

Developing Affordable Resident Housing in Ski Resorts:
Municipal Programs and Policies for
Whistler, British Columbia

By

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A Practicum
Submitted to the Faculty of Graduate Studies
In Partial Fulfillment of the Requirements
For the Degree of

MASTER OF CITY PLANNING

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WHISTLER, BRITISH COLUMBIA**

BY

CHRISTOPHER DAVID LAING

**A Thesis/Practicum submitted to the Faculty of Graduate Studies of The University
of Manitoba in partial fulfillment of the requirements of the degree
of
MASTER OF CITY PLANNING**

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ABSTRACT

Affordable resident housing within mountain resorts has been the focus of affected municipal governments over the past decade. With the aging of the population and the current trend in maintaining a healthy and active lifestyle, mountain resort communities have become a highly desirable area in which to reside. Aging baby boomers and wealthy international investors value properties in mountain resort communities for their small town ambience and abundance of recreational activities. This trend has developed at the expense of the resident work force in these communities, as their earning power has been eroded by a real estate market driven by international rather than local forces. As a result, the local residents of a community are unable to afford real estate within the community.

The purpose of this practicum is to fully explore municipal policies and programs which can be used to facilitate the private development of, and to directly develop affordable resident housing in resort areas. The main methods of facilitation and development of affordable housing on the part of a municipality are derived from a literature review of existing and proposed methods combined with two case studies of Vail and Aspen Colorado.

The practicum concluded that a multi-faceted approach must be used to develop the housing and to keep it affordable over time. The main policy reforms that can be used to facilitate the development of affordable housing are those of density bonusing, inclusionary zoning, single family zoning amendments and fee waivers. The new policies of imposing real estate title transfer taxes, demolition permit taxes and regulatory reform

contribute to the establishment of a steady stream of revenue that is dedicated towards the development of affordable housing.

Table of Contents

	Page
Acknowledgements.....	ii
Abstract.....	iii
Contents.....	iv
List of Figures.....	vi
List of Tables.....	vi
 Chapter 1: Introduction.....	 1
Problem Statement.....	1
Study Limitations.....	3
Organization of Practicum.....	3
 Chapter 2: Municipally Developed Affordable Housing Initiatives.....	 6
2.1 The Municipal Role in Providing Affordable Housing.....	6
2.1.1 Inclusionary Zoning Regulations.....	8
Aspen, Colorado.....	8
2.1.2 Linkage.....	9
2.1.3 Performance Zoning.....	9
2.1.4 Deed Restrictions.....	11
Vail, Colorado.....	11
Aspen, Colorado.....	13
2.1.5 Secondary/Auxiliary/Caretaker Suites.....	15
Vail Colorado.....	17
Aspen Colorado.....	17
2.1.6 Land Banking.....	18
2.1.7 Regulatory Reform.....	19
2.1.8 Employee Housing Requirement Generation Formula.....	20
2.2 The Not-For-Profit Role in Providing Affordable Housing.....	21
2.2.1 Housing Trust Funds.....	21
2.2.2 Financing Housing Trust Funds.....	24
Title Transfer Tax/Conveyance Fees.....	25
Aspen Colorado.....	26
Demolition Permit Taxes.....	26
Aspen Colorado.....	26
Payment-In-Lieu.....	27
Aspen Colorado.....	27
Real Estate Escrow Accounts.....	29
2.3 Summary of Methods.....	29
 Chapter 3: The Context of Whistler British Columbia.....	 33
3.1 The Developmental History of Whistler.....	33
3.2 Growth Management in Whistler.....	35

3.3 Demographics in Whistler.....	38
Housing Tenure.....	41
3.4 Rental Accommodation Market.....	41
3.5 Real Estate Ownership Market.....	45
3.6 Housing Needs.....	47
3.7 Summary of Whistler Context.....	48
Chapter 4: Existing Affordable Resident Housing Programs	
and Stock in Whistler.....	51
4.1 Inventory of Affordable Housing.....	51
Rental.....	51
Ownership.....	52
4.2 Overview of Whistler Administrative Housing Initiatives.....	53
4.3 Existing Methods of Achieving Affordable	
Housing in Whistler.....	55
4.3.1 Works and Service Charges	
(For Commercial/Industrial Developments).....	58
4.4 Supply Versus Demand for Affordable Housing.....	61
4.5 Summary of Housing Programs and Stock in Whistler.....	61
Chapter 5: Recommendations.....	63
5.1 General Policies.....	63
5.2 Specific Policies.....	65
5.2.1 Municipal Policies.....	65
Demolition Permit Fee.....	66
Real Estate Title Transfer Fee.....	67
Real Estate Escrow Account Fund.....	68
Zoning Bylaw Amendments.....	68
Fee Waivers.....	71
Density Bonuses.....	72
5.2.1 Housing Fund.....	73
Chapter 6: Summary.....	76
Bibliography.....	80
Appendices.....	84
Appendix “A”: Agency or Departmental Model	
Appendix “B”: Advisory Committee Model	
Appendix “C”: Non Profit Model	
Appendix “D”: Rental Market Summary	
Appendix “E”: Restrictive Covenant “A”	
Appendix “F”: Restrictive Covenant “B”	

List of Figures

3.1 Whistler Employees by Sector, 1997.....	40
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List of Tables

3.1: Historical Average Real Estate Prices in Whistler.....	46
3.2: Comparison of Average Real Estate Prices in Whistler, Eagle County, and Aspen.....	47

Chapter 1

Affordable Resident Housing in Resort Areas: Programs for Whistler, British Columbia

The purpose of this practicum is to fully explore potential policies and programs which a municipal government can utilize to facilitate the development of affordable resident housing within their respective jurisdictions, without imposing general tax increases, or drawing from general municipal revenues. By not imposing the general property tax increases for all property owners in Whistler allows for current residents, who may currently be facing affordability problems due to high property taxes, to maintain their housing. The resort of Whistler, rather than the community of Whistler, should be the sector that is contributing towards the creation of affordable resident housing, as it is the stature of the resort community that has created the expensive Whistler real estate market. Rather than relying solely upon the private sector to develop affordable housing, municipal governments can play a lead role in both the facilitation and development of affordable housing. Through various procedural and policy reforms, and new policies that operate in concert with each as part of a whole, the provision of affordable housing can be achieved with little general government assistance.

Problem Statement

The need to create affordable resident housing in resort areas is supported in both social arguments and economic arguments. The ability of a resort to house the majority of its workers, in an affordable fashion, contributes directly to the overall success of both the resort and the community. By enabling workers to reside where they work, levels of service quality

within the resort are maintained at a high level due to low staff turnover and healthy staff, while the community's volunteer sector remains vibrant as residents become involved in their community. By not providing affordably priced accommodation to resort workers, levels of quality service fall due to factors associated with overcrowded living conditions, such as sleeplessness, privacy issues and poor overall health. Additionally, with the resort workers housed within the resort, the town remains active throughout the entire day and night, rather than facing an exodus of people after five o'clock, which, in some instances, leads to the abandoning of towns during the evening hours. With resort workers housed in the immediate area, the resort merchants are also able to weather the seasonal fluctuations of tourist visits, as there are people living in the resort year round and not just in the middle of winter or summer. By providing for affordable resident housing, a sense of community can be established in a town where residents are those who are able to reside within an area for several years and be able to own a piece of property. As Sherry Dorward, author of *Design for Mountain Communities* (1990) states:

A stable base of happy long-term residents both depends on and helps foster a sense of community. This in turn enhances a place's ability to attract visitors and to maintain itself economically. (Dorward, 1990: 11).

Affordable resident housing therefore contributes significantly to the overall viability of the resort and the community. With the viability of the resort and the community linked to the availability of affordably priced accommodation, for both rent and purchase, a primary focus of the municipal level of government within that area should be directed towards the provision of affordable housing. But with federal assistance to municipalities declining, the municipality is faced with the ultimate burden of either developing or facilitating the development of the affordable housing stock. The aim of this practicum, therefore, is to

Limitations

The main limitations of this study are due to the accuracy of data that was available for detailing current levels of demographic statistics. Due to the size and location of Whistler, the most recent data that is available for analyzing is from 1996, made available through Statistics Canada. As a result, the data presented represents the situation of previous years and therefore a current picture cannot be readily determined. Estimates for the current situation can be made by extrapolating the data from the previous years. Still, the current situation cannot be fully determined as the area in which Whistler is located is the subject of widespread in-migration from other parts of British Columbia, Canada, and the rest of the world. This influx of people has continued at a rate that cannot be accurately measured as the resort of Whistler continues to become even more popular world wide, which further adds to the problem of accurate statistical information.

Organization of Practicum

This practicum is in six specific chapters that will serve to identify practical options for developing affordable resident housing in resort areas, the history of Whistler's development and the current social realities facing Whistlerites.

Chapter 2 examines the current literature related to the municipal actions that can lead to the creation of affordable housing, without direct subsidization from general municipal budgets. These municipal actions will then be elaborated upon with regard to how they are providing affordable housing in the two specific resort areas of Vail and Aspen Colorado. These two resorts were chosen due to their contextual similarities with the Resort Municipality of Whistler. All three resorts are experiencing: rapid growth in terms of their full

time resident population; low median wages of area residents due in part to the local economy being comprised of low paying service industry employment; dramatic increases in the price of real estate at a rate which excludes most area residents' ability to pay and a cyclical transient population consisting of low paid workers.

By matching the current literature on providing affordable housing with the actual policies employed by the resort communities, and the resultant outcomes of those policies, chapter 2 serves to link both the theory and the actions used to create affordable housing in resort areas.

Chapter 3 identifies the developmental history of Whistler, and with it, some of the factors that have led to the need for the creation of affordable resident housing. These factors include the initial concepts for the ski resort of Whistler, the Official Community Plans and the development cap all of which have contributed to the current conditions faced by Whistler. This is reflected in the real estate market and the accompanying rental market in Whistler. These are broken down to fully develop the cost of living incurred by those who reside within the town of Whistler as it relates to their shelter costs. And finally, a demographic analysis of the current town of Whistler will be presented, with the goal of examining the social side of the housing markets. Median incomes, types of employment and the different age groups present within Whistler are also a contributing factor in housing affordability.

Chapter 4 details the current level of affordable housing that has been developed over the years, and the methods used to develop that stock. The two primary methods used were the deed restrictions for use, occupancy and price, and the works and service charges levied on new commercial and industrial development.

Chapter 5 presents recommended additional options that can be used to create and add to the measures currently in use to develop the affordable housing. The recommendations are derived from the literature review and case studies, combined with analysis and consideration from the current context of Whistler.

Chapter 6 summarizes the practicum, with each of the recommendations presented to indicate the results of adopting each of the presented options.

Chapter 2

AFFORDABLE HOUSING INITIATIVES

This chapter delineates the possible methods of achieving affordable housing within mountain resort areas. The approaches offered are derived from affordable housing programs within Canadian and American mountain centres, with an emphasis on searching for practically implementable solutions that have been specifically tested within resort areas. The first step in identifying the solutions for affordable examines both the public (municipal) and the not for profit sectors' role in the provision of affordable housing. The role of the private sector will not be fully detailed. This is due to the very few examples use of privately developed, for-profit projects within the studied resort areas. Additionally, the private sector development of the housing projects rely, to some extent, upon the measures adopted by the municipal sector. As well as identifying the roles of each sector, examples will be provided to determine how each policy was implemented within specific resort areas. This will serve to present both the theoretical aspect of affordable housing and the practical application of those theories, specifically within a mountain resort area. A second section details the innovative methods and policies that the selected ski resort areas have developed to address their own affordability problems. The final section will narrow down these theories and applications to form a short list of practical policies and methods that would serve to increase the stock of affordable housing.

2.1 The Municipal Role in Providing Affordable Housing

Municipal participation in developing affordable housing offers several “low-cost” methods of expanding the existing stock of affordable housing options. Most policies that

municipalities can adopt are procedural in nature, in that the policies facilitate the development of affordable housing projects while not placing an unreasonable financial burden upon the developers of the project. There are three different roles that the municipality may play in the provision of affordable housing. These roles may be that of: a *reactor*, where the municipality assumes no responsibility for the provision of affordable housing; a *facilitator*, whereby the municipality actively facilitates non-market housing initiatives through the granting of lands or modifying regulatory processes; or a *comprehensive developer*, whereby civic departments are created to address the housing concerns within their jurisdiction (Carter and McAfee, 1990). The municipal role of facilitator, and the policies which result from this role, will be the key policies that will be presented in the first section of this chapter. This role will be examined as municipal governments across Canada and the United States utilize this role in the provision of affordable housing within their respective jurisdictions. The role of the comprehensive developer, and the policies that result, will be the focus of the second part of this chapter, the not-for-profit role in providing affordable housing. The policies that can be adopted for this role will be presented here as those of inclusionary zoning regulations, linkage programs, performance zoning, land banking, encouraging secondary suite development, deed restrictions, and regulatory reform. These methods will be detailed in turn, and will be followed by a brief description, where applicable, of the method applied in the selected resort areas of Vail and Aspen Colorado. The role of comprehensive developer may utilize each of these policies in conjunction with the initiatives set out in the Not-For-Profit sector as they act as both facilitator and developer for affordable housing projects.

2.1.1 Inclusionary Zoning Regulations

The first initiative that is readily available for municipalities to provide affordable housing is that of adopting Inclusionary Zoning regulations in their development review process. As a starting point, inclusionary zoning regulations can be defined as a policy "... that either ties development approval to, or creates regulatory incentives for, the provision of low- and moderate-income housing as part of a proposed development." (White, 1992: 17). This regulatory function within the development review process provides for the provision of affordable housing without requiring public moneys to be used in the development of the project. As a result, affordable housing programs can be carried on in perpetuity due to the process of inclusionary zoning.

An adapted form of inclusionary zoning is that of an incentive based inclusionary zoning program. This adapted form of inclusionary zoning allows for an increase in density, or other regulatory incentive, in exchange for the project to include some form of affordable housing units (White, 1992). Incentive based inclusionary zoning programs are a granting of density bonuses for the inclusion of affordable housing units to be contained within a given development.

Aspen, Colorado The development of affordable housing units is encouraged within Aspen due to the Inclusionary Zoning regulations that have been implemented. Due to the Aspen Area Community Plan, a growth management plan, development within the county has been restricted to a maximum of 319 dwelling units per year. Within this overall cap on yearly development of residential units, a provision exists whereby a set percentage of the units developed are to be for affordable resident housing.

2.1.2 Linkage

The development of non-residential projects can also be used to acquire affordable housing projects, through the use of Linkage Programs. Linkage programs require developers of office buildings or other forms of non-residential uses to build housing, to pay a fee in lieu of construction into a housing trust fund or to make equity contributions towards a low-income housing project. The reasoning behind the linkage program lies in the fact that new non-residential developments create a need for housing by attracting new employees to a given area. As more people move into an area, housing requirements within the area increase. The new non-residential forms of development thereby increase the demand for local housing opportunities. By requiring that the new forms of non-residential development contribute towards the provision of affordable housing due to the increasing demand placed upon the existing housing market due to the increase in new residents to the area.

2.1.3 Performance Zoning

Developing according to performance standards replaces the antiquated standards found in zoning regulations by allowing for a continuous standard to be met when new projects are being developed. Usually implicit in the developing of the standards of performance are site conditions as they relate to the construction of the housing units. Such items included in the performance zoning standards are those for varied setbacks, differing densities, a mixing of housing types and environmental protection (Kendig, 1980; Frank, 1982). A possible expansion in the area of performance zoning could be the inclusion of affordable housing units in large-scale housing projects. Similar to density bonuses, performance zoning for affordable housing allows for the automatic inclusion of affordable housing units into the preliminary planning stages of a large-scale development by requiring

the affordable units to comprise a certain percentage of the overall development. This approach may even naturally evolve through the development process, as clustering housing and providing a variety of housing types can create a broader range of housing prices, and even tenures (Frank, 1982). Broken down into either total dwelling units or as a percentage of the overall gross floor area of the development, performance zoning for affordable units can be a simple regulatory act. This form of zoning allows for the automatic inclusion of the affordable housing units, and therefore contributes to the supply of affordable housing in two specific ways: by dedicating a certain percentage of development as affordable, and; by speeding up the development's review processes, which leads directly into cost reductions for the overall project, which in turn can establish the designated units as even more affordable.

The policies of density bonuses and performance zoning both achieve the same ends, but to differing degrees. While density bonuses for select projects are determined on a project by project basis, performance zoning allows for the automatic inclusion of affordable housing units within an overall project. The benefits of performance zoning allow for a development to include affordable housing options at the very initial stages of the conceptual development of a particular project, thereby allowing for costs and economies to be fully developed at the outset of the project, while additionally allowing for a timely review of the project by the municipality. By clearly establishing the amount and type of affordable housing units that can be developed within a particular area, through the particular performance standards, developers can account for the additional units at the initial stages of development, thereby establishing economies which will allow for the units to be established as affordable.

2.1.4 Deed Restrictions

The purpose of placing deed restrictions upon the title of properties is to ensure that the property is used as affordable housing in perpetuity. There are several options to consider when placing deed restrictions on affordable housing units, ranging from price control to tenancy control. The most prominent form of deed restriction on affordable housing is that of placing a maximum limit on the resale amount of the affordable housing unit. Generally, these restrictions to the resale of the unit allow for the units to be affordable in perpetuity, as the return on the purchase price of the unit is directly linked to either the Consumer Price Index or the Prime Interest Rate, and variations of these rates.

The second most prominent form of deed restriction is that of dedicating the unit for the use of an area resident or employee. By requiring that the unit be occupied by a resident or employee, the unit is somewhat removed from the free market of rental units that are available. This allows the unit to be affordable to area residents as the external market forces that have acted upon the local real estate market cannot influence the price of the resident housing market, although it does affect demand for these units. Combined with rent/resale controls, the resident restriction placed upon the affordable units isolates the units from both pressures of demand and price of the free market.

Vail, Colorado In determining the re-sale price of an affordable housing unit, the Town of Vail, Colorado has set certain restrictions on the appreciation of the said affordable housing units to allow for them to remain affordable in perpetuity. To achieve the goal of affordability, while at the same time allowing for the seller of the unit to realize some form of return from any additional capital improvements made to an existing dwelling unit, the Town of Vail has developed an agreement to meet both objectives. The re-sale price of the unit is

restricted to an annual appreciation of 3% over the initial cost of the unit. Second, the original owner can modify the existing structure, therefore adding value to the unit, without losing the value of those improvements. The capital improvements to the unit are further restricted to a maximum of 10% of the initial listed purchase price of the unit, every ten years (Town of Vail, Master Deed Restriction Agreement, 1995). This allows for the improvement of the units, and the maintenance of the units, while rewarding the owners for undertaking capital improvements. This allowance for a return on the permitted capital improvements has a secondary benefit, in the community's increased acceptance of affordable housing projects. By allowing for the owner of the unit to realize a return on their improvement, the units will be able to remain in a relatively good state of repair. The condition of affordable housing units has been one of the main concerns of allowing affordable housing units in certain areas, and the resultant fear of lowered property values for market homes within the area (Carter and McAfee, 1990). This fear can be countered by allowing the resident of the affordable housing unit to be able to undertake repairs, maintenance, and improvements to their unit without having the resident absorb the cost of these procedures.

In addition to placing a restriction on the resale value of the affordable housing units, the Town of Vail has also placed restrictions upon who may occupy the affordable housing units. This allows for the unit to remain in the hands for whom they were intended, and allows for some type of control over who is allowed to occupy the units. To achieve this end, the Town of Vail has instituted a lottery system by which the affordable housing units are allocated according to a random draw of entries received from local residents who hope to purchase an affordable housing unit. To enter a housing lottery, the applicant is required to provide information detailing their residency within the community, and to meet five eligibility

requirements. These requirements are: the unit must be used and maintained for the applicant's primary residence; the applicant must be currently employed, for at least 30 hours per week, at a local business which holds a valid Town of Vail Business License, and must maintain this employment standard for as long as the applicant intends to occupy the unit; the applicant must have the proper household size for the unit for which they are applying; the applicant may not own vacant land or residential property within the County at the time of application; and, the applicant must be pre-approved for a mortgage (Town of Vail, Employee Housing Guidelines, 1990).

