price ranges

## Maintain 'no real estate ownership'

- ✓ Requirement to **sell market homes will be maintained**, + **meet financial criteria**
- ✓ Consider **limiting of other (non-real estate) asset classes** through asset limit

## Enforcement

- ✓ Documented verifications, **annual declarations**, enhanced robust follow up process
- ✓ More remedies in toolkit, including punitive penalties, forced sale...

# Rationale for proposal

- Desire to ensure that current and future housing provided continues to reach those it was intended for
- Fair, equitable and consistent approach – one size doesn't fit all
- Housing reserves are depleted and ability to fund new housing has been diminished (compared to previously)
- Significant new investment is required for new housing developments
  - ✓ Need for ensuring clarity on who we are delivering housing for, both today and tomorrow
  - ✓ There are limitations on borrowing to fund housing developments, and rely on ability to service that debt from rental revenue/sales proceeds received
- Housing is not sole responsibility of RMOW, question on how much financial risk community is comfortable with

# Agenda

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# In progress now

- Aligned with rental waitlist confirmation process
- Additional information to confirm eligibility and better understand needs
  - Confirmation of eligibility – meets 'employee' definition
  - Clarity of needs – household size, family structure etc
  - **Waitlist applicants asked to complete form/confirmation by 29 April 2019**
  - **Completion is mandatory to stay on the rental waitlist**
  - **Non completion assumes no longer interested or self-assessed ineligibility**



# Next steps towards proposed approach

## May / June

- WHA Strategic Planning session scheduled
- Consider detailed model for relevant changes including income and employment verifications
- Examine transitional needs for implementation
- Explore systems to reduce administration and enhance efficiency and effectiveness of processes being implemented
- Community Engagement
- **Formalize new eligibility, qualification and enforcement rules and processes**

## Summer

- Implementation of new rules and processes
- Education and awareness communications program (ongoing)

# Thank you

- Questions or comments please.