Aspen, Colorado The occupancy, salability, rent, and re-salability of affordable housing units is controlled by deed restrictions placed upon the title of the subject property. As with Vail, Aspen has several requirements that prospective residents of affordable housing projects must meet in order to be eligible to be considered for the occupation of deed restricted housing.

First, the prospective residents must meet eligibility criteria based upon their resident status within the town. To be considered, the applicant has to have resided in Aspen/Pitkin County for at least four years, and must have been working full time within Aspen/Pitkin County during those years. Once it has been determined that the applicant is indeed a full time resident of Aspen/Pitkin County, a second deeded criteria is attached to the affordable unit, with the requirement that the affordable housing unit be used as the primary residence for the owner of the unit. This requirement ensures that all affordable housing units are be used to their capacity, and are fulfilling their role as providing housing to those in need.

There are also criteria established to ensure that the resident affordable housing units are granted to those who have are currently facing housing affordability problems. Current

total household income is used to determine the level of the affordability problem, and each case is then classified according to a certain level of need. There are currently four category levels of need, defined by the gross income of the household. Each category is then broken down into the number of dependants that the category can sustain, and the total net assets allowed to each category. Category One has a maximum income of \$23,700 (U.S.\$) for no dependants and \$46,000 (U.S.\$) for 3 or more dependants with a total in net assets of not more than \$150,000 (U.S.\$), while Category Four has a maximum income of \$99,000 (U.S.\$) for no dependants and \$121,500 (U.S.\$) for 3 or more dependants with a total of not more than \$225,000 (U.S.\$) in net assets (Aspen/Pitkin County, 1996).

Combined with the four income categories is the requirement that the resident may not possess developed residential real estate within Aspen/Pitkin County or its immediate neighbours, which is defined as part of the “Roaring Fork River drainage” area (Aspen/Pitkin County, 1996). If the applicant owns undeveloped land, then they must forfeit their affordable housing unit once the vacant land is improved by the addition of a residential unit or units.

The affordable housing unit remains affordable in perpetuity due to the re-sale restriction placed upon the property. To allow for the “capping” of the re-sale price of the unit, the original owner of the affordable unit does not incur a financial windfall due to the below market purchase price of the unit, and therefore the unit can remain affordable to subsequent buyers. In determining the re-sale price of the affordable housing unit, a simple formula is used to determine a fair price to be paid for the unit. Generally, all of the affordable resident units are allowed the lesser of: an appreciation of 3% per annum, which is to be calculated from the date of initial purchase of the unit (which is then pro-rated to .25% for each whole month); or:

the owner's purchase price divided by the Consumer Price Index published at the time of the owner's purchase stated on the Settlement Statement, multiplied by the Consumer Price Index current at the date of intent to sell. (Aspen/Pitkin County, Master Deed Restriction for the Occupancy and Resale of (Project), 1990: 2).

In addition to the capping of the resale value by way of the two given formulas, the resident owner of the unit can recover the costs of capital improvements that they may have made to the existing affordable unit.

2.1.5 Secondary/Auxiliary/Caretaker Suites

"One of the least used, though potentially most effective, ways to increase the stock of affordable housing is to permit conversion of single-family houses to include a secondary suite" (Carter and McAfee, 1990: 251). Utilizing existing space for the provision of affordable housing by allowing for the inclusion of the secondary/auxiliary/caretaker suites can be a relatively inexpensive method of providing affordable housing for local residents. The secondary suite can be broadly defined as "...self contained dwelling units created from existing space which include separate bath and kitchen facilities and have their own independent entrance" (Ritzdorf, 1985: 181). There are numerous benefits that a community can realize by including accessory units in their zoning bylaws, and each has a direct economic impact upon a number of different individuals, groups, or organizations. In particular, these units can provide a source of rental income to the owners of the unit which makes mortgage payments easier, especially for the elderly and for single parent households, while at the same time providing a relatively affordable housing unit. The accessory units can also increase, or even introduce diversity into the relatively homogenous suburban environment, by facilitating the mixing of different income groups and age groups within a relatively small geographic area. And finally, by increasing the density of the typical single

family subdivision, local services can maintain a relatively constant demand for their services (Ritzdorf, 1985).

To achieve the benefits associated with conversion, property standards and building requirements, through to zoning regulations, municipal policies and regulations must be geared to allow for the conversion of the existing stock within the legal requirements of the area. As the creation of these auxiliary units occurs within areas zoned as single family, a barrier to the creation of the auxiliary suites can be found in local zoning regulations due to the exclusivity of the given zoning bylaw. The strict definition of the single family zone, in several cases, prohibits the inclusion of any form of auxiliary suite development, as the zone is intended for single family use.

The main method by which a local government can encourage the development of accessory units within existing houses is through the incorporation of a relatively fast approval process, combined with the reduction or complete elimination of fees associated with the development of the accessory unit. These fees include, but are not limited to, application fees, works and services fees, inspection fees, and dedicated tax fees (Somerville, 1995).

The appropriateness of classifying, and therefore limiting, a type of housing specifically to a particular household type can be used in the call for the creation of secondary suites. The “family” within the definition of the single family household has effectively barred non-traditional family types from occupying space within an area zoned as single family. As the definition of family changes from two parents with children to single parent families and singles living together, the classification of that particular household type to the historical definition of the household can be seen as discriminatory. Allowing for a more flexible definition of family, or some other type of definition that allows for the inclusion of non-

traditional households, can greatly increase the ability of homeowners to alter their houses to accommodate others who are not directly related to them.

Vail, Colorado The Town of Vail encourages the creation of auxiliary dwelling units as these units are a relatively inexpensive method to create affordable housing. By allowing for the creation of these units, the Town of Vail is able to increase the stock of affordable housing without incurring any financial obligation.

The main method by which the Town of Vail achieves the development of the auxiliary units is through the waiving of fees associated with the construction of the new units. This fee waiver acts as an incentive to homeowners to construct auxiliary suites within their existing residential unit. In exchange for the waiving of the fees associated with the new construction, the newly created unit becomes an affordable resident housing unit, through a deed restriction placed upon the title of the primary residential unit. To further ensure that the incorporation of the auxiliary unit into the primary unit does not negatively affect the use and enjoyment of the primary unit, the density of the given lot is increased to allow for the inclusion of the auxiliary unit. This requirement allows for the primary residential unit to reach its maximum allowable floor space while at the same time accommodating an additional unit.

Aspen, Colorado Within the Town of Aspen, auxiliary suite construction is seen as a viable means to achieve affordable resident housing. There are several methods by which auxiliary suite development is encouraged and maintained affordable over time, through a combination of several of the methods listed already and some unique requirements for new construction. The basic guiding premise behind the creation of the auxiliary residential units is that they serve to supply the dwelling units needed for residents, and they do so in a relatively inexpensive manner.

The main method by which auxiliary suites are developed in Aspen is through the requirement of new residential developments to either build the suite during the initial construction of the main dwelling unit, or to pay a fee in lieu of providing the auxiliary suite. The auxiliary suite is exempt from the growth control measures of the Town, whereby residential development is limited to an increase of 2% per year.

When the auxiliary suite is to be built, the fees normally associated with the construction of new buildings (inspections, permits) are waived to prevent privately developed affordable housing from incurring high development costs, with the resultant increase in the cost of the unit. This development practice applies only to those units that are added to an existing site, rather than included within a new development. As part of the growth management program, whereby there is a cap on the yearly development of residential units, the addition of an auxiliary suite is fully exempted from this cap. The exemption allows for the free creation of residential dwelling units without being constricted by growth management measures. Once the suite or auxiliary unit has been constructed, the entire dwelling unit is deed restricted so that the auxiliary unit can remain affordable in perpetuity.

2.1.6 Land Banking

Land banking on behalf of municipal corporations can be utilized to effectively control the purchase price of lands, and therefore, the overall cost of providing housing. The basic premise of land banking involves the dedication of land, preferably at an early stage in the development of an area, to be used solely for the creation of affordable housing units. By placing property within a land bank, the property is removed from the speculative market and the resultant high prices. The overall purpose of the land bank is to control housing prices within the region, while at the same time facilitating development within the region (Wright

and Mansell, 1979). Affordable housing can be created from a land bank due to the reduced cost of the land. By reducing the cost of developing the housing to the construction and development costs, minus the cost of the land, the result is the creation of affordable housing. However, there can be one significant barrier to creating an effective land bank that is used for the development of affordable housing. If the region has a higher than average growth rate, the development of a land bank can actually add to the already high real estate costs of the area, as an “investor” climate can emerge whereby real estate investors will purchase property and entrench their position. If this were to occur, the housing affordability problems would worsen, as the current supply of housing would be outstripped by demand, due to the retention of property by investors. With investors purchasing land and holding it, land that may have been otherwise developed into housing that would be affordable at the time of purchase would be effectively removed from the inventory of developable land, thereby removing available supply from the demand that a higher than average growth rate can create.

2.1.7 Regulatory Reform

Several methods can be utilized in reducing the costs associated with the development of new affordable housing projects and the redevelopment of existing units to include affordable housing units. The reform that could potentially have the most impact upon the development of affordable housing units is that of reducing or eliminating the development cost charges associated with the municipal approval of any large development project. This could involve the elimination of permit fees, development cost charges (D.C.C.'s), inspection fees, and building and plumbing fees. The elimination or severe reduction of these fees can be justified in the creation of affordable housing as “...the higher development costs that result from fees exacerbate affordability problems by slowing the rate of development and thus

reducing supply” (Somerville, 1995: 11). Development of affordable housing projects cannot withstand the imposition of the development cost charges that are associated with free market housing. By imposing the development cost charges onto the affordable housing project, the project loses the potential to remain affordable to the neediest of residents.

A final method of regulatory reform that aids in the development of affordable housing units can be found within the development review framework that the municipality provides in reviewing affordable housing projects. Affordable resident housing projects should be given priority over other forms of development to reduce the carrying costs associated with a long review period. By speeding up the review process of the development, money can be saved in terms of the carrying costs of the financing for the project, which would translate into a lower overall cost for each prospective purchaser of the housing units. This would lead directly into a reduced overall cost for the affordable housing project.

2.1.8 Employee Housing Requirement Generation Formula

The purpose of an Employee Housing Requirement Generation Formula is to require the commercial and industrial sectors to provide affordable housing to their employees. The reasoning behind this requirement relies upon the fact that new or expanding businesses are generating an increased need for the development of affordable housing, through the creation of additional jobs and the resultant increase in the resident populations. By requiring the commercial sector to provide for affordable housing, the financial “burden” of providing housing is removed from the Municipality/District/City, and placed upon the corporations that actually generate the need for housing.

2.2 The Not-For-Profit Role in Providing Affordable Housing

The municipality can also form a not-for-profit corporation to take on the role of the comprehensive developer. This allows the municipality to initiate and engage in developing of affordable housing projects, without having to rely upon the private sector to engage in developing affordable housing projects.

2.2.1 Housing Trust Funds

A housing trust fund permanently dedicates a specified amount of money that is to be used towards the financing and developing of affordable housing units, either for rental or ownership tenures (Brooks, 1988). Brooks (1988) indicates that there are five characteristics by which a housing trust fund can be distinguished from other methods of providing affordable housing. The first characteristic that all housing trust funds share can be found in their source of continual funding. Each housing trust fund has a dedicated source of revenue on which to draw resources from in the development of affordable housing. The second characteristic of the housing trust fund is that the fund only allocates money for the production of affordable housing units. The housing trust fund is administered by a select body/organization whose main mandate is to allocate the housing trust fund moneys. The housing trust fund directs the flow of capital, which is exempt from the budgetary processes of local governments and businesses, through the creation of dedicated sources. By removing the flow of funds from the public budgetary process, the housing trust fund is able to receive an “adequate and predictable source of revenue” (Brooks, 1989: 30). Further, “the appeal of housing trust funds to housing advocates and government officials, as well as elected officials, is that it removes the constant search for housing funding from annual budget battles” (Brooks, 1997: 233). The fourth characteristic of housing trust funds follows that the housing trust fund

comes into being through acts of legislation, policy, or ordinance from a given unit of government, while the fifth characteristic of the funds follows that the funds are generated allocated towards the development of local projects, through the generation of revenues from real estate transactions to the development of affordable housing units within the local real estate market (Brooks, 1988).

According to Brooks (1989) there are three specific models of housing trust funds that can be created. Relating to the administrative make up of the housing trust fund, these three models provide for the detailed break down of the housing trust fund to meet the desired needs of the constituency. In order, these housing trust funds are the *Agency/Department Model*, the *Advisory Committee Model*, and the *Non-Profit Corporation Model*. Each of these particular models has its own inherent strengths and weaknesses, which dictates that each model is suited to providing a specific role. Within each model, there are different levels of administration, and more particularly, differing authoritative personnel.

The Agency/Department Model is developed within the existing structure of the city/municipality and utilizes existing city/municipal staff in the administration and operation of the housing trust fund. Rather than operating fully within the jurisdiction of the municipality, this model indicates, in the Canadian context, that they tend to operate autonomously from the municipal government. The mandate given to the organization is to establish guidelines/rules and regulation for the operation of the program, to implement those programs, and to award housing trust fund funds. The main governing body for the administration of the fund is the advisory committee, which is appointed by the elected mayor and/or council. The advisory committee serves to establish parameters and guidelines for the administration of the housing trust fund, and this goal is achieved through the provision of

advice to the governmental department or agency. The advisory committee develops the ideas for the provision of affordable housing, and the government agency or department conducts research into potential options for implementation. In addition to the provision of research expertise, the government agency administers the housing trust fund, through the lending/granting of fund moneys to developers for the creation of the affordable housing units. For a detailed schematic of the three types of models refer to Appendix “A”.

The most beneficial aspect of the Agency/Department Model can be found in its utilization of existing staff, drawn from other departments. This borrowing of staff avoids the start up costs and delays of the organization, and also reduces the need for another level of bureaucracy within the department (Brooks, 1989). This elimination of the start up costs and the start up time allows for the immediate and efficient allocation of resources for the development of the affordable housing units.

The second model that Brooks (1989) identifies for a housing trust fund is the *Advisory Committee Model*. This model assumes all of the components of the Department/Agency Model, except that the power structures within the model flow in a slightly different manner. The main difference between the two models is that the Advisory Model focuses the decision making power within the Advisory Committee, and only relies upon the department or agency for technical support. The Advisory Committee ultimately makes all of the decisions regarding the administration of the housing trust fund. The ultimate authority over the housing trust fund, then, is rooted in the governing body that appoints the Advisory Committee, as the appointing body determines the make up of the Advisory Committee which in turn is ultimately responsible to the governing elected body. Appendix

“B” details the relationships of the Governing Body, the Advisory Committee, the associated staff, and their relationships in terms of governing and administering the housing trust fund.

The benefits of the Advisory Committee model can be directly attributed to the autonomy associated with the creation of the Advisory Committee, in that the body is distanced from other operations within the city/municipality. This autonomy allows for a greater range of opportunities in developing and financing affordable housing projects, in that the fund can operate separately from other city/municipal operations (Brooks, 1989).

The third model identified is that of the *Nonprofit Corporation Model*, which operates outside of the existing city/municipal structure and bureaucracy. The Corporation comes into existence through enactment by the local governing body, and is organized according to the same principles of the previous two models. The main difference between the Nonprofit Corporation model and the previous two models is that the Nonprofit Corporation can raise revenue tax free, in addition to the relative autonomous operations of the model compared to the previous two models presented. The organizational structure of this model is presented in Appendix “C”

2.2.2 Financing Housing Trust Funds

There are several proven methods by which a housing trust fund can acquire a constant flow of financing to be utilized in the development of affordable housing units. These methods range from the establishment of a dedicated tax that is paid directly into the trust fund, to pooling of deposits to generate interest revenue. With the proper combination of applicable revenue generating policies, a housing trust fund would be able to finance, either partially or fully, the development of affordable housing projects with very little public money. This aspect of the fund allows for the housing trust to establish and maintain support

throughout the community, as no real public dollars are utilized in the development of the affordable housing projects.

The following methods, then, represent realistic and proven methods by which a housing trust can finance their affordable housing projects. Through the use of these methods, financing can be obtained without requiring public moneys to be invested into the project.

Title Transfer Tax/Conveyance Fees

These are dedicated taxes on the transfer of the title in a real estate transaction. Any time that a real estate transaction takes place, the transfer of the title would involve a tax of between 2% and 0.1% based on the overall assessed value of the property. Rather than applying this tax to every real estate transaction, exceptions could be made to allow certain types of transactions to be either exempted entirely from paying the tax, or to have the fees capped at a certain level. Certain exemptions could be applied to first time home buyers and to purchasers of low income housing properties, while the capped rates would apply to any commercial or industrial developments. In the first instance, the first time home buyer or the purchaser of low income housing does not pay the tax, as this would be adding to the price of housing that may all ready be too expensive. The capping of fees for economic related activities allows for the continued growth of those sectors without restricting the municipality's ability to attract future economic activities when compared to surrounding municipalities. The implementation of the title transfer tax assumes that there is an organization which receives the funds and administers these funds in the provision of affordable housing projects.

Aspen Colorado Aspen has collected over \$1,000,000 (U.S.\$) annually from the tax placed upon real estate title transfers (Margerum and Tolen, 1994). By collecting this tax, the Aspen/Pitkin County Housing Trust Fund has been able to finance the development of affordable resident housing. The moneys from this fund go toward the affordable housing development requirements, as set out by the Aspen Area Community Plan, of 19 public sector affordable housing projects per year.

Demolition Permit Taxes

The central idea surrounding the concept of initiating a demolition permit tax attributes the lack of affordable housing to the destruction of the relatively affordable older units in favour of the newer and larger unaffordable houses. In demolishing the existing stock of older units, the supply of relatively affordable units will slowly disappear. Therefore, a dedicated tax on the demolition of the older affordable units could be justified as the newer and larger units are, in a sense, worsening the affordability problem within certain areas. The moneys collected from the demolition of older units could be paid directly into the housing fund, to be used at a later date for the development of affordable housing projects. An alternative to paying the permit fee is through the inclusion of affordable housing units within the newly constructed main house. By developing the auxiliary unit, and then requiring that the unit be rented to local area residents, the affordable units that were lost to the demolition would effectively be replaced.

Aspen Colorado Within Aspen, a Housing Replacement Program exists whereby 50% of all units that are demolished are to be replaced with affordable housing units. In addition to this requirement, construction of new single family homes requires a payment of a fee that is paid directly into a housing trust fund that subsidizes or builds affordable housing

projects. The fee is calculated based upon the square footage of the new home to be constructed, and is set at a rate of \$14.75 per square foot. On a 4,000 square foot home, that equates to a fee of \$59,000 (U.S.\$) payable to the housing fund. The alternative to paying this fee requires that the new home be equipped with an accessory dwelling unit that is available for rent to a local working resident.

Payment-In-Lieu

The Payment-In-Lieu allows for the creation of affordable housing units without the direct participation of local businesses, employers or developers within a region. Rather than securing or building affordable housing for employees, an employer can pay a fee in-lieu for each employee that the company is thought to generate. This method assumes that there exists an organization that administers a fund, into which the payment-in-lieu is made, which is then used to develop the affordable housing projects.

Aspen, Colorado When developing new properties, through new construction, affordable resident housing conditions apply. The developer of a particular project is required to provide for affordable housing, for the reasons given above. The alternative to providing housing is to pay a fee in lieu of providing the housing, which is payable to the Housing Office, and is dedicated to the creation of affordable resident housing.

The fees associated with the development of new construction involve a calculation based upon the total square footage that the new development is expected to reach. The payment in lieu fee is applied to all new construction at a rate of \$21.333 per square foot of new construction. For a typical 4,000 square foot house, that represents an affordable housing fee of \$85,332 (U.S.\$).

In addition to providing for affordable resident housing within newly constructed projects, commercial activities are required to provide affordable resident housing, as they are the indirect beneficiaries of affordable housing projects. The fee that is to be paid depends upon the total number of hours that are expected to be worked at the particular commercial establishment. The total number of hours worked over a given year are divided by 2,080, which represents the hours worked by a full time employee. For each full time employee that is generated using this formula, a fee of \$92,000 (U.S.\$) is payable to the Aspen/Pitkin County Housing Fund.

In the context of commercial accommodation development, a different standard is used to best reflect the total number of employees generated, whereby the total number of dwelling units created determines the amount of employees generated. This is further refined into the type of dwelling unit that is created, and different generating formula are established for each dwelling unit created.

The following represents the dwelling unit types, and the generator associated with each:

<u>UNIT TYPE</u>	<u>OCCUPANCY</u>
Dormitory/Studio	1.00 employee/150 sq. ft.
Studio	1.25 employees
One Bedroom	1.75 employees
Two Bedroom	2.25 employees
Three Bedroom	3.00 employees

For each bedroom in excess of three, the occupancy standard increases by 0.5 employees.

Source: Aspen/Pitkin County: Housing Guidelines, 1996.

Real Estate Escrow Accounts

A virtually “free” method for obtaining revenue for a housing trust fund is through the pooling of accounts where funds are held for the acquisition of property, commonly referred to as the deposit. Funds that are used for the deposit on a piece of property are usually held for a period of one to three months, depending upon the length of time that is required to complete the real estate transaction. The interest gained from the holding of the deposit is appropriated by either the financial institution, the real estate broker/developer, or the purchaser of the property.

An alternative to the financial institution or real estate broker/developer receiving the interest from the deposit for the real estate is the establishment of a fund that holds every real estate deposit. The interest gained from the pooling of these deposits allows for the fund to achieve a substantial return, a return that allows for the funding of the housing trust fund. An added bonus to this system of financing is that the funds are raised without any direct levy against property owners or the general public.

2.3 Summary of Methods

As this chapter has detailed, affordable housing options can be provided for in a number of ways. In terms of organization, this chapter has considered housing provision through the municipal government and through the non-profit housing trust fund.

Through the municipal enactment of several directed policies, affordable housing can be achieved through the specialization of municipal bylaws. By allowing for a wide range of options for certain allowances within the municipal zoning bylaw, affordable housing can be achieved without any direct monetary subsidy from any level of government. A prime

example of a policy change that can result in the provision of affordable housing is through the use of inclusionary zoning. With this tool, the developer is able to increase the amount of dwelling units that can be placed on a particular site, and affordable housing can be incorporated into the site due to the larger economy of scale that is associated with the site. The increase in free-market housing that is allowed on the site then partially subsidizes the inclusion of the affordable housing units.

A second method that the municipal government can adopt to aid in the provision of affordable housing is that of developing linkage policies within the region. This policy requires developers of non-residential type development to provide housing for the expected demand that is created due to the increase in employment that the project will generate. Providing commercial/industrial development without the corresponding development of residential development ultimately leads to higher accommodation prices, and therefore actually exacerbates the affordable housing problem within the region.

Actions on behalf of the municipal level of government, such as regulatory reform in terms of reducing the overall cost of developing housing, and reducing fees and restrictions on the development of secondary suites within existing housing stock can enable the development of affordable housing without any direct governmental subsidy. The regulatory reforms discussed here include relaxation of setbacks, increasing densities, and providing flexibility or inclusion within definitions, all of which facilitate the creation of affordable housing units through the increasing of profitability of affordable housing options. The encouragement of accessory suites within the existing single family stock is a further potentially useful strategy.

Non-profit corporations can also provide vital resources in the creation of affordable housing within a selected region. The main method by which the non-profit can aid in the

development of affordable housing units is through the development of a housing trust fund. The housing trust fund operates as a corporation in providing funding towards the development of affordable housing units through disbursement of housing trust fund moneys.

Housing trust funds are generally financed through the collection of levies, taxes, payments-in-lieu, and interest on real estate escrow accounts. Each of these methods contributes towards the capital costs of developing the affordable housing units, as each is a form of indirect taxation on non-affordable housing units. The mechanisms of the real estate title transfer taxes and the demolition permit fees are justified on the basis that the relatively expensive real estate market prices out lower income households. The funds raised are used to provide for the lower income housing that the newer developments or the higher real estate prices are eliminating. The payment-in-lieu fee requires that developments that attract new households into the area are to help to mitigate the effects of increasing demand for the existing stock of moderate priced housing by paying a fee based on the amount of employees that the development will generate, or else provide housing for that same number of people. Finally, the real estate escrow account provides for a source of “free” money, in that the funds that are used as a deposit in real estate transactions can be pooled together and the resulting interest can be incorporated into the housing trust fund.

A final aspect in both the municipal and non-profit’s role in providing for affordable housing can be seen in the inter-relatedness of these policies that, when combined, serve both to provide for affordable housing and to maintain the housing as affordable over time. Each particular policy cannot act as the sole mechanism by which affordable housing is developed. Each policy allows for affordable housing only if it is combined with other efforts to house people affordably. Inclusionary zoning regulations mandate that housing must be built, but to

make the housing units affordable, density bonuses may be required, as well as deed restrictions on the resale, rental and occupancy of the given units. To further increase the affordability of the housing units, housing trust fund moneys may be used to supplement the development costs of the affordable units, thereby making the housing units affordable to people with a lower range of incomes.

Chapter 3

THE CONTEXT OF WHISTLER, BRITISH COLUMBIA

The purpose of this chapter will be to detail the current housing situation in Whistler, British Columbia. Several elements are key factors in the current housing environment within Whistler, and each of these will be presented in turn. The initial factors that will be presented are the developmental history of Whistler and Whistler's growth management plan. The developmental history of Whistler focuses on the development of the resort of Whistler and the forces that helped to shape Whistler into the international destination resort that it is today, while the growth management policies of three Official Community Plans will be presented. This is followed by a presentation of the current realities facing Whistler, including the current demographics of Whistlerites. This includes an examination of the median income, and the affordability level within Whistler, combined with the present population, and the projected population of Whistler.

3.1 The Developmental History of Whistler

In a period spanning approximately thirty years, Whistler British Columbia has grown from a backcountry getaway for a few adventurers to an internationally acclaimed four season resort that attracted almost 1.3 million visitors for the 1996/97 year (Whistler Resort Association, 1997). How the resort evolved into what it is today is a result of careful planning combined with timing, and assistance from both the provincial and federal levels of government.

Originally, Whistler was considered as an Olympic site during the early 1960's. The area was still relatively remote as there existed no reliable means of traveling to Whistler, and as result the Olympic bid failed. By 1965, the mountain of Whistler had opened and a reliable highway was constructed, connecting Whistler to Vancouver. These two key events allowed the area to grow in popularity, with the result of six separate subdivisions being developed in the span of ten years in the Whistler Valley. The form of development that occurred tended primarily towards cabin dwellings without servicing, and were primarily owned by residents of the Lower Mainland.

By 1975, the provincial government determined that Whistler required a unique form of incorporation to allow for the municipal government the ability to raise funds for necessary capital development of the town's infrastructure. A special Resort Municipality incorporation was developed. The requirement for this resulted from the need to develop an infrastructure base that would not have been developed under the existing standard municipal incorporations of the time. The traditional municipal incorporation would not have allowed for this to occur, as the majority of property owners within Whistler did not reside in the town itself. The Resort Municipality of Whistler Act allowed the municipality to borrow the funds required for the capital improvements without the approval of the second homeowner base, estimated to represent approximately 80% of the municipal tax base (Jensen, 1991).

The new Resort Municipality of Whistler adopted its first Official Community Plan in late 1976. This directed development towards the creation of the pedestrian village within easy walking distance of the two mountains of Whistler and Blackcomb. The initial stages of development village involved the commissioning of reports on the geographical, environmental, physical, and economical aspects of developing the resort (Resort Municipality

of Whistler, 1991). The main element was a forgivable T.I.D.S.A. (Travel Industry Development Subsidiary Agreement) loan from the Federal Government's Department of Regional Economic Development. The \$10.45 million dollar loan allowed for the servicing infrastructure of the village to be completed well ahead of schedule, which then facilitated the relatively quick development of the main pedestrian village of Whistler Village. The main projects financed were the summer visitor amenities, which served to attract more than just skiers to the municipality. Such services as an Arnold Palmer designed golf course, a full service convention centre, and underground parking served to initiate the development of non-skiing facilities. The initial investment had a significant impact upon the creation of the resort, while at the same time producing substantial taxation revenues for the senior levels of government, as estimates indicate that direct taxation from the new development could have paid off the loan three times over in the span of three years after the pay out of the loan (Jensen, 1991).

The T.I.D.S.A. loan, in addition to developing the necessary infrastructure before schedule, also served to instill investor confidence in the resort of Whistler. By granting such a large loan, the senior levels of government had thrown their support behind the entire concept of the resort at Whistler.

3.2 Growth Management in Whistler

The first Official Community Plan was directed towards the development of the resort at both the Village and the Whistler Creek areas. To facilitate the development of the main Village, a development moratorium was placed on the remainder of municipal lands. This allowed for the focusing of development upon the Village, where the primary commercial activities within Whistler would be located. At the same time, the first O.C.P. discouraged

sprawl into the outlying areas by allowing development to occur only within the all ready existing, or planned, subdivisions.

The second Official Community Plan was prepared in 1982, adopting the capping of development at a certain level. The focus was to continue focusing development upon the area of Whistler Village and to the lands north of the Village for the development of tourist accommodation and commercial properties. O.C.P. 1982 further restricted the amount of development in the outlying areas of the Municipality to 45,000 bed units¹; a level of development which was determined to be representative of maintaining a critical mass within the resort. With the development of Whistler Village well underway, the moratorium that was placed on development was lifted, while no significant new developments were approved, thereby maintaining the development cap at 45,000 bed units.

The other focus of O.C.P. 1982 was to phase developments to the capabilities of the capital infrastructure within the Municipality. By tying the phasing of development to the increase in capacity of the capital infrastructure, the Municipality enabled a more cost effective means of providing services, while slowing growth within the municipality and ensuring an adequate supply of services to the already existing. This both avoided higher municipal costs for the rapid expansion of municipal services and maintained a level of service for the existing developments, even though there was an increase in development activity.

The third Official Community Plan, adopted in 1989, addressed the issues of developing a four season mountain resort. Previous plans attended to the development of an international winter resort. Summer amenities, such as expanded golf and tennis opportunities, were to be incorporated to diversify the activities within the resort so that it could become

viable throughout the year and not just in the winter season. To achieve these ends, an increase in the bed unit cap was determined as the most cost effective. The granting of development rights for accommodation in exchange for the development of amenities therefore contributed to the overall viability of the resort.

The most recent Official Community Plan in 1994, focused on the community aspect of the resort. The main direction that followed out of O.C.P. 1994 was to maintain the development cap of 52,500 bed units, with the added requirement for the allowance of an additional 1,700 bed units for the development of affordable resident housing projects. This requirement was the result of community input following the 1995 Annual Town Hall Meeting. The quantity of 1,700 bed units is derived from the number of employees that have been generated under the Employee Works and Service Charge Bylaw #927, 1992. Within this bylaw, a generator formula is used to determine the number of employees that are generated by the development of a particular type of activity. This bylaw, and subsequent Employee Works and Service Charge Bylaws, are presented in *Section 3.6: Existing Methods of Achieving Affordable Housing in Whistler*.

The Development cap in Whistler is further restricted by Council policy to only consider increases to the development cap for 100% affordable resident housing. That is, rezoning applications that would increase the bed unit cap within Whistler, or add to the commercial base in Whistler, would only be approved by municipal Council if the project would: provide a clear and substantial benefit to the community, is supported by the community, will not cause unacceptable impacts to the resort, community or environment, and

¹ a measure of a quantity of development intended to reflect the servicing and facility requirements for one person.

meets all policies of the Official Community Plan (Community and Resort Monitoring Report, 1997).

3.3 Demographics in Whistler

To better understand the needs of the community, a demographic analysis of the members of the town is required. Understanding the age profile, median and average incomes, and types of employment within the town, while also understanding the main external influences on the housing market allows for the examination of affordability levels of the resident population, and the particular housing needs of the resident population.

The town of Whistler has three distinct populations that all have an influence on the local housing market; Housing affordability affects two groups: the Full Time Resident and the Seasonal Employee. The first, the Full Time is the largest of the demographic groups and is the group in need of affordable housing. According to the 1996 Whistler Census, approximately 64% of the full time population is under the age of 34, with a median income of \$18,600 per annum in 1995 (Statistics Canada, 1996; Revenue Canada, 1995). The town of Whistler has an average annual growth rate in the full time population of approximately 13.64% per year over the period of 1985 to 1997 (Statistics Canada, 1996). According to Statistics Canada, Whistler was the fastest growing municipality in Canada between the years of 1991 and 1996. In 1996, the full time population of Whistler was determined to be 7,172. For 1997, the provincial statistical agency for B.C. estimated that Whistler would have a full time population of approximately 8,400, representing a 17% increase over 1996 (B.C. Statistics, 1997).

The second group having an influence upon the housing market is the Second Homeowner group, which is estimated to be slightly smaller than the Full Time population,

but with the distinct advantage of owning the means to purchase property in Whistler as an investment. The largest group of Second Homeowners reside permanently within the Lower Mainland region of British Columbia, which encompasses the Greater Vancouver area, while the remainder are from areas such as other areas in British Columbia, Washington State, Alberta, Ontario, California, Hong Kong, Japan and Europe (Resort Municipality of Whistler, 1997).

Income within Whistler has lagged behind the provincial average for the last several years. For the period of 1989 through to 1995, median employment income increased only \$1,400, without accounting for inflation, from \$16,800 per year in 1989 to \$18,600 per year in 1995. This compares to the provincial average increase of \$2,500 for the same time period, representing a median income of \$19,100 in 1989 to \$21,600 per year in 1995 (Statistics Canada, 1996; Revenue Canada, 1995). While the median income for Whistlerites is lower than the provincial median, the income of husband/wife families compares to the provincial median. Whistler husband/wife families earn almost 98% of the provincial median income, with a median income of \$49,200 compared with \$50,300. Overall, when compared to the median income for the entire province of British Columbia, a single Whistlerites' median income is much less than the provincial median income, while the husband/wife family in Whistler has a comparable income to the median British Columbia husband/wife family (B.C. Statistics, 1997). This difference can be attributed to the younger demographics that exist, with the majority of the population being under the age of 34, and the main form of employment being in the service industry.

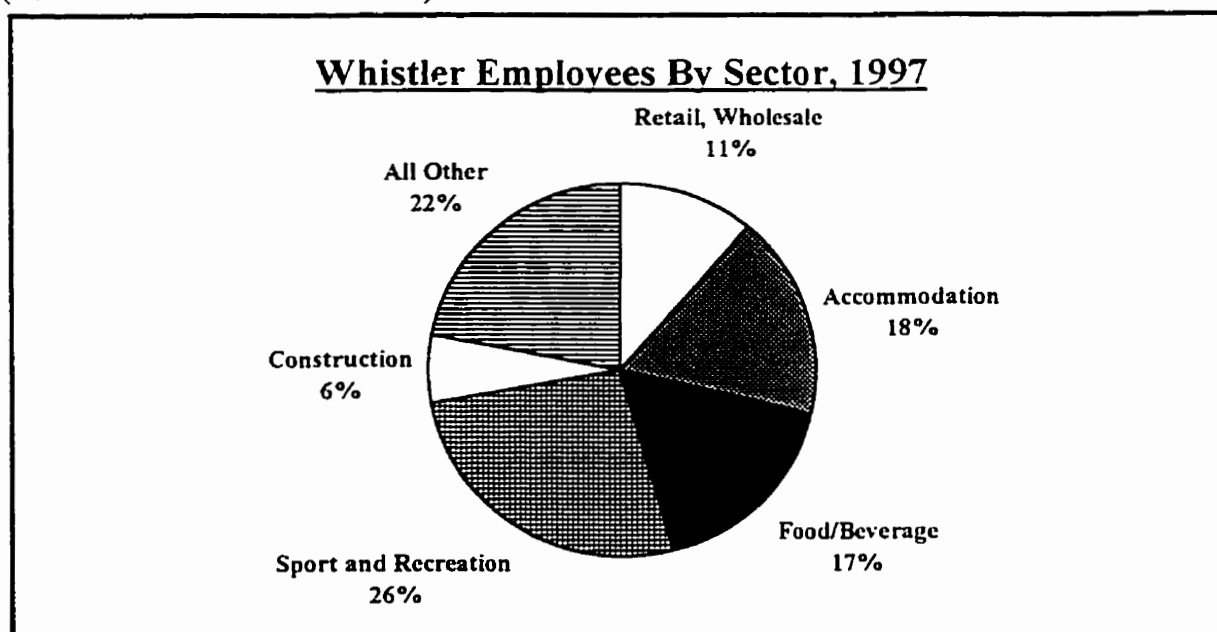
Overall, the unemployment rate within Whistler has remained fairly low over the last several years, and within the period since March of 1996, the rate has remained lower than

that of the province (B.C. Statistics, 1997). Within the last several years, Whistler's unemployment rate has declined, from a high of over 12% in June of 1993 to a low of under 4% for the period of September 1996 to June 1997 (B.C. Statistics, 1997). Employment opportunities can be attributed to the overall success of the resort, as each successive year resort visitation increases by approximately 5-8% per year.

The employment figures within each sector of the Whistler economy indicates that the majority of Whistler workers are employed within the food and beverage, the accommodation, and the sports and recreation industries (B.C. Statistics, 1997). Combined, these three industries employ approximately 61% of the Whistler work force. Figure 3.1: Whistler Employees By Sector, 1997 details the breakdowns of employment by industry within Whistler, which can be seen as fairly typical in a resort town.

Figure 3.1: Whistler Employees By Sector, 1997

(Source: B.C. Statistics: 1997)



3.3.1 Housing Tenure

The type of tenure predominant within Whistler contrasts sharply with British Columbia as a whole. In 1991, approximately 42% of households in Whistler owned their housing, while 58% rented their housing, compared to 64% owning and 36% renting in British Columbia (Statistics Canada, 1991). In 1995, the situation in Whistler had shifted further, as only 32% of households owned their accommodation, while 68% rented their accommodation (R.M.O.W., 1995).

3.4 Rental Accommodation Market

The rental accommodation market in Whistler is the portion which accepts and absorbs the younger age groups and the transient/seasonal populations. In addition to these traditional rental groups, families within Whistler rely heavily upon the rental accommodation market due to the high cost of purchasing housing units. It is the seasonal and transient population and the working families of Whistler that are vulnerable to the high prices charged for accommodation to live in Whistler.

The rental accommodation market in Whistler has developed some observable trends during the period of 1990 to 1997. The source of the data for this rental market survey was the Rental Accommodation listings in the classified section of the local newspaper, *The Whistler Question*, and developed by the Planning Department of the Resort Municipality of Whistler. To study the rental availability and price on a comparable basis, the periods studied remained the same over the course of the eight years. Reports were developed quarterly, for the months of January, April, July and October. These months also coincide with the seasonal immigration and outmigration of the seasonal and transient residents. The months of April and October are indicators of availability and price for the winter seasonal worker, while the

months of January and July represent the middle of the winter and summer seasons respectively. The summary result of this study are presented in Appendix “D”, Whistler Rental Market Characteristics.

The trends that emerge from the longitudinal study seem to indicate that the winter season has the highest rents and the lowest vacancy rate. In general, the month of October has a high availability rate and higher rents than compared to the summer months of April and July. When January is examined, it is apparent that there are few units available for rent, and these are expensive. However, this trend is changing, in that the months of April and July are seeing higher rents and reduced availability as compared to earlier years.

The different types of rental accommodation available in either season, combined with the average, maximum and minimum rents, were also examined. The most noticeable trend observed was that rents for the winter season increased by approximately 10% over the summer rents. This may be due to a number of factors, such as the higher priced units remaining vacant, but for the most part the increase in the asking rents is attributable to the high demand for rental accommodation combined with the limited supply of rental accommodation. In the case of several listings in July, two different rents are given for the particular unit; a lower rent for the summer and a higher rent for the winter, with an increase of approximately 10-20% over the summer rents.

There were five types of accommodation examined in the study: studio, one bedroom, two bedroom, three plus bedrooms and shared accommodation. Each of these represents the long term accommodation that is available to rent. It should be noted that there are other types of accommodation available for rent, but these units are geared more towards the of the

tourist sector and result in much higher rents combined with a shorter period available for rent.

The most affordable forms of accommodation within Whistler are either a studio suite, a one bedroom suite or sharing accommodation with others. The studio suite has a wide range of prices that are variable throughout the year. However, the price range for these units has remained fairly constant over the last eight years. Generally, the price has remained within the \$450 to \$750 per month range between 1990 and 1997. For 1997, the average rent for a studio suite in Whistler was approximately \$550 per month. The price range for a one bedroom suite has also remained fairly stable over the last eight years. Combined with the studio suites, the one bedroom are the units that are in the highest demand in the winter season. The one bedroom suites are also the most available rental units in the summer season, indicating that they are possibly the preferred accommodation for the seasonal resident. Overall, the one bedroom suites have a price range of \$500 to \$800 per month, with a 1997 average of approximately \$775 per month. The shared accommodation units have shown fairly steady rents over the last eight years, but with a slight increase over the last two years. The availability of shared accommodation is limited in the winter, but are widely available in the summer season, again indicating that shared accommodation may be a preferred accommodation choice of the seasonal resident. An observable trend within the market of the shared accommodation units is the specific increase in the rental rates for the winter season. On average, the rental rates for the shared accommodation units increased by approximately 10% over the asking summer rental rates. Overall, the asking rents for the shared accommodation units were between \$345 to \$775 per month, with a 1997 average rental rate of approximately \$490 per month.

The final two types of rental accommodation available in Whistler are the two bedroom and three plus bedroom categories. Generally, these are the largest units and carry the highest rents, and have low vacancy rates throughout the year. The two bedroom market has seen a slow but steady increase in the rental rates in the period between 1990 and 1997. The overall trend within this segment of the rental accommodation market has been the constant increase in rent for the months of October and January, or, the winter season. This trend for higher rents during the winter season corresponds to the high demand for units, as there are relatively few units available for rent, as compared to numerous units available in the summer with a correspondingly cheaper rate. The trend in rents being has increased dramatically over the last three years, with the period of 1990 to 1995 having a rental range of \$760 to \$1700 per month, while the period of 1996 to 1997 had a rental range of \$1,000 to \$2,000 per month. The 1997 average rental charge was approximately \$1,500 per month.

The three plus bedroom market represents the higher end of the accommodation rental market in Whistler. The units included in this category include the homes located directly on Blackcomb and Whistler Mountains, and the Nicklaus North Golf Course, where most homes start at approximately \$850,000. The rental market for these units has increased steadily over time, with a steep increase between 1996 and 1997. These units are generally available at all times of the year, with a lower availability rate in the winter, while the rental rates increases dramatically for the winter season. During the summer season, the rental rates for these units averages approximately \$1,900 per month, while in the winter the average rental rate increase to \$2,400 per month, representing an increase of 26% over the summer rates.

3.5 Real Estate Ownership Market

A determining factor in the affordability of living in Whistler is the actual cost of purchasing real estate in Whistler. The dominant force is the second homeowner or investor, each of whom has the ability to pay the high down payment and associated mortgage of a house that is in excess of \$600,000. The cost associated with purchasing a home in Whistler directly affects both potential home purchasers and renters alike, as an increase in market value of a property serves to increase the cost of both purchasing a home or renting a home. When the price of real estate increases, then, the affordability of houses for purchase and rent decreases. Table 3.1: *Historical Real Estate Prices in Whistler* indicates that the real estate market in Whistler, particularly over the last seven years, has increased dramatically. The result of these continuing increases in the market value of real estate has been to further reduce housing affordably for long term residents.

The most pronounced effect of the increase in real estate prices can be seen in the increase in housing lot prices. Between the years of 1987 (\$107,625) and 1997 (\$463,164), the cost of a buildable lot within Whistler has increased by 330%. This directly affects the cost of developing affordable housing, as the price of raw developable land dramatically increases the overall cost of developing housing in Whistler. This increase in the cost, which between the years of 1987 (\$231,875) and 1997 (\$692,595) has amounted to an increase of approximately 199%. When the current market values of the land are factored into the value of single family houses, the land cost accounts for approximately 67% of the overall cost. To make a comparison to areas that are facing a similar situation, the average market prices for accommodation in both Eagle County (Vail), and Aspen Colorado are presented in Table 3.2. These two resorts have many similarities with Whistler, in that they restrict the amount of

Table 3.1:
Historical Real Estate Prices in Whistler

<i>Year</i>	<i>Lots</i>	<i>Single Family Houses</i>	<i>Condominiums</i>
1978	\$20,000	\$70,000	\$50,000
1979	\$39,000	\$100,000	\$59,000
1980	\$76,000	\$180,000	\$90,000
1981	\$110,000	\$225,000	\$175,000
1982	\$60,000	\$160,000	\$120,000
1983	\$55,000	\$140,000	\$115,000
1984	\$50,000	\$130,000	\$110,000
1985	\$45,000	\$120,000	\$100,000
1986	\$71,750	\$175,938	\$123,438
1987	\$107,625	\$231,875	\$146,875
1988	\$143,500	\$287,813	\$170,313
1989	\$188,500	\$343,750	\$193,750
1990	\$169,650	\$309,375	\$174,375
1991	\$150,800	\$275,000	\$155,000
1992	\$158,900	\$299,000	\$165,500
1993	\$154,453	\$337,047	\$171,208
1994	\$182,438	\$378,792	\$193,215
1995	\$229,247	\$456,341	\$219,370
1996	\$323,925	\$498,937	\$235,910
1997	\$463,164	\$692,595	\$259,642

Source: Whistler Real Estate Company: 1998

development allowed within Municipal limits, they are physically limited in their ability to develop additional lands due to their physical geography, and are facing affordability problems. The market prices for real estate in these two areas indicate two key points: first, that the overall success of the resort as a recreational destination can have a dramatic effect upon the price of real estate, due to limited availability of land and a market demand that is not local; and second, that by comparison Whistler is a relatively affordable jurisdiction.

By examining the price of real estate in similar jurisdictions which are much older than Whistler, the future of Whistler's real estate market may be anticipated. If the historical prices for both Vail and Aspen are compared to those of Whistler, and extrapolated for Whistler, it can be assumed that the price of real estate in Whistler will continue to escalate, further increasing affordability problems in Whistler.

Table 3.2:
Comparison of Average Real Estate Prices in Whistler, Eagle County, and Aspen.

Average House Prices (C\$)

	1992	1993	1994	1995	1996
Whistler	\$299,900	\$337,047	\$378,792	\$456,341	\$519,899
Eagle County	\$361,805	\$355,806	\$557,746	\$553,518	\$621,119
Aspen	\$1,501,488	\$1,917,579	\$2,812,183	\$2,345,117	\$2,618,631

Prices for Eagle County and Aspen are given in Canadian \$, at the annual average exchange rate of:

1990=1.1670, 1991=1.1460, 1992=1.2088, 1993=1.2902, 1994=1.3659, 1995= 1.3727, 1996=1.3637

Exchange Rate Source: U.S. Federal Reserve Bank

Real Estate Values Source: Whistler Real Estate Company, Eagle County Community Development Department,
Aspen/Pitkin County Housing Office.

3.6 Housing Needs

From the demographics data, an overall picture can be presented of how many affordable housing units are required to be constructed over the next several years in order to house Whistlerites affordably. The main factors in this estimate are the anticipated population increases and the anticipated income levels of that population.

Overall, Whistler's predominant demographic group, the under 34 year old earning a median income of approximately \$18,600 per year, cannot afford the market price for accommodation in Whistler. The seasonal fluctuations in both supply and price of accommodation further exacerbates the situation, especially within the rental market. This

number increases during the winter peak season, when young people move in to Whistler taking on low paying service industry employment in exchange for the opportunity to ski at Whistler.

Given the current supply of affordable resident housing, as outlined in Chapter 4, there is a wide disparity between the number of affordable priced rental accommodation units and the number of people in need of that type of accommodation. With approximately 470 affordable rental units available in Whistler, there is a substantial shortfall in the supply. Of those 470 units, approximately 350 are dormitory type dwelling units, reserved for the municipality's largest employer, Blackcomb Skiing Enterprises.

When the overall amount of affordable priced accommodation in Whistler is compared to the overall need for that accommodation, it can be seen that the supply does not meet demand. With approximately 470 units available, the ability to house approximately 650 individuals (assuming 1 person per studio unit and approximately 2.5 for the remaining 120 units) currently exists within Whistler. Considering only the full time resident population, approximately 3,940 sleeping units are still required to affordably house Whistler residents. By creating a mix of studio, one, two and three bedroom units, the total number of dwelling units that is required would be around 1,576 affordably priced dwelling units

3.7 Summary of Whistler Context

Over the course of the last twenty years, Whistler has developed from an inaccessible mountain get away to a world class four season resort. Original planning called for the development of the Whistler area as a winter Olympic site, but plans fell through, mainly due to the inaccessibility of the site. Eventually, a highway was opened that connected Whistler to

the Lower Mainland of British Columbia, providing relatively easy access to Whistler. The highway allowed for more people to build in Whistler, and by 1975, the provincial government incorporated the Resort Municipality of Whistler to address servicing and infrastructure needs of the new resort.

The Resort Municipality of Whistler has developed four Official Community Plans since its incorporation as a Resort Municipality. Each of the O.C.P.'s has addressed the limiting of development within municipal boundaries, through the use of a bed unit cap. During the later O.C.P.'s, Whistler's growth and popularity have increased dramatically. The resort has attracted international investors and second homeowners to the area, which has increased the cost of accommodation within Whistler. With a limit to supply, and a demand based on international rather than local markets, the price of owning property in Whistler has increased dramatically.

The population of Whistler has increased in proportion to its international popularity. Once a struggling town with barely a resident population base, over the period of 1991 to 1996, the full time population in Whistler has increased at an average annual growth rate of approximately 10% per year. The largest grouping of people in Whistler is the 25-34 year old age group. This group is primarily employed within the tourism industries of food and beverage, guest service, retail, accommodation, and sports and recreation, which are historically lower paying industries.

The future of real estate prices within Whistler is a point of concern for maintaining a stock of affordable, older housing. If the historical market values of real estate are an indication of the future of real estate prices in Whistler, and the examples that the resorts of Vail and Aspen provide in terms of escalating real estate prices, then the older stock

represents potential for demolition to access the developable land. Smaller, older units situated on prime real estate are subject to replacement by larger, more expensive homes.

These factors serve to create a situation in which the average working person, earning approximately \$18,000 per year and under the age of 34, cannot afford the current price of home-ownership or to find reasonable priced rental accommodation. With an increasing full time population, the accommodation market will continue to be unaffordable for local area residents.

Chapter 4

EXISTING AFFORDABLE RESIDENT HOUSING PROGRAMS AND STOCK IN WHISTLER

This chapter details the existing methods of achieving affordable resident housing in Whistler, through an examination of the broad general policies of the Resort Municipality of Whistler, and also through the specific targeted actions of each major project. This examination will be combined with an inventory of the current stock of affordable resident housing projects in Whistler. The supply of accommodation available will be broken down into the amount and type of development built and remaining to be built under the current development “cap” and the current amount of developed affordable resident housing units.

The final section of this chapter will serve to explain the existing methods for achieving affordable housing in Whistler. Specifically, the methods of requiring re-sale controls, resident only restrictions, and the works and service charges will be presented. The two types of deed restrictions and the municipal requirement on development will be presented with the result of how each of these policies serves to create affordable resident housing within Whistler.

4.1 Inventory of Affordable Housing

Rental: For the purposes of this study, only rental housing developed for residents will be included in the inventory of rental accommodation within Whistler. While there exists a wide variety of rental accommodation types in Whistler, a great majority of the units are targeted to the vacationing visitor market, and as a result, are priced out of the range of affordability for local area residents.

There are thirteen affordable resident rental projects currently being utilized in Whistler. The majority of these are medium density apartment style or townhouse projects. There are approximately 470 deed restricted affordable rental housing units in Whistler (R.M.O.W., 1998). The deed restrictions on the housing units allow for the units to be both affordable over time and restricted to residents only. The different types of deed restrictions are elaborated in section 4.3. These rental units are in a variety of forms, and include dormitory rooms, studios, one-, two-, and three-bedroom suites.

Of the 470 deed restricted rental units, approximately 350 have been provided by the municipality's largest employer, Intrawest, which operates both Whistler and Blackcomb ski mountains. Providing a mix of dormitory, townhouse and apartment housing to their employees has enabled Intrawest to both provide affordable housing to their seasonal employees, in the form of the dormitories and apartments, and to their mid and upper level managers, in the form of newly constructed townhouse projects. These townhouses are available for both ownership or rental opportunities, depending upon the particular project. The remaining 120 affordable housing units have been developed by either private developers or by the Whistler Valley Housing Society.

Ownership: For home-ownership, there are fewer opportunities within Whistler, and fewer units than can be found within the rental housing market. Overall, the approximately 296 dwelling units of affordable resident home ownership in Whistler is comprised of single family dwellings and townhouses (R.M.O.W., 1998). The majority of these units have been privately developed through the Whistler Valley Housing Society and have restrictions based upon their use and resale. The largest project, Millar's Pond, has a total of 104 dwelling units of affordable housing for residents, and within the same area, there are approximately 38

dwelling units provided by Intrawest to their employees. Out of the 104 dwelling units, 11 are for single family houses and 93 are for townhouse type developments. Overall within Whistler, the affordable resident ownership projects amount to 67 single family houses and 229 townhouses. Out of the total developed housing stock in Whistler (both market and resident restricted) affordable resident housing accounts for approximately 2.52% of the total dwelling units in Whistler. This can be further broken down into: affordable single family; 3.04% of existing single family stock and 0.57% of the total developed dwelling units, townhouses and condo/apartments; 6.47% of the existing townhouse stock and 1.95% of the total developed dwelling units (R.M.O.W. Accommodation Land Use Inventory, 1997).

4.2: Overview of Whistler Administrative Housing Initiatives

The administrative initiatives for providing affordable resident housing in Whistler has been the domain of the Resort Municipality of Whistler and the Whistler Valley Housing Society.

The Whistler Valley Housing Society (W.V.H.S.) was the first administrative attempt to deal with the issue of affordable housing in Whistler. The Society was set up as a non-profit organization in 1983, with the objective to “construct, purchase, or otherwise acquire housing units in order to provide low-cost housing and residential housing and accommodation to persons of low and moderate income whose primary place of employment or permanent place of residence is the Resort Municipality of Whistler” (Hicks, 1996: 2). The Society was composed of a board of directors, of which one was an elected official of the Resort Municipality of Whistler, while the other directors were appointed by the Resort Municipality of Whistler.

The second step in creation of affordable resident housing in Whistler was the incorporation of the Whistler Valley Housing Corporation (W.V.H.C.) in 1988. The establishment of the Whistler Valley Housing Corporation was a directive of the Resort Municipality of Whistler to develop affordable resident housing in the Valley. The owner of the Whistler Valley Housing Corporation was the Resort Municipality of Whistler, and the R.M.O.W. retained control over appointments to the board of directors of the Corporation. The overall mandate for the W.V.H.C. was for creation and provision of affordable resident housing in Whistler.

In 1997, the Whistler Housing Authority (W.H.A.) was formed to provide a means of developing affordable resident housing in Whistler. The W.H.A. was formed after a needs assessment of the housing situation in Whistler determined that a professional body was required to oversee the development of affordable resident housing in Whistler. The W.H.A. operates as a wholly owned subsidiary of the Resort Municipality of Whistler, and serves to act as a unified body that performs the roles of both the Whistler Valley Housing Society and the Whistler Valley Housing Corporation. The mandate for the Whistler Housing Authority calls for:

- the purchasing of sites for the construction of affordable rental and ownership with the funds raised by the Employee Works and Service Charge Fund;
- acting as a facilitator in the development of privately initiated employee housing, by evaluating proposals and guiding them through the municipal process, and;
- monitoring and enforcing all housing agreements and covenants, and ensure affordability levels are adhered to.

4.3 Existing Methods of Achieving Affordable Housing in Whistler

Four distinct mechanisms for maintaining a stock of affordable housing within the municipality exist, and these are in the form of restrictive covenants on the title of a given property. The four main types of restrictive covenants that are placed on the title of selected properties are: for the *use* and *occupancy* of the unit (i.e. who may use the unit); for the *rental rate restrictions* (i.e. rent controls); for the control of the *resale* of the unit, and; for the *right of first refusal* of the unit (i.e. to ensure that the sale price of the unit is in accordance with price controls for affordability). For a majority of the affordable resident housing projects in Whistler, all four types of restrictive covenants are used to maintain affordability levels, while very few utilize only one or two of the restrictive covenants. These covenants can be found in Appendix “E” and Appendix “F”.

The primary restrictive covenant is the *use and occupancy* covenant. The purpose of this particular covenant maintains that the restricted unit is to be used solely for the purpose of housing a local resident. This requirement, therefore, excludes that the unit may be placed upon the open rental market to be used by vacationing skiers in the winter season, when rents are at a premium.

Each of the Use and Occupancy covenants uses a standard application of the terms “employee” and “retiree” for consistency. Within these covenants, an employee is defined as: “an individual who is either employed or self-employed for an average of not less than 20 hours per week over the most recent three months and whose principal place of employment or business is located within the boundaries of the Resort Municipality of Whistler”, while a retiree is defined as “an individual who has ceased employment and who was an Employee for 5 of the 6 years immediately preceding the date on which the individual ceased employment”

(Resort Municipality of Whistler, 1997b: 3). The Use and Occupancy restriction to Employees or Retirees only is in place for both a rental situation and a sale situation, and can be summarized as follows:

The Owner agrees that the Strata Lot may only be used or occupied as a permanent residence, and then only by an individual who resides in the Strata Lot and who is:

- I) an Employee;
 - II) living in the Strata Lot with an Employee in a single domestic unit and
 - A) is related to the Employee by blood, marriage, adoption, common law marriage or foster parenthood; or
 - B) is in a spousal relationship with the Employee.
- (Resort Municipality of Whistler, 1997b: 5)

The second method for maintaining affordable resident housing in Whistler is through the inclusion of *rental rate restrictions*. By placing a covenant on the title of the affordable resident housing unit, the unit will remain affordable in perpetuity, and is subject to tight restrictions on the allowable increases in the rental rate. These requirements on both the occupancy of the dwelling unit and the maximum allowable increase in the cost of rents allows for the units to remain affordable to the intended target groups. Within this category of covenants, there is some variation in regards to the actual amount of rent that is to be charged for the dwelling unit. In some instances, the rental rate is set based upon the square footage of the unit to be rented, while in other instances the rent charged is set at a predetermined rate. In the case of rental rates being predetermined, the base rent for the units are generally set at the same rate, irrespective of their location or features.

In these units, the rental rate has been set at:

Studio/Loft	\$650.00/Month
1 Bedroom Unit	\$650.00/Month
1 Bedroom + Den	\$750.00/Month
2 Bedroom	\$1,000.00/Month
3 Bedroom	\$1,500.00/Month
Bedroom	\$500.00/Month

(Resort Municipality of Whistler: 1997c)

The limiting of the initial and subsequent sale price of a particular resident dwelling is another method by which affordable housing is developed and maintained within Whistler. The resale price of the unit is based upon the overall floor area of the particular dwelling unit. When based upon the size of the unit, is expressed as a set amount per square foot. The price range for an employee or retiree restricted unit usually falls into the \$150.00/square foot range, with only slight fluctuations around this amount. However, once the unit has been sold to the respective employee, the unit is then also subject to the rental rate restrictions. Therefore, the unit is affordable to purchasers as well as prospective renters of the unit. This allows for the unit to remain affordable for both the purchaser and the renter.

In either case, once the initial rent or selling price of the unit has been assigned to the unit, they are subject to the same maximum annual rental increases. The maximum rental or resale increase is set by the terms of the restrictive covenant, and is the same in all resident housing projects. The formula used in determining the maximum allowable increase in either the yearly rental rate or the resale value of a dwelling unit is expressed as:

$$\text{Rate} = \text{original rent/selling price (all subsequent increases } \times 40\%) \times \text{Prime Rate}^2 - 2\%$$

² The Prime Rate for use in this equation relates to the advertised Prime Rate charged by the Royal Bank of Canada for demand Canadian dollar commercial loans.

This formula allows for the resident housing projects to remain affordable in perpetuity, as the units are restricted to the maximum amount that they may appreciate in either selling value or rental rate.

The resale of the restricted units, which is determined by the resale formula, is further strengthened by the additional covenant of a *Right of First Refusal* in favour of the Resort Municipality of Whistler. Each of the units which have a resale restriction placed upon their title have the additional right of first refusal attached as well to serve as a mechanism of enforcement of the resale restrictions. With the right of first refusal, the prospective seller of the unit must first offer the unit for sale to the Resort Municipality of Whistler. This enables the municipality to calculate the resale price for the unit, and determine if the unit's selling price falls within the allowable selling price for that particular unit. If the unit's selling price is not within the appropriate range for the unit, as determined by using the resale formula, the municipality can exercise its option to purchase the unit. The purchase price that the municipality would pay for the unit would be the price as determined by the resale formula. The right of first refusal dictates that the seller must sell their unit to the municipality if the municipality were to exercise their right to purchase the unit, and at the price determined by the municipality.

4.3.1 Works and Service Charges

A Housing Fund has been set aside to collect moneys that are to be used in the development of affordable housing projects for local Whistler workers. The payment into this fund is through the enactment of the Service Charge Bylaws, which exacts taxes from new development that are payable directly into the Housing Fund. The initial bylaw that set out the payment of this money was Employee Housing Service Charge Bylaw #811, 1990. The

money that was collected from the development of commercial land was to be used for “any purpose directly or indirectly related to employee housing services” (Employee Housing Service Charge Bylaw #811, 1990). The Works and Services Charges provides varying methods of paying the service charges: payment directly into the Housing Fund, providing affordable housing for residents, or buying housing equity credits from the Whistler Valley Housing society. Each of these three methods ultimately provides affordable resident housing for Whistler’s seasonal and full time population.

In its earliest form, the Works and Service Charge required that commercial development was to pay into the fund a fee of \$5,000.00 for every 46.45 square metres of gross floor area (g.f.a.) of the development project. In addition to the commercial sector paying development fees for the creation of affordable resident housing, the hotel/accommodation sector was required to pay into the fund, using an employee generator of 0.2 employees generated per guest room.

Payment of the Employee Housing Works and Service Charge into the Housing Fund is one of the options available to the developer of commercial and/or accommodation within the Municipality of Whistler. The generators used in determining the actual of amount of employees that are to be generated from the development remain the same, though. The developer of a major project has two other specific options in order to meet their obligations in providing for employee housing under the works and service charge bylaw. The first option entails the physical development of the units for the employees generated under the bylaw, either within the affected development or in another area of the municipality. In either case, the developer has provided housing for the employees generated under the development of the new project. The second option available to the developer of the commercial property is that

of purchasing rent equity from the Housing Society, which is used to pay for the costs associated with the mortgage, taxes and maintenance of short term affordable rental housing for employees.

Over time, the works and service charge bylaw for employee housing has evolved to allow for a more equitable method of requiring certain types of development to contribute to the provision of affordable housing in Whistler. The type of new development to pay into the Housing Fund has been detailed more explicitly to allow for the equitable treatment of the various types of development. Previous to this, all of the developments were subject to the same employee generators. This generic generator proved to be inequitable to some types of development, especially the industrial sector. The industrial uses required a large space in which to operate, and a large proportion can be used for storage of goods or for equipment use. As a result, the generator that applied to the commercial sector could not fairly deal with the industrial sector, and the generator used for the industrial sector was changed. In 1991, Employee Housing Service Charge Bylaw #873, 1991 added the separate generator for the industrial sector and was set at 1 employee generated for every 232.25 square metres of gross floor area.

Additionally, the Employee Housing Service Charge Bylaw has changed yearly to take into account the increases in the cost of providing housing to the local work force. One aspect of this has been the payment-in-lieu portion that contributes to the housing fund. The amount payable into the fund has slowly increased over the past several years. Originally set at \$5,000 per employee generated during the period between 1990 and 1993, the service charge bylaw has increased this amount to \$5,335 in 1994, \$5,431 in 1995, and finally \$5,578 in 1996, for an increase of approximately 11.2% over the four years.

The Employee Housing Service Charge Fund has grown to an approximate value of \$5,593,407 for the year-end of 1997 (R.M.O.W., 1998). This figure represents the total amount of contributions to the fund from the development of industrial, commercial and accommodation projects within Whistler. With 1991 as the first year of revenue generation from developments, the Fund was established with approximately \$75,000. Since then, the fund has grown to \$232,235 in 1992, \$1,438,933 in 1993, \$2,384,674 in 1994, \$4,034, 434 in 1995 and \$5,965,050 in 1996. The only disbursements from the fund have been for the design tender and housing consultant fees for the Millar's Pond project, as well as the purchase of land (approximately \$370,000) in 1997 for an employee housing project.

4.4: Supply Versus Demand for Affordable Housing.

As indicated in section 3.6, the overall need for affordably priced accommodation is approximately 1,576 dwelling units, or 3,940 sleeping units to house the permanent residents of Whistler. These numbers represent those people in Whistler who currently have the greatest need for housing options. Given the overall supply of affordable housing options, the gap between the supply of what is affordable and the demand for those units remains wide.

4.5: Summary of Housing Programs and Stock in Whistler

The main method for developing and maintaining affordable resident housing in Whistler have been through restrictive covenants placed on the title of properties that have been pre-selected for resident use. The covenants concern the areas of use and occupancy, re-sale controls, rights of first refusals, and rental rate restrictions. Each of these methods allows an affordable resident housing project to remain affordable in perpetuity, given the local real estate market. In addition to the restrictive covenants placed on the title of properties, is the

Employee Works and Service Charge fund, financed through taxes levied upon new developments of commercial, industrial and accommodation projects within Whistler. The fund, which has been underutilized since its inception in 1990, has moneys totaling over \$5.5 million dollars.

Chapter 5

RECOMMENDATIONS

This chapter presents a combination of tested methods by which the Resort Municipality of Whistler can facilitate the development of affordable resident housing, through the use of broad general programs as well as specific targeted policies. The chapter is broken down into the specific policies that the municipality can adopt, and the specific policies or procedures that a housing fund can utilize to develop affordable housing. The municipal actions are directed towards the implementation of levies and taxes on the local real estate market, while the policies can be found in the form of waiving of fees and the reform of existing rules and regulations regarding development zoning bylaw alterations. The housing fund can utilize the taxes collected from the local real estate market by the municipality to act as a developer, or a partner in development, in the creation of the affordable housing units.

5.1 General Policies

Developing a stock of affordable resident housing in Whistler has relied upon two distinct mechanisms: the Employee Works and Service Charge and the deed restriction of developed housing units. To a certain degree these two mechanisms have provided a supply of affordable housing for residents. The main contributor and maintainer of affordable housing has been the requirement of the deed restriction on resident housing projects that maintain the unit as affordable over time and for residents only.

A third general policy that can be followed is for the provision of a wide range of dwelling units that offer a mix of unit types as well as tenures. The mix of unit types that are developed to provide local area residents with an affordable housing option should be geared to accommodate a mixture of different household types, from the middle income young family to the seasonal worker who is on his or her own for the first time. Each of the groups will require different housing options due their current circumstances, as the middle income young family will probably require a two or three bedroom unit in a quiet area, while the seasonal resident may not be so choosy as they are living in Whistler for the season and is in town to "live the life in a ski town" and may only require a private bed in which to sleep.

The issue of tenure is another area of responsibility that needs to be examined. For the most part, the majority of resident housing projects developed to date have had their tenure options limited to ownership. An effort should be made to provide housing options that offer tenures of both ownership and rental of affordable housing units to allow for the housing of all of the different households in Whistler, from the permanent resident to the seasonal worker and their corresponding housing needs.

As the figures from the 1996 Census indicate, the population of Whistler is very young when compared to other areas in British Columbia. The largest age group of people in Whistler is in the 20-34 year age group, with 3,715 males and females belonging to this group. This age grouping represents almost 52% of the entire permanent adult population of Whistler. Combined with the median employment income of the average Whistlerite at \$18,600 per year in 1995, the housing options available to the 20-34 year age group are limited to that of rental housing. As almost 52% of the Whistler population is under the age of 35 and has a median income of under \$20,000 per annum, the ability to present a down

allow for the housing of these younger, less paid workers who provide the service industry with their employees. Additionally, affordably priced rental accommodation would allow for the current level of over-crowding of existing market rental accommodation to be minimized, if not eliminated.

5.2 Specific Policies

The specific policies will be described within the two areas of the municipal policies and the housing fund programs/policies. While the municipal policies are concerned with the facilitation of the development of affordable housing or with the creation of capital that can be used by the housing fund, the housing fund programs contribute either financially, in whole or in part, to the development of affordable housing projects, or to the actual development of the affordable housing units.

5.2.1 Municipal Policies

The specific municipal policies that the municipality can undertake to either facilitate or contribute towards the development of affordable resident housing come in the form of taxation and fees imposed onto the real estate market, as well as regulatory reform in terms of zoning provisions contained within Zoning and Parking Bylaw #303, 1983. Each of these methods can either fund the housing fund or create an environment that easily facilitates the private development of affordable housing. The specific methods of the demolition permit fee, the real estate title transfer fee, and the real estate escrow account fund are mechanisms that can generate capital for the housing fund, while the zoning provisions, combined with fee waivers and density bonuses can help facilitate the private development of affordable housing. Each of the mechanisms presented must be used in concert with the deed restrictions for affordability.

Demolition Permit Fee

The establishment of a fee for the demolition of existing accommodation can be used as a dedicated source of revenue for a housing fund. The success of Aspen's demolition permit fees has indicated that the imposition of a fee for the demolition of the existing affordable stock has led to the creation of replacement affordable housing, and housing that is deed restricted to remain affordable in perpetuity.

There are two options with regards to the demolition permit that can be used for the creation of affordable housing. The first option entails a payment of a fee based upon the overall gross floor area of the newly constructed unit. Aspen's demolition permit fee amounts to \$14.75 (\$U.S.) p.s.f. for the new dwelling unit. The alternative to paying this fee requires that the new dwelling unit include an auxiliary residential dwelling unit that is available for rent to a resident. To ensure that the unit is kept affordable in perpetuity, the newly created auxiliary dwelling unit could be deed restricted for both occupancy and for the rental rate charged.

Assuming \$15.00 p.s.f. and an average 3,500 square feet gross floor area, an approximate amount generated from the demolition permit tax can be determined, with a demolition permit fee of \$52,500 being generated. Following the trend of demolitions in Whistler every year, and making a further assumption that as real estate prices increase and outstrip the value of existing older stock housing, so too will the demand for demolition permits. Over the period of 1992 to 1997, there were 25 demolition permits issued in Whistler. Currently, according to the 1998 Assessed Tax Roll, there are approximately 834 single family dwelling units, assessed at under \$500,000, where the value of the land is worth more than the value of the building. Of those 834 properties, approximately 694, or 83%,

contain a building that it valued at 30% or less of the overall value for the entire property. With these properties, and their corresponding proportionally high land value and low building value, the demand for demolition permits should increase over the next several years assuming that the real estate market exhibits indications of the previous escalating real estate prices. Given the previous trend of approximately 4.2 demolitions per year, the new moneys created from the demolition permit tax would be in the area of approximately \$218,700 collectable. With the anticipated increase in demolition permit issuance over the next several years, the returns to be realized from this fee are substantial and may significantly contribute towards more housing units.

Real Estate Title Transfer Fee

The annual real estate sales figures in Whistler could be used to help finance the development of affordable resident housing due the rapid growth in both real estate prices and the volume of sales with the increasing success of the resort. The precedents of Aspen Colorado provides evidence for the effectiveness of a real estate title transfer fee and the substantial contribution this fee has made toward providing for affordable housing.

Over the course of the period of 1993 to 1996, there were a total of 3,954 real estate transactions within the Whistler Valley, with the total sales figures for every type of accommodation reaching \$154,884,000 in 1993, \$184,617,000 in 1994, \$262,222,000 in 1995 and \$346,265,000 in 1996. The application of a real estate title transfer fee during these four years alone would have generated revenues directed to the development of affordable resident housing. A transfer fee of 0.5% on each real estate transaction in the 1993-96 time period would have yielded a return of \$4,734,954, while a transfer fee of 1.0% would have yielded a return of \$9,469,907 over the same time period. The Whistler real estate market

indicates that the prices paid for residential properties will continue at its present rate, with room for fluctuations in the total amount paid in the real estate transactions. This being the case, the real estate title transfer fee can be highly instrumental in financing the development of affordable resident housing projects.

Real Estate Escrow Account Fund

The funds collected in escrow for the purchase of land within Whistler can be pooled to create revenues for the housing trust fund. The pooling of deposits on the purchase of property allows for a greater sum of capital to be paid interest upon, which in many instances can offer a higher rate of return. By drawing upon the interest generated from the pooled escrow accounts, the housing fund can receive another form of financial input.

The funds generated by the real estate escrow account can be estimated based upon the previous years' real estate sales activity. For the years 1993 to 1996, the overall real estate sales figures would have resulted in an account fund of approximately \$15,488,000 in 1993, \$18,617,000 in 1994, \$26,222,000 in 1995 and \$34,626,000 in 1996. Assuming an average annual rate of 6% for the fund, the funds generated would amount to approximately \$5,687,000 for the period of 1993-1996 (assuming a 10% down payment, and the funds being held an average of three months in a fund which generates 6% per annum) or \$1,420,000 per annum.

Zoning Bylaw Amendments

Probably the most inexpensive means to add to the inventory of affordable housing is through the amending of the various zoning bylaws that govern the use, density, and siting of accommodation. The current zoning bylaw, Zoning and Parking Bylaw #303, 1983, allows for the creation of auxiliary residential dwelling units in a majority of zones within the

municipality. However, the inclusion of these auxiliary suites is strictly regulated as to the size and location of the auxiliary suite. The following revisions and amendments to the zoning bylaw, if utilized by home owners, would come with the requirement that the newly constructed auxiliary residential dwelling unit created under the new regulations would be required to carry a deed restriction that would serve to restrict the rental rate of the unit as well as the occupancy of that unit to a working resident of Whistler.

Specifically, amendments to the zoning regulations for areas zoned RS-1 (Single Family One) can be targeted towards the inclusion of more auxiliary residential units. Currently, there are a number of regulations that exist within the RS-1 zone that serve to limit the wide spread adoption of auxiliary suites into the single family residence. The most limiting regulation here is the requirement for the gross floor area of the auxiliary suite to be included in the overall allowable gross floor area for the entire parcel. By including the auxiliary suite g.f.a., there exists no legal means for a property owner whose property is near the maximum allowable g.f.a to construct an auxiliary suite. By allowing for the auxiliary suite g.f.a. to be separate from the maximum allowable g.f.a. for the parcel, legal auxiliary suites could be readily constructed.

In addition to amending the allowable density of a particular parcel, siting regulations can also be amended to facilitate the creation of additional auxiliary residential suites. Currently, within the RS-1 zone auxiliary residential dwelling units are only allowable within the principal residential dwelling. By allowing for existing unused space above garages on a typical single family lot, or constructing a new unit on an atypical single family or higher zoned lot could also add to the creation of these auxiliary units.

A final amendment to the current zoning bylaw is to allow for larger auxiliary suites. Currently, the maximum gross floor area of an auxiliary residential unit is restricted to 75 square metres, which is to include no more than two bedrooms, a bathroom, a kitchen, a living room, and no other rooms. This requirement does not allow for an arrangement that could include three bedrooms to be built within the same gross floor area allowance, nor does it allow for the inclusion of some basic amenities such as a laundry room, storage room, or a study room/den. The addition of one or more of these amenities could allow for a more livable arrangement within a rental unit.

The estimated conversion factor for the creation of auxiliary suites within existing single family residential units, according to Ritzdorf (1985) is estimated at approximately 1 suite for every 1,000 units. By including the added flexibility in siting, allowable gross floor area for the entire parcel, the conversion factor would likely be increased. With the additional benefit of adding revenue to the homeowner through the rental of the unit, the conversion factor within Whistler may be higher still, due to the high cost associated with home ownership. With 2,208 single family units developed and 492 undeveloped, there is potential for more widespread development of auxiliary suites. Of the 492 remaining to be developed, a great majority of these units could readily accommodate the auxiliary unit. Considering the extra revenue created by the suite and the additional incentive of not including the floor area of the unit in the overall g.f.a. for the parcel, combined with relaxations in siting requirements, the inclusion factor may be increased dramatically. The current trend in Whistler for inclusion of an auxiliary suite into a single family unit has average approximately 61 units per annum over the period of 1993 to 1997. The average number of suites built includes both auxiliary suite inclusion within a new single family dwelling and a conversion addition into an existing

single family unit. In total, there are approximately 624 auxiliary dwelling units within Whistler, which represents a breakdown of one auxiliary unit for every 3.54 single family dwelling units constructed. According a recent study by the Planning Department of the Resort Municipality of Whistler, a conversion rate without incentives has been estimated at approximately 50% (Hicks, 1996). The additional incentives of the fee waivers and relaxations in siting limitations, combined with the higher costs of real estate in Whistler, could lead to a higher conversion factor of 70 to 80% of all remaining single family development and the existing developed single family units without an auxiliary unit. With 492 single family dwelling units remaining to be developed, and a total of 1,584 developed single family dwelling units without an auxiliary suite, the potential for the widespread development of auxiliary residential dwelling units can be dramatic. This potential, assuming 70% to 80%, could result in an overall gain of between 1,453 and 1,661 auxiliary dwelling units being units being created in Whistler over the period of 1998 to 2003, or between 290 and 330 auxiliary dwelling units per annum.

Fee Waivers

To further encourage the development of auxiliary residential suites within the existing housing stock, the associated building permit and plumbing permit fees could be waived. This will serve to act as an incentive for current homeowners to both provide for a unit of affordable resident housing and to create a source of income that can be used towards the financing of the existing residential unit. As a result, the waiving of building fees has a trickle effect of creating a single affordable housing unit while adding to the affordability of the existing residential unit. Building of residential units that take advantage of the fee waiver to construct an auxiliary dwelling unit would be required to place a covenant on the title of the

property indicating the auxiliary residential unit is restricted in both the rental rate of the unit and for the occupancy of the unit to a Whistler resident.

When all of the proposed policies relating to the development of auxiliary housing units are in place, it can be assumed that 1453 resident auxiliary units could be created that are both price controlled and resident restricted. Additionally, these units will not require any capital from either the housing trust fund or the municipality. The auxiliary units will have been financed from private capital, and will serve to both create an auxiliary housing unit and to make the principal housing unit affordable due to the revenue generated from the auxiliary housing unit.

Density Bonus

The British Columbia Municipal Act allows for the increasing of the density of new developments for the creation of amenities that are a benefit to the local community. Such amenities include parkland dedications, recreational opportunities, public art and affordable housing projects. Within Whistler there are numerous residential projects that are being planned for development in the near future. By allowing an increase in density of select undeveloped projects, additional affordable housing units could be created. The inclusion of a few extra units to be built would allow for each new development in Whistler to house local area residents within areas that may not be suitable for large scale resident housing projects (for example, highly tourist oriented areas).

Once a unit has been created through one or a number of the above mentioned policies, it would be deed restricted for both occupancy and rental price. These deed restrictions could be similar to the existing affordable housing covenants already in place on the numerous housing projects that are restricted to affordable resident housing.

The remaining residential projects to be developed, having a higher density than a single family or duplex unit, can create more housing through the density bonusing program. As of December 31, 1997, there remained over 650 multi-family dwelling units yet to be developed. By requiring a density bonus factor in each of the remaining multi family developments to allow for the inclusion of some form of resident housing would allow for the relatively inexpensive development of the resident units. An average factor for the inclusion of the resident housing units within the undeveloped multi family units could amount to approximately 10% of the overall units as resident only units, to be combined within the already allocated development. This average could immediately result in the development of approximately 65 resident multi family housing units. A more ambitious factor could see the density provision increased to 15% or even 20% of the total units of a given development.

5.2.2 Housing Fund

The establishment of a housing trust fund, similar to the fund identified in Chapter 2, could be used to administer the incoming funds of the demolition permit fee, the real estate title transfer fee, the real estate escrow account and further combined with the existing housing fund derived from the Employee Works and Service Charge from new development. The pooling of these four funding mechanisms will allow for the housing fund to grow to an amount that would allow for the widespread development of affordable resident housing projects. Overall, these four funds could conceivably generate approximately \$750,000 from the title transfer tax, approximately \$9,000 from the real estate escrow account (assuming 6% per annum), approximately \$218,000 from the demolition permit fee (assuming \$15.00 p.s.f. and an average 3,500 square feet gross floor area), for a total of approximately \$970,000 for the 1997 year alone. With the approximate selling cost of affordable resident housing

established at \$150.00 per square foot, the moneys generated from the new policies could result in the potential development of approximately 6,500 square feet of accommodation, or, assuming a unit size of 800 square feet, 8 units per year. This number could be further increased through the direct subsidization of the units that are already scheduled for development and thereby reduce the overall per square foot selling cost of the units.

There are three specific models which could provide a role for the administration of the housing fund moneys. First of all, the housing fund could utilize the capital collected from the adopted municipal policies of the real estate title transfer tax, the demolition permit tax and the real estate escrow account to act as comprehensive developer of affordable resident housing projects. In this role, the housing fund would be utilized to acquire land suitable for the development of housing units, construct the dwelling units, and finally administer the final product, whether for rental or for purchase.

The second role that the housing fund could undertake would be in developing partnerships with the private development sector. In this, the housing fund could be utilized to purchase land for a housing project with the private development sector constructing the housing units. The purpose of this would be to remove the high cost of developable land from the overall equation in determining the rental or sale price of the housing units. A further option to this scenario allows for the housing fund to derive capital from leasing the land to each of the individual housing units' owners or to add a percentage on to the predetermined monthly rent of the rental units. This allows for both the development of less expensive housing projects while at the same time providing a continual source of revenue for the housing fund.

The final role in which the housing fund can contribute to the development of affordable housing is through the partial subsidizing of private development projects to allow for the projects to meet predetermined affordability levels. Contributing capital towards the development of the housing projects would allow for the housing fund to own a percentage of the housing units, which would then be absorbed by the housing fund. The resultant price or rental of the housing unit would allow for the unit to meet the determined affordability criteria. The units developed with this assistance would be even more affordable to the prospective purchasers, and at a price less than the current \$150.00 p.s.f. selling price. This would serve to act as an incentive to private development companies to build affordable housing as they would be able to realize a guaranteed return that may not otherwise be possible for the development of price restricted housing. Combined with fee waivers, zoning amendments, and a market demand for affordable housing units, the private development of affordable resident housing could be achieved.

Chapter 6

SUMMARY

Main Findings

The purpose of this practicum was to fully explore potential policies and programs which a municipal government can utilize to facilitate the development of affordable resident housing without imposing general tax increases or drawing from general municipal revenues. Through the establishment of policies that are able to draw revenue from the current real estate market, affordable housing projects can receive financing. Relaxations to municipal zoning regulations, in addition to fee waivers and density bonuses all lead to the creation of affordable housing in Whistler. The ability to develop and maintain housing that is affordable to the residents of the community of Whistler can be approached on a number of levels. The policies and practices of deed restricting units for both occupancy and price, and the extracting of development fees for the development of housing, that are currently in existence are but one part of an expanded program that can be directed towards the provision of affordable housing units.

The creation of additional affordable housing units in Whistler, the municipality can also contribute capital without drawing from general municipal revenues, can be accomplished through a number of targeted and specific policies. Specific fees and levies that serve to extract moneys from the speculation involved in a hot real estate market can be used to off-set some of the effects of that real estate market. Demolition permit fees and real estate title transfer fees are two of the main mechanisms that can be utilized to provide community benefits from the real estate market conditions. Funds raised from these fees

could be utilized to purchase land, to develop housing projects, or to subsidize privately financed projects to allow for those projects to become even more affordable to residents.

Another aspect in the creation of affordable housing can be found in the amendment of the existing Zoning and Parking Bylaw #303, 1983 to allow for more permissive regulations for the creation of affordable auxiliary residential dwelling units. Siting relaxations, density issues and including auxiliary residential suites in all residential zones can all contribute to the development of an affordable option to housing residents, all while utilizing the existing infrastructure.

The creation and administration of select fees and levies could be a major source of funds for the development of large-scale affordable resident housing projects. An independent authority, financed by the housing trust fund, could utilize the moneys received from the levies, fees, and works and service charges to develop affordable housing. Through either land deals with privately financed affordable housing projects, the wholesale development of affordable housing projects, or through investing capital from the housing trust fund into private developments to establish a truly affordable housing project, the housing fund would be able to support the creation of affordable resident housing projects.

With all of the policies and programs in place, an estimated amount of \$10,421,954 would have been raised over the period of 1993-1996, with 1,453 additional auxiliary units being created and 64 multi-family units being created. With all of the preceding policies and practices working together, affordable resident housing in Whistler can be achieved with little or no negative financial impacts on the resort of Whistler British Columbia.

The overall amounts that potentially could have been raised over the previous five years in Whistler, if these policies had been place, is an impressive \$10,000,000, while the

regulatory frameworks outlined could potentially allow for the creation of approximately 1,518 additional affordable housing units without any direct expenditures by the municipal government. This generation meets, and even exceeds the demands for affordable housing in Whistler. The 1,518 affordable housing units would meet the needs of the current population in Whistler, while the \$10,000,000, plus additional revenues from future years, could adequately provide seed money for additional resident housing projects.

Strength of Precedents

The main strength of the literature review and case study approach was due to the precedents described being actual examples of the theory in practice. The practicum presented tried and true methods of developing affordable housing, and within settings that were contextually similar to Whistler in many respects. As these areas are set within the same context, the possibility of Whistler being able to adopt any or all of the options described is quite high.

Areas for Further Research

During the course of the research for this practicum, combined with the work placement within Whistler, several areas for further research on affordable resident housing have emerged. At every turn, there seemed to be another aspect of resident housing that could have been included in the body of this practicum. The areas that could be further researched include aspects of the business of providing affordable housing through the trust fund, the detailing of possible partnerships in creating affordable housing, and finally the type of house that is to be constructed, which can be in the form of “Co-Housing”, “Limited Equity Cooperatives”, or some other type of community housing projects.

An additional area for research would be to develop a land banking system that could be adopted by municipalities that are early in their development. A comprehensive land banking system, adopted early in the life of a municipality, can have a tremendous effect upon the ability to provide affordable housing.

Further enhancing the options presented in this practicum would be to study the possibilities for public-private partnerships. Utilizing the policies detailed, and combining with private landowners, businesses, and individuals could establish accommodation options that are even more affordable.

A final area for further research would be to more fully detail a process whereby residents within existing neighbourhoods are involved in the decision making process for resident housing projects. By allowing for the residents to be included in the initial planning stages for these projects, time and money could be saved due to the public's acceptance of the overall project. Further, the impacts upon existing neighbourhoods where affordable housing projects have been developed could be fully detailed to understand the impacts that a neighbourhood faces when affordable housing projects are developed. This would serve to ease the fears of existing homeowners that relate to the overall effect of a potential housing project.

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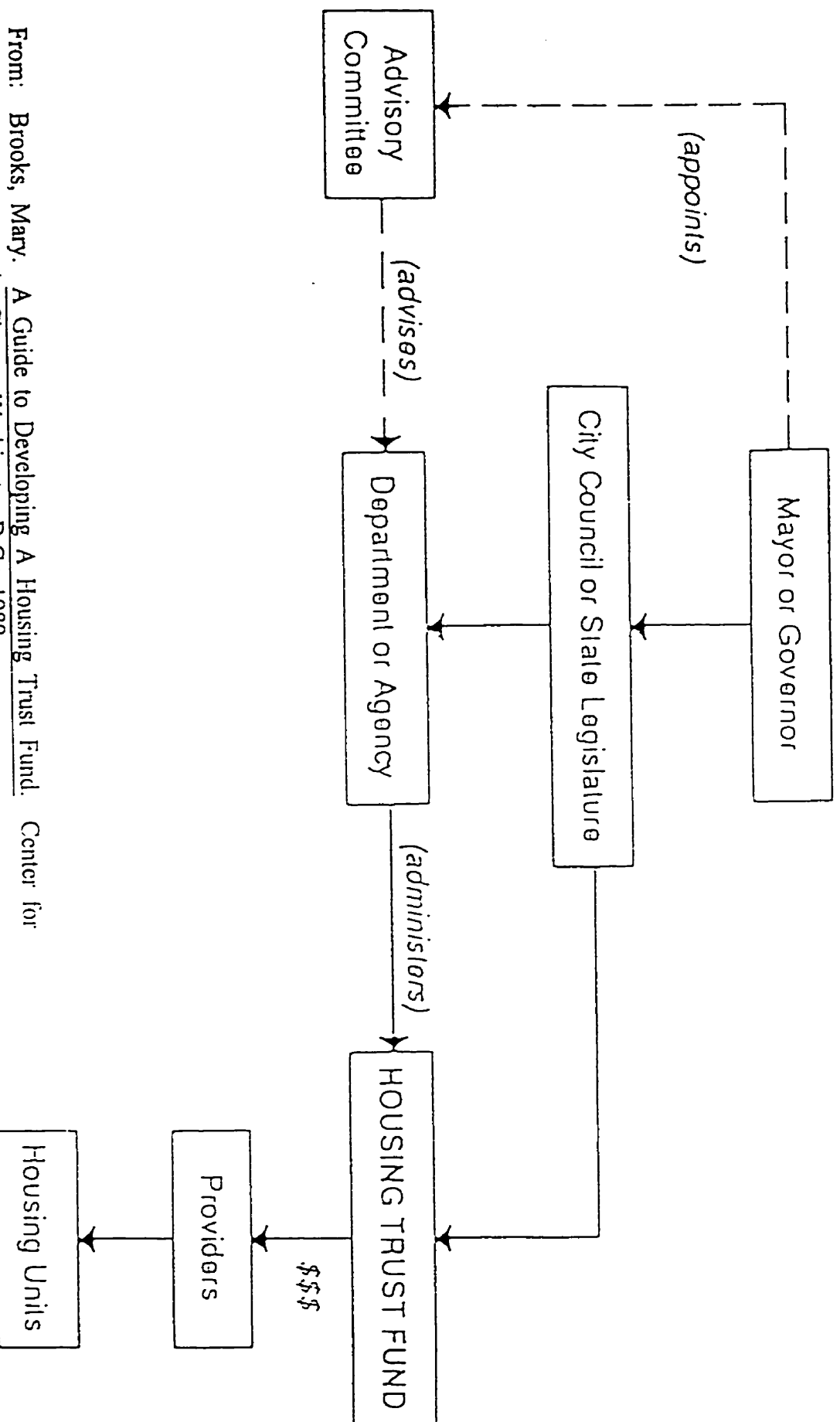
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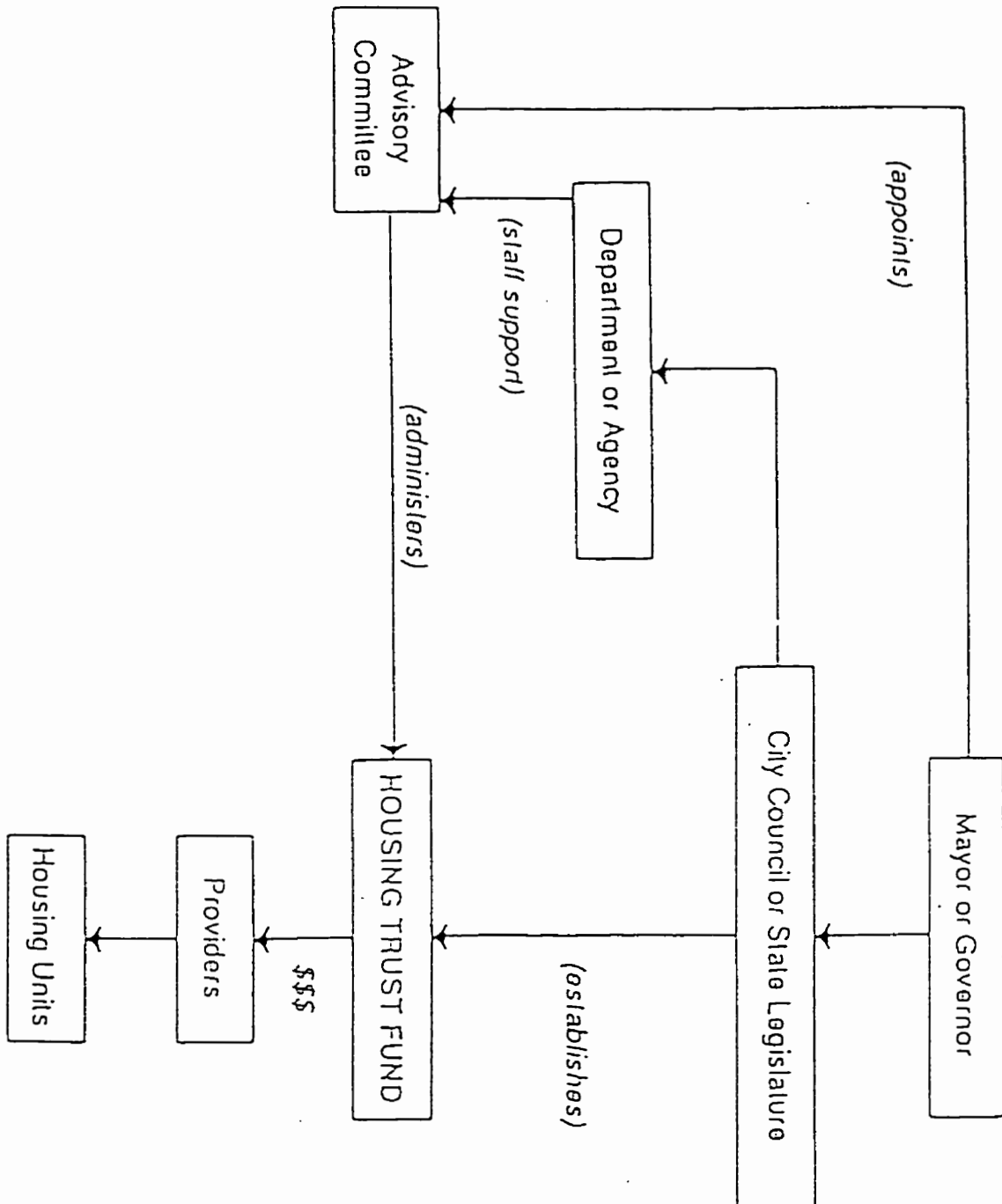
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Agency or Department Model



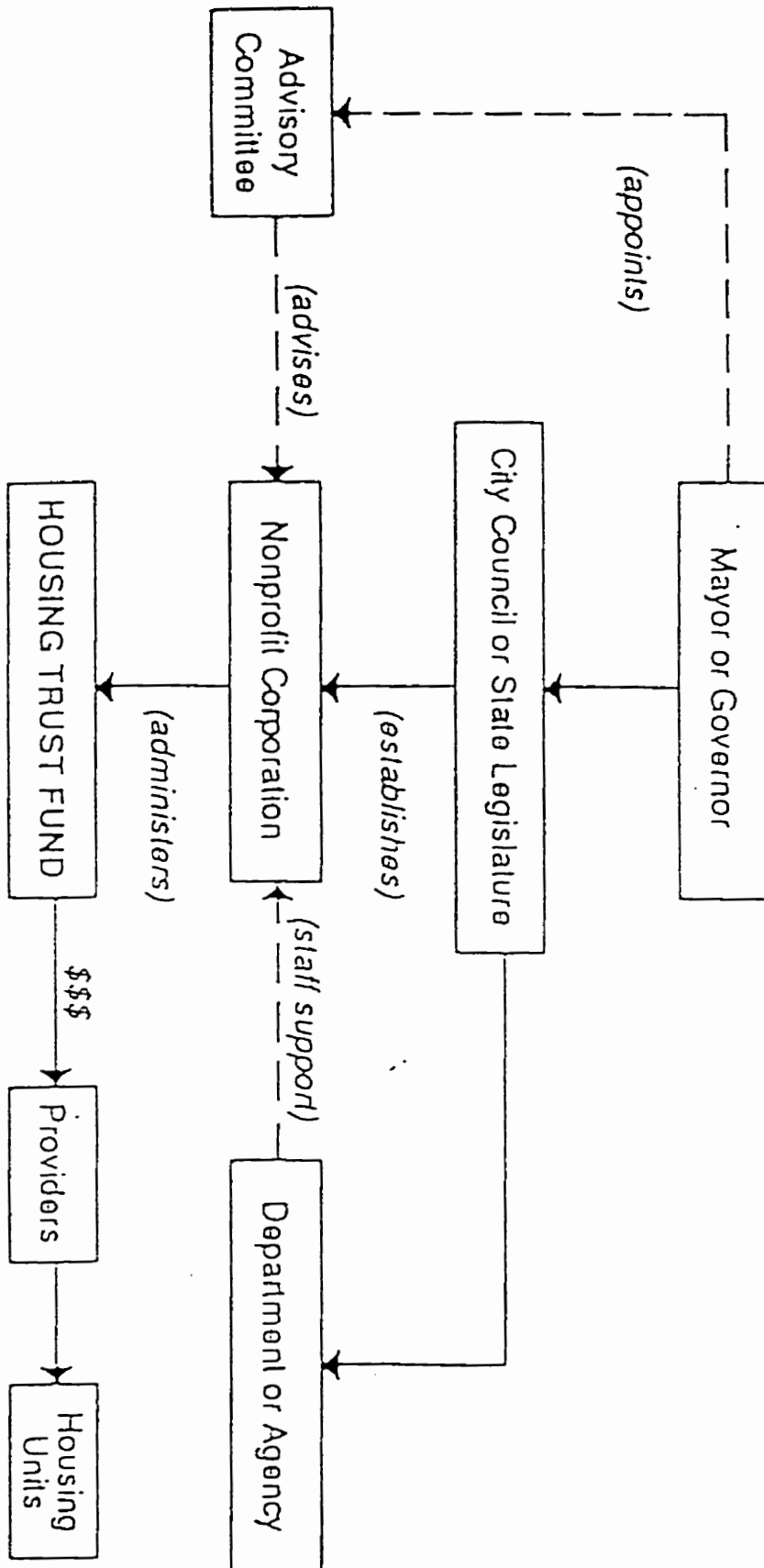
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Whistler ..

Rental Market Characteristics, 1990-1997Rental Market Characteristics, 1990Jan. 11, 1990.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	0	2	2	0	1	5
Avg. Rent	0	755.00	1500.00	0	N/A	
High Rent	0	800.00	1500.00	0	N/A	
Low Rent	0	650.00	1500.00	0	N/A	
Accom. Wanted	0	0	1	0	0	1

Apr. 12, 1990.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	7	19	27	31	2	86
Avg. Rent	575.00	721.18	870.23	1300.00	425.00	
High Rent	700.00	1000.00	1450.00	1800.00	500.00	
Low Rent	350.00	550.00	675.00	900.00	350.00	
Accom. Wanted	1	0	1	2	0	4

July 12, 1990.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	6	22	23	24	19	94
Avg. Rent	450.00	586.76	855.00	1132.35	406.66	
High Rent	550.00	750.00	1000.00	2500.00	675.00	
Low Rent	325.00	425.00	700.00	600.00	200.00	
Accom. Wanted	0	0	1	1	0	2

Oct. 11, 1990.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	2	7	8	18	6	41
Avg. Rent	737.50	644.33	1325.00	1835.00	386.66	
High Rent	750.00	700.00	2000.00	2750.00	450.00	
Low Rent	725.00	583.00	1000.00	1000.00	300.00	
Accom. Wanted	0	1	1	0	0	2

* - only one with advertised rent.

Source: Whistler Question, Rental Accommodation.

"N/A" - indicates no rent advertised available

Rental Market Characteristics, 1991

Jan. 10, 1991.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	1	2	1	6	10	23
Avg. Rent	625.00*	625.00	N/A	1687.50	388.50	
High Rent	625.00	750.00	N/A	1800.00	450.00	
Low Rent	625.00	500.00	N/A	1600.00	360.00	
Accom. Wanted	0	0	1	0	0	1

Apr. 11, 1991.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	15	40	36	55	26	172
Avg. Rent	525.00	650.57	824.96	1356.11	391.84	
High Rent	750.00	850.00	1000.00	2500.00	500.00	
Low Rent	350.00	400.00	675.00	750.00	275.00	
Accom. Wanted	0	2	3	2	0	7

July 11, 1991.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	13	18	25	42	16	114
Avg. Rent	497.50	657.14	816.14	1298.03	346.69	
High Rent	600.00	800.00	1200.00	2000.00	400.00	
Low Rent	395.00	425.00	680.00	750.00	200.00	
Accom. Wanted	0	0	0	0	0	0

Oct. 10, 1991.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	3	11	22	43	14	93
Avg. Rent	500.00	740.00	1241.18	1739.00	393.00	
High Rent	600.00	950.00	2600.00	3250.00	400.00	
Low Rent	400.00	575.00	700.00	875.00	300.00	
Accom. Wanted	0	3	1	3	1	8

* - only one with advertised rent.

Source: Whistler Question, Rental Accommodation.

"N/A" - indicates no rent advertised available

Rental Market Characteristics, 1992.

Jan. 9, 1992.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	0	2	9	11	7	29
Avg. Rent	0	600.00*	1371.43	1541.66	N/A	
High Rent	0	600.00	2200.00	2400.00	N/A	
Low Rent	0	600.00	700.00	1100.00	N/A	
Accom. Wanted	0	0	0	0	2	2

Apr. 9, 1992.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	12	53	35	42	24	166
Avg. Rent	518.13	646.32	767.00	1198.75	379.00	
High Rent	650.00	800.00	1200.00	1950.00	500.00	
Low Rent	300.00	500.00	600.00	700.00	250.00	
Accom. Wanted	0	1	2	0	0	3

July 9, 1992.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	9	23	17	40	21	110
Avg. Rent	438.57	599.47	916.54	1246.00	414.29	
High Rent	550.00	700.00	1700.00	2000.00	1000.00	
Low Rent	300.00	495.00	575.00	800.00	200.00	
Accom. Wanted	0	0	1	0	0	1

Oct. 8, 1992.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	0	15	17	30	12	74
Avg. Rent	0	759.09	1022.69	2020.00	380.04	
High Rent	0	900.00	1500.00	2800.00	500.00	
Low Rent	0	500.00	550.00	900.00	250.00	
Accom. Wanted	0	4	3	1	0	8

* - only one with advertised rent.

Source: Whistler Question, Rental Accommodation.

"N/A" - indicates no rent advertised available

Rental Market Characteristics, 1993

Jan. 14, 1993.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	1	0	0	2	2	5
Avg. Rent	650.00*	N/A	N/A	800.00*	450.00	
High Rent	650.00	N/A	N/A	800.00	500.00	
Low Rent	650.00	N/A	N/A	800.00	400.00	
Accom. Wanted	0	1	0	0	0	1

Apr. 8, 1993.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	3	40	29	33	33	138
Avg. Rent	508.33	608.16	852.95	1116.09	391.66	
High Rent	550.00	850.00	1400.00	1800.00	500.00	
Low Rent	475.00	450.00	600.00	600.00	250.00	
Accom. Wanted	0	1	2	3	0	6

July 8, 1993.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	5	17	19	22	17	80
Avg. Rent	521.25	610.00	843.85	1208.75	337.08	
High Rent	650.00	850.00	1400.00	1650.00	500.00	
Low Rent	435.00	500.00	500.00	825.00	220.00	
Accom. Wanted	0	1	0	2	0	3

Oct. 14, 1993.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	2	14	13	12	10	51
Avg. Rent	700.00	713.85	1037.50	1751.66	467.86	
High Rent	850.00	1100.00	1400.00	2000.00	750.00	
Low Rent	550.00	480.00	775.00	1400.00	200.00	
Accom. Wanted	0	5	3	0	0	8

* - only one with advertised rent.

Source: Whistler Question, Rental Accommodation.

"N/A" - indicates no rent advertised available

Rental Market Characteristics, 1994

Jan. 13, 1994.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	1	4	3	11	7	26
Avg. Rent	600.00*	591.66	1200.00	2860.00	470.83	
High Rent	600.00	625.00	1500.00	4500.00	700.00	
Low Rent	600.00	500.00	900.00	1800.00	375.00	
Accom. Wanted	0	1	2	2	0	5

Apr. 14, 1994.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	14	41	32	33	26	146
Avg. Rent	449.62	667.43	894.68	1425.00	382.37	
High Rent	600.00	850.00	1200.00	4000.00	500.00	
Low Rent	300.00	500.00	600.00	700.00	250.00	
Accom. Wanted	0	1	1	0	0	2

July 14, 1994.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	4	15	18	13	12	62
Avg. Rent	483.33	630.73	836.36	1505.55	387.50	
High Rent	500.00	765.00	975.00	2000.00	500.00	
Low Rent	450.00	498.00	750.00	950.00	300.00	
Accom. Wanted	0	1	2	0	0	3

Oct. 13, 1994.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	0	6	5	8	5	24
Avg. Rent	0	675.00	1200.00	1700.00	N/A	
High Rent	0	850.00	1600.00	2300.00	N/A	
Low Rent	0	500.00	800.00	900.00	N/A	
Accom. Wanted	0	3	3	6	4	16

* - only one with advertised rent.

Source: Whistler Question, Rental Accommodation.

"N/A" - indicates no rent advertised available

Rental Market Characteristics, 1995

Jan. 12, 1995.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	5	2	1	1	2	11
Avg. Rent	556.25	500.00*	850.00*	N/P	400.00*	
High Rent	625.00	500.00	850.00	N/P	400.00	
Low Rent	500.00	500.00	850.00	N/P	400.00	
Accom. Wanted	0	2	1	0	1	4

Apr. 13, 1995.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	3	23	24	12	16	78
Avg. Rent	466.66	689.00	925.50	1350.00	400.00	
High Rent	475.00	1100.00	1300.00	1800.00	600.00	
Low Rent	450.00	300.00	550.00	950.00	200.00	
Accom. Wanted	0	4	2	2	1	9

July 13, 1995.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	2	7	3	6	10	28
Avg. Rent	487.50	708.33	808.33	1845.24	313.75	
High Rent	575.00	975.00	1000.00	3571.43	500.00	
Low Rent	400.00	500.00	600.00	1050.00	200.00	
Accom. Wanted	0	0	4	3	1	8

Oct. 12, 1995.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	0	2	2	1	4	9
Avg. Rent	0	700.00*	1700.00	N/A	675.00*	
High Rent	0	700.00	2000.00	N/A	675.00	
Low Rent	0	700.00	1400.00	N/A	675.00	
Accom. Wanted	0	5	4	3	6	18

* - only one with an advertised rent.

Source: Whistler Question, Rental Accommodation.

"N/A" - indicates no rent advertised available

Rental Market Characteristics, 1996.

Jan. 11, 1996.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	0	3	1	2	2	8
Avg. Rent	0	725.00	N/A	2500.00*	375.00*	
High Rent	0	750.00	N/A	2500.00	375.00	
Low Rent	0	700.00	N/A	2500.00	375.00	
Accom. Wanted	0	3	1	0	4	8

Apr. 11, 1996.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	5	18	11	24	11	69
Avg. Rent	560.00	680.00	1058.33	1453.57	486.11	
High Rent	600.00	1000.00	1400.00	1900.00	675.00	
Low Rent	485.00	490.00	800.00	1200.00	225.00	
Accom. Wanted	0	0	5	5	0	10

Jul. 11, 1996

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	2	4	10	12	16	44
Avg. Rent	738.00	800.00	1038.00	2329.00	398.00	
High Rent	850.00	975.00	1400.00	2500.00	800.00	
Low Rent	675.00	725.00	800.00	1095.00	250.00	
Accom. Wanted	0	0	3	1	0	4

Oct. 10, 1996

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	0	2	3	6	12	23
Avg. Rent	0	775.00	1400.00	2515.00	595.00	
High Rent	0	850.00	1600.00	5000.00	1100.00	
Low Rent	0	700.00	1200.00	1800.00	350.00	
Accom. Wanted	0	2	5	1	1	9

* - only one with an advertised rent.

Source: Whistler Question, Rental Accommodation.

"N/A" - indicates no rent advertised available

Rental Market Characteristics, 1997

Jan. 16, 1997.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	1	1	2	4	11	19
Avg. Rent	500.00	N/A	1600.00	2475.00	550.00	
High Rent	500.00	N/A	1850.00	3300.00	900.00	
Low Rent	500.00	N/A	1350.00	1600.00	400.00	
Accom. Wanted	0	1	2	0	3	6

Apr., 1997.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	5	27	21	28	29	110
Avg. Rent	537.50	798.00	1188.00	1850.00	469.00	
High Rent	750.00	1200.00	1700.00	2500.00	700.00	
Low Rent	375.00	500.00	750.00	1100.00	300.00	
Accom. Wanted	0	0	0	0	2	2

July, 1997.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	4	14	13	12	15	58
Avg. Rent	631.00	817.00	1316.00	2037.50	483.00	
High Rent	800.00	1000.00	1800.00	3200.00	650.00	
Low Rent	525.00	650.00	800.00	1575.00	300.00	
Accom. Wanted	0	2	2	0	0	4

Oct. 16, 1997.

	Studio	1 Bdrm.	2 Bdrm.	3+ Bdrm.	Shared	Total
Available	1	7	13	15	9	45
Avg. Rent	500.00	778.00	2105.00	2481.00	510.00	
High Rent	500.00	900.00	4166.00	4200.00	550.00	
Low Rent	500.00	600.00	850.00	1300.00	450.00	
Accom. Wanted	0	4	0	0	0	4

• - only one with an advertised rent.

Source: Whistler Question, Rental Accommodation.

"N/A" - indicates no rent advertised available

PART 2 - TERMS OF INSTRUMENT
SECTION 215 COVENANT.

THIS AGREEMENT dated for reference December 16, 1996 is

BETWEEN:

(the "Owner")

AND:

RESORT MUNICIPALITY OF WHISTLER, 4325 Blackcomb Way, Whistler,
B.C. V0N 1B4

("Municipality")

GIVEN THAT

A. Section 215 of the *Land Title Act* permits the registration of a covenant of a negative or positive nature in favour of the Municipality in respect of the use of land or construction on land;

B. The Owner and the Municipality wish to enter into this Agreement to provide for affordable employee housing on the terms and conditions set out in this Agreement, and agree that this agreement is both a section 215 covenant under the *Land Title Act* and a housing agreement under s. 963.2 of the *Municipal Act*;

This Agreement is evidence that in consideration of \$2.00 paid by the Municipality to the Owner (the receipt of which is acknowledged by the Owner), the Owner covenants and agrees with the Municipality, in accordance with section 215 of the *Land Title Act*, as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement:

- (a) "Employee" means an individual:
 - (i) who is either employed or self-employed for an average of not less than 20 hours per week over the most recent three months and whose principal place of employment or business is located within the boundaries of the Resort Municipality of Whistler; and
 - (ii) who is a member in good standing of the Whistler Valley Housing Society;
- (b) "LTO" means the New Westminster/Vancouver Land Title Office;
- (c) "Municipality" means the Resort Municipality of Whistler;
- (d) "Prime Rate" means the annual rate of interest, expressed as a percentage, used as a reference rate by the Royal Bank of Canada at its main branch in Vancouver, British Columbia for Canadian dollar loans and designated by the Royal Bank of Canada from time to time as its prime rate;
- (e) "Retiree" means an individual:
 - (i) who has ceased employment and who was an Employee for 5 of the 6 years immediately preceding the date on which the individual ceased employment; and
 - (ii) who is a member in good standing of the Whistler Valley Housing Society;
- (f) "Strata Lot" means a parcel of land in the Resort Municipality of Whistler legally described in item 2 of Part 1 of the *Land Title Act* Form C to which this Agreement is attached and which forms part of this Agreement.

1.2 Interpretation

In this Agreement:

- (a) reference to the singular includes a reference to the plural, and vice versa, unless the context requires otherwise;
- (b) reference to a particular numbered section or article, or to a particular lettered Schedule, is a reference to the correspondingly numbered or lettered article, section or Schedule of this Agreement;

- (c) article and section headings have been inserted for ease of reference only and are not to be used in interpreting this Agreement.
- (d) the word "enactment" has the meaning given to it in the *Interpretation Act* (British Columbia) on the reference date of this Agreement;
- (e) reference to any enactment is a reference to that enactment as consolidated, revised, amended, re-enacted or replaced, unless otherwise expressly provided;
- (f) reference to a "party" or the "parties" is a reference to a party, or the parties, to this Agreement and their respective successors, assigns, trustees, administrators and receivers; and
- (g) reference to a "day", "month" or "year" is a reference to a calendar day, calendar month, or calendar year unless otherwise expressly provided.

ARTICLE 2 HOUSING AGREEMENT AND SUBDIVISION RESTRICTIONS

2.1 Use and Occupancy

- (a) The Owner agrees that the Owner may only sell a Strata Lot to an Employee or to a Retiree.
- (b) The Owner agrees that each Strata Lot may only be used or occupied as a permanent residence, and then only by an individual who resides in the Strata Lot and who is:
 - (i) an Employee;
 - (ii) a Retiree; or
 - (iii) living in the Strata Lot with an Employee or Retiree in a single domestic unit and
 - (A) is related to the Employee or Retiree by blood, marriage, adoption, common law marriage or foster parenthood; or
 - (B) is in a spousal relationship with the Employee or Retiree.

2.2 Sales Lottery Covenant

The Owner covenants and agrees with the Municipality that none of the Strata Lots may be sold separately from any of the Other Strata Lots, except in accordance with the following conditions:

- (a) a Strata Lot may be sold separately from the Other Strata Lots only to an Employee or a Retiree;
- (b) the first sale of a Strata Lot must be to an Employee or Retiree who has been selected as an eligible purchaser through a lottery held by the Whistler Valley Housing Society in accordance with the rules and policies on such lotteries of the Whistler Valley Housing Society current at the time of the lottery.

2.3 Statutory Declaration

Within three days after receiving notice from the Municipality, the Owner must deliver to the Municipality a statutory declaration, substantially in the form attached as Schedule A, sworn by the Owner under oath before a commissioner for taking affidavits in British Columbia, containing all of the information required to complete the statutory declaration. The Municipality may request such a statutory declaration in respect of any particular Strata Lot no more than four times in any calendar year.

2.4 Relief from Occupancy Restriction

If the Owner is in breach of section 2.1(b), the Owner may request to be relieved from the obligations under that section for reasons of hardship, but no such request may be made later than 30 days after the Owner has been given notice of breach by the Municipality. The request must be delivered in writing to the Clerk of the Municipality. The request must set out the circumstances of the default and the hardship involved. The Owner agrees that the Municipality is under no obligation to grant any relief, and may proceed with its remedies under this Agreement, and at law and in equity, despite the Owner's request and the Owner agrees that the relief, if any, is to be determined by the Municipality in its absolute and unfettered discretion.

2.5 Restriction On Lease or Rental

- (a) The Owner must not rent or lease any Strata Lot except in accordance with this section.
- (b) Without limiting the generality of section 2.3, the Owner may rent or lease a Strata Lot to an individual who is permitted to reside in the Strata Lot by section 2.1.

- (c) The Owner agrees that if a Strata Lot is rented or leased, the rent payable for the Strata Lot must not exceed the rent set out below, as applicable to the Strata Lot:
- | | | |
|-------|---|----------------------|
| (i) | studio/ loft unit | \$650.00 per month |
| (ii) | one bedroom unit | \$650.00 per month |
| (iii) | one bedroom plus den unit | \$750.00 per month |
| (iv) | two bedroom unit | \$1,000.00 per month |
| (v) | three bedroom unit | \$1,500.00 per month |
| (vi) | one bedroom located in a two or three bedroom unit, per bedroom | \$500.00 per month. |
- (d) The Owner agrees that no extra charges or fees may be levied or collected by or on behalf of the Owner for use of any common property, limited common property or other common area, or for sanitary sewer, storm sewer or water utilities. For clarity, this section does not apply to cablevision, telephone for other telecommunications, gas utility or electricity utility fees or charges.
- (e) The Owner agrees that the rent for a Strata Lot may be increased annually, beginning with the first anniversary of the day on which the occupancy permit was issued by the Municipality for the Strata Lot, by increasing the rent in accordance with the following formula:
- Original rent as determined under section 2.4(c), plus all previous annual increases X 40%) x Prime Rate on the anniversary date - 2%.
- (f) If a Strata Lot is rented or leased under this section 2.4:
- (i) a copy of this Agreement must be attached to the rental agreement or lease and the rental agreement or lease must contain the agreement of the tenant or lessee that the Strata Lot is subject to the occupancy restriction in section 2.1(b);
 - (ii) the rental agreement or lease must contain a provision that the Strata Lot cannot be occupied in breach of the occupancy restriction in section 2.1(b); and

- (iii) the rental agreement or lease must entitle the Owner to terminate it on 30 days' notice if the tenant or lessee occupies, or allows occupation of, the Strata Lot in breach of the occupancy restriction in section 2.1(b).
- (g) The Owner agrees to terminate any rental agreement or lease where the tenant or lessee occupies, or allows occupation of, a Strata Lot in breach of the occupancy restriction in section 2.1(b), in accordance with the terms of the rental agreement or lease and the *Residential Tenancy Act* (British Columbia).
- (h) The Municipality may, in its sole discretion, on the request of the Owner agree to permit from time to time any increase in the rents otherwise permitted under this section on such terms and conditions and in such amounts as the Municipality considers desirable.

2.6 Damages and Rent Charge

- (a) The Owner acknowledges that the Municipality requires employee housing to attract employees to work for the local businesses which generate tax and other revenue for the Municipality. The Owner therefore agrees that for each day the Strata Lot is occupied in breach of this Agreement, the Owner must pay the Municipality \$100.00 for each day ("Daily Amount") on which the breach has occurred, as liquidated damages and not as penalty, due and payable at the office of the Municipality on the last day of the calendar month in which the breach occurred. The Daily Amount is increased on January 1 of each year by the amount calculated by multiplying the Daily Amount as of the previous January 1 by the percentage increase between the preceding January 1 and the immediately preceding December 31 in the All-Items Consumer Price Index published by Statistics Canada for Vancouver, where 1996 = 100. The Owner agrees that payment may be enforced by the Municipality in a court of competent jurisdiction as a contract debt.
- (b) By this section, the Owner grants to the Municipality a rent charge under s. 215 of the *Land Title Act* (British Columbia) and at common law, securing payment by the Owner to the Municipality of the amounts described in section 2.6(a). The Municipality agrees that enforcement of the rent charge granted by this section is suspended until the date that is 30 days after the date on which any amount due under section 2.6(a) is due and payable to the Municipality in accordance with section 2.6(a). The Municipality may enforce the rent charge granted by this section by an action for an order for sale or by proceedings for the appointment of a receiver.

2.7 Specific Performance

The Owner agrees that the Municipality is entitled to obtain an order for specific performance of this Agreement and a prohibitory or mandatory injunction in respect of any breach by the Owner of this Agreement. The Owner agrees that this is reasonable given the public interest in restricting the occupancy of the Strata Lots in accordance with this Agreement.

2.8 Notice of Housing Agreement

For clarity, the Owner acknowledges and agrees that:

- (a) this Agreement constitutes both a covenant under s. 215 of the *Land Title Act* and a housing agreement entered into under s. 963.2 of the *Municipal Act* (British Columbia);
- (b) the Municipality is required to file a notice of housing agreement in the LTO against title to the Strata Lots; and
- (c) once such a notice is filed, this Agreement binds all persons who acquire an interest in a Strata Lot.

ARTICLE 3 GENERAL

3.1 No Effect On Laws or Powers

This Agreement does not

- (a) affect or limit the discretion, rights, duties or powers of the Municipality under any enactment or at common law, including in relation to the use or subdivision of the Strata Lots,
- (b) impose on the Municipality any legal duty or obligation, including any duty of care or contractual or other legal duty or obligation, to enforce this Agreement,
- (c) affect or limit any enactment relating to the use or subdivision of the Strata Lots, or
- (d) relieve the Owner from complying with any enactment, including in relation to the use or subdivision of the Strata Lots.

3.2 Notice

Any notice which may be or is required to be given under this Agreement must be in writing and either be delivered or sent by facsimile transmission. Any notice which is delivered is to be considered to have been given on the first day after it is dispatched for delivery. Any notice which is sent by fax transmission is to be considered to have been given on the first business day after it is sent. If a party changes its address or facsimile number, or both, it must promptly give notice of its new address or facsimile number, or both, to the other party as provided in this section.

3.3 Covenant Runs With the Strata Lot

Every obligation and covenant of the Owner in this Agreement constitutes both a contractual obligation and a covenant granted by the Owner to the Municipality in accordance with section 215 of the *Land Title Act* in respect of each of the Strata Lots and this Agreement burdens each of the Strata Lots and runs with each of them and binds the Owner's successors in title to each of them and binds every parcel into which they are consolidated or subdivided by any means, including by subdivision or by strata plan under the *Condominium Act* (British Columbia).

3.4 Limitation on Owner's Obligations

The Owner is only liable for breaches of this Agreement that occur while the Owner is the registered owner of a Strata Lot.

3.5 Waiver

An alleged waiver of any breach of this Agreement is effective only if it is an express waiver in writing of the breach. A waiver of a breach of this Agreement does not operate as a waiver of any other breach of this Agreement.

3.6 Further Acts

The Owner shall do everything reasonably necessary to give effect to the intent of this Agreement, including execution of further instruments.

3.7 Severance

If any part of this Agreement is held to be invalid, illegal or unenforceable by a court having the jurisdiction to do so, that part is to be considered to have been severed from the rest of this Agreement and the rest of this Agreement remains in force unaffected by that holding or by the severance of that part.

3.8 No Other Agreements

This Agreement is the entire agreement between the parties regarding its subject and it terminates and supersedes all other agreements and arrangements regarding its subject.

3.9 Amendment

This Agreement may be discharged, amended or affected only by an instrument duly executed by both the Owner and the Municipality.

3.10 Enurement

This Agreement binds the parties to it and their respective successors, heirs, executors and administrators. Reference in this Agreement to the "Municipality" is a reference also to the elected and appointed officials, employees and agents of the Municipality.

3.11 Deed and Contract

By executing and delivering this Agreement each of the parties intends to create both a contract and a deed executed and delivered under seal.

As evidence of their agreement to be bound by the above terms, the parties each have executed and delivered this Agreement under seal by executing Part 1 of the *Land Title Act* Form C to which this Agreement is attached and which forms part of this Agreement.

SCHEDULE A

CANADA)	IN THE MATTER OF A HOUSING
)	AGREEMENT with the Resort
PROVINCE OF BRITISH COLUMBIA))	Municipality of Whistler ("Housing
)	Agreement")
)	
)	
)	
)	
)	

I, _____, OF _____, British Columbia, do solemnly declare:

1. That I am the Owner of Strata Lot _____, Strata Plan LMS _____, and make this declaration to the best of my personal knowledge.

[or]

That I am the _____ (director, officer, employee) of the Owner of Strata Lot _____ and [make this declaration to the best of my personal knowledge] [have been informed by _____ and believe the statement in this declaration to be true].

2. This declaration is made pursuant to the Housing Agreement in respect of Strata Lot _____.
3. For the period from _____ to _____, Strata Lot _____ was occupied by the Employee or Retiree whose names and agrees appear below and by the Family Members whose names appear below, and by no other persons.

Name of Employee or Retiree	Name of Employer or Former Employer	Names(s) of Other Occupants	Relations of other Occupant(s) Employee or Retiree

4. The rent charged each month for the Strata Lot is as follows:
 - (a) monthly rent on the date 365 days before this date of this statutory declaration: \$_____ per month.
 - (b) rent on the date of this statutory declaration: \$_____.
 - (c) proposed or actual rent that will be payable on the date that is 90 days after the date of this statutory declaration: \$_____.
5. I make this solemn declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and pursuant to the *Canada Evidence Act*.

SWORN BEFORE ME at the City of _____
 _____, in the Province of
 British Columbia, this _____ day of _____
 ___, 1996.

 A Commissioner for Taking Affidavits for British
 Columbia

)
)
)
)
)
) _____
) Signature of person making declaration
)
)

END OF DOCUMENT

PART 2 - TERMS OF INSTRUMENT

RIGHT OF FIRST REFUSAL AND OPTION TO PURCHASE

THIS AGREEMENT dated for reference December 16, 1996 is

BETWEEN:

(the "Owners")

AND:

RESORT MUNICIPALITY OF WHISTLER, a municipality incorporated under the
Resort Municipality of Whistler Act, S.B.C. 1975, c.67 and having its address at 4325
Blackcomb Way, Whistler, B.C., V0N 1B4

("Purchaser")

GIVEN THAT:

- A. The Owners and the Purchaser wish to enter into this Agreement to ensure that a Strata Lot is sold only to qualified individuals and for a price that reflects the public interest in employee housing; and
- C. The Owners have agreed to grant to the Purchaser a right of first refusal to purchase a Strata Lot,

This Agreement is evidence that, in consideration of the payment of \$2.00 by the Purchaser to the Owners (the receipt of which is acknowledged), and in consideration of the promises exchanged below, the parties agree with each other as follows:

Definitions

- 1. In this Agreement:
 - (a) "Area" means the floor area of the Strata Lot plus a proportionate share of the floor area of the limited common property to which that Strata Lot is entitled, expressed in square feet, as shown on the strata plan for that Strata Lot, and for the purposes of this definition "proportionate share" shall mean the fraction which has as its numerator the unit entitlement of that Strata Lot

and as its denominator the aggregate unit entitlement of all of the Strata Lots which are entitled to the use of that limited common property;

- (b) "Employee" means an individual:
 - (i) who is either employed or self-employed for an average of not less than 20 hours per week over the most recent three months and whose principal place of employment or business is located within the boundaries of the Resort Municipality of Whistler; and
 - (ii) who is a member in good standing of the Whistler Valley Housing Society;
- (c) "First Purchaser" means the person to whom the Strata Lot is first transferred by the Owners after substantial completion of the Strata Lot;
- (d) "First Sale Price" means the price determined under section 6(a) plus net goods and services tax;
- (e) "Housing Agreement" means the housing agreement under s. 963.2 of the *Municipal Act* between the Owners and the Municipality dated for reference September 1, 1996 and deposited for registration as a s. 215 *Land Title Act* covenant in the LTO;
- (f) "Interest" means the interest of the Owners in the Strata Lot;
- (g) "LTO" means the New Westminster/Vancouver Land Title Office;
- (h) "Municipality" means the Resort Municipality of Whistler;
- (i) "Offer" means a *bona fide* offer to purchase an interest in the Strata Lot made by a Third Party;
- (j) "Price Control Index" means the percentage multiplier determined under section 6(c) with respect to any period;
- (k) "Prime Rate" means the annual percentage rate of interest charged by the Royal Bank of Canada, Main Branch, Vancouver, for Canadian dollar loans and published by that Bank as its prime rate;

- (l) "Retiree" means an individual who has ceased employment and who was an Employee for 5 of the 6 years immediately preceding the date on which the individual ceased employment;
- (m) "Strata Lot" means a parcel of land legally described in item 2 of Part 1 of the Form C to which this Agreement is attached and forms part of this Agreement; and
- (n) "Third Party" means any person, other than the Purchaser, who makes an Offer.

Interpretation

2. In this Agreement:

- (a) reference to the singular includes a reference to the plural, and vice versa, unless the context requires otherwise;
- (b) reference to a particular numbered section or article, or to a particular lettered Schedule, is a reference to the correspondingly numbered or lettered article, section or Schedule of this Agreement;
- (c) article and section headings have been inserted for ease of reference only and are not to be used in interpreting this Agreement.
- (d) the word "enactment" has the meaning given to it in the *Interpretation Act* (British Columbia) on the reference date of this Agreement;
- (e) reference to any enactment is a reference to that enactment as consolidated, revised, amended, re-enacted or replaced, unless otherwise expressly provided;
- (f) reference to a "party" or the "parties" is a reference to a party, or the parties, to this Agreement and their respective successors, assigns, trustees, administrators and receivers; and
- (g) reference to a "day", "month", "quarter" or "year" is a reference to a calendar day, calendar month, calendar quarter or calendar year unless otherwise expressly provided.

RFR Grant

3. The Owners grant to the Purchaser a right of first refusal to purchase the fee simple title to the Strata Lot on the terms of this Agreement. The Owners agree that it must not sell, assign or in any way transfer (collectively, "Sell", "Sale" and "Sold") any of its Interest to any person other than the Purchaser unless that Interest is first offered for Sale to the Purchaser in accordance with section 4. Subject to sections 5 and 7, the Purchaser has 5 business days from the date on which it receives the notice under section 4 to elect to acquire the Strata Lot on the same terms as those of the Offer (including purchase price) except that the agreement of purchase and sale created by that election is to be on the terms set out in sections 10 through 31.

Offer Notice

4. If the Owners receive an Offer, the Owners must at once give notice of the Offer to the Purchaser and must deliver a copy of the Offer along with that notice.

Option to Purchase

5. Despite section 3, the Purchaser may elect, as an option to purchase hereby granted to the Purchaser to acquire the Strata Lot:

- (a) for the purchase price that is the lesser of:
 - (i) the purchase price set out in the Offer; and
 - (ii) the purchase price calculated in accordance with section 6; and
- (b) on the terms set out in sections 10 through 31.

Price

6. For the purposes of section 5, the purchase price is to be determined in accordance with the following:

- (a) In this section, "First Sale Price" means the amount determined by multiplying the Area X \$150.00.
- (b) If the fee simple title to the Strata Lot is transferred at any time between the date on which the strata plan is deposited in the LTO and 365 days after that date ("First Year"), the sale price, exclusive of the usual adjustments, must not

exceed the amount (in this section "First Year Sale Price") that is the greater of:

- (i) the Initial Price; and
 - (ii) the amount determined by multiplying the First Sale Price by 1.034 and then multiplying the result by the number determined by dividing the number of days in the period described above by 365.
- (c) If fee simple title to the Strata Lot is transferred at any time after expiry of the period described in section 6(b), the sale price of the Strata Lot, excluding Other Costs, must not exceed the amount determined in accordance with the following:
- (i) with respect to each quarter, the Owners must establish the factor (in this section "Price Control Index") in respect of each quarter determined by subtracting 2.0% from the Prime Rate in effect on the first day of each quarter and multiplying the result by 0.1;
 - (ii) with respect to the first period of 365 days beginning immediately after expiry of the First Year, the sale price for the Strata Lot must not exceed the amount determined by adding to the First Year Sale Price the amount determined by multiplying the Price Control Index by the First Year Sale Price at the beginning of each quarter in that year and compounding with respect to each whole quarter within that year to the date of the sale and adding an amount to prorate from the end of the last whole quarter to the date of the sale; and
 - (iii) with respect to each year after that described in section 6(b)(ii), the sale price for the Strata Lot must not exceed the amount determined by compounding and pro-rating the purchase price as at the end of the immediately preceding year in accordance with the method set out in section 6(c)(ii).
- (d) If an appraiser who is a member in good standing of the Appraisal Institute of Canada who has been retained by the Owners at the expense of the Owners determine that the Owners have made capital improvements to the Strata Lot that materially increase the market value of the Strata Lot beyond the sale price otherwise permitted under this section, the Municipality may, in its sole discretion, permit the Owners to increase the sale price for the Strata Lot by an amount commensurate with the increase in market value as certified by the appraiser in his or her report to the Owners.

- (e) The Owners must deliver to the Municipality a certified copy of the vendor's statement of adjustments with respect to sale of the Strata Lot by the Owners, and must deliver to the Municipality upon request such further evidence as the Municipality may reasonably require to confirm the sale price of the Strata Lot. If the Owners sell the Strata Lot for a sale price exceeding that permitted under this section, the Owners must pay the excess to the Municipality within 30 days after demand is made by the Municipality, with any amount remaining unpaid after those 30 days bearing interest at the Prime Rate in effect from time to time, calculated from the date due until the date paid and compounded annually not in advance.

Waiver

7. As an alternative to election under sections 3 or 5, the Purchaser is entitled to give notice to the Owners that the Purchaser agrees to waive its rights thereunder with respect to a specific Offer. The Purchaser must give notice under this section within 3 business days from the date on which it receives the notice under section 4. If the Purchaser gives notice under this section, the Purchaser's rights are deemed to be waived only if:

- (a) the Owners deliver to the Purchaser, within 2 days after notice of waiver is given by the Purchaser under this section a valid and binding written agreement of purchase and sale between the Owners and the Third Party in respect of the Interest and substantially on the terms and conditions of the Offer ("APS");
- (b) subject to section 8, at least 5 business days before completion of the sale to the Third Party the Owners deliver to the Purchaser written proof, satisfactory to the Purchaser, in its sole discretion, that:
 - (i) the Third Party is:
 - (A) an Employee; or
 - (B) a Retiree; and
 - (ii) the APS cannot be assigned or transferred by the Third Party; and
- (c) at least 5 business days before completion of the sale to the Third Party the Owners deliver to the Purchaser written proof, satisfactory to the Purchaser, in its sole discretion, that the purchase price payable by the Third Party under the APS does not exceed the purchase price calculated in accordance with section 6.

If the Owners do not comply with sections 7(a) through (c), the Purchaser's rights under sections 3 and 5 are deemed not to be waived and the Purchaser is instead deemed to have made an election under section 5. The Owners agree that every APS entered into by the Owners must contain a provision by which the Owners and the Third Party with whom the agreement is entered into agree that the agreement is subject to a condition precedent for the benefit of both that may not be waived by either of them, such that the agreement becomes void and unenforceable unless the Purchaser's rights are deemed to be waived in accordance with sections 7(a) through (c).

Exception to RFR and Option

8. The Purchaser agrees that its rights under sections 3 and 5 do not apply in any of the following cases:

- (a) if the Owners are a mortgagee that is a bank or other financial institution established or regulated under any enactment of British Columbia or Canada ("Lender") and the Lender has for at least 45 days used reasonable best efforts to enter into an APS, including by listing the Interest for Sale with the Purchaser or with a licensed real estate agent ("Agent"), or both, but has been unable to enter into an APS within the 45 days:
 - (i) the Lender may after that time Sell the Interest to a Third Party who is not an Employee or Retiree, but the purchase price for the Interest must not exceed the purchase price calculated in accordance with section 6; and
 - (ii) the Strata Lot may only be used and occupied in accordance with the Housing Agreement;
- (b) if the Owners are a Lender and the Lender has for at least 90 days used reasonable best efforts to enter into an APS, including by listing the Interest for Sale with the Purchaser or with an Agent, or both, but has been unable to enter into an APS within the 90 days:
 - (i) the Lender may after that time Sell the Interest to a Third Party who is not an Employee or Retiree and the purchase price for the Interest may be different from the purchase price calculated in accordance with section 6; and
 - (ii) the Strata Lot may only be used and occupied in accordance with the Housing Agreement;

- (c) if the Owners are a Lender and the Lender has for at least 120 days used reasonable best efforts to enter into an APS, including by listing the Interest for Sale with the Purchaser or with an Agent, or both, but has been unable to enter into an APS within the 120 days:
 - (i) the Lender may after that time Sell the Interest to a Third Party who is not an Employee or Retiree and the purchase price for the Interest may be different from the purchase price calculated in accordance with section 6; and
 - (ii) the Strata Lot may be used and occupied subject only to all enactments applicable to the use of land and the Housing Agreement does not apply; and
- (d) if the Owners are not a Lender and the Owners have for at least 45 days used reasonable best efforts to enter into an APS, including by listing the Interest for Sale with the Purchaser or with an Agent, or both, but has been unable to enter into an APS within the 45 days:
 - (i) the Owners may after that time Sell the Interest to a Third Party who is not an Employee or Retiree, but the purchase price for the Interest must not exceed the purchase price calculated in accordance with section 6; and
 - (ii) the Strata Lot may only be used and occupied in accordance with the Housing Agreement.

The Owners agree that:

- (e) for clarity, this section applies each time an Offer is received by the Owners and each time the Interest is Sold;
- (f) it must deliver to the Purchaser written proof satisfactory to the Purchaser, in its sole discretion, to establish the existence of any of the cases set out in this section before this section operates such that the rights of the Purchaser under sections 3 and 5 do not apply.

Interest Disposal

9. Subject to section 7, if the Purchaser does not make an election under sections 3 or 5, the Owners may dispose of the Interest upon substantially the same terms as those of the Offer, but not otherwise, and if the Owners do not dispose of the Interest this Agreement

and the rights it grants to the Purchaser continue in force at all times. For clarity, even if the Purchaser does not elect to Purchase the Strata Lot under sections 3 or 5, or does not under section 7 waive its right to make that election this Agreement and the rights it grants to the Purchaser continue in force at all times.

Runs With Land

10. This Agreement and the rights it grants to the Purchaser run with the Strata Lot and burden and bind every parcel into which the Strata Lot is subdivided by any means (including any strata lot or bare land strata lot created by deposit of a strata plan under the *Condominium Act* (British Columbia), but not any common property created upon deposit of a strata plan). For clarity, this Agreement and the rights it grants to the Purchaser burden and bind each Strata Lot.

Completion Date

11. The agreement arising from election under section 3 or 5 shall be completed on the date ("Completion Date") to be chosen by the Purchaser, such date not to be later than thirty (30) days after the date of the election notice being give to the Owners.

Payment of Purchase Price

12. The purchase price determined under section 3 or 5 shall be paid by the Purchaser to the Owners, subject to adjustments as provided in this Agreement, on the Completion Date according to the closing procedure as provided in this Agreement.

Title

13. On the Completion Date, the Owners shall convey the Strata Lot to the Purchaser free and clear of all mortgages and other financial charges.

Possession

14. The Owners shall give vacant possession of the Strata Lot to the Purchaser, subject only to the non-financial encumbrances and existing tenancies, following payment of the adjusted purchase price to the Owners on the Completion Date.

Adjustments

15. All adjustments, both incoming and outgoing, in connection with the purchase and sale of the Strata Lot, including adjustments of taxes, rates, rents and other matters usually

the subject of adjustment between vendor and purchaser, shall be made as at the Completion Date.

Representations, Warranties and Covenants of the Owners

16. The Owners covenant and agree that it shall, from and after the date of the application to register this Agreement in the LTO:

- (a) take all reasonable care to protect and safeguard the Strata Lot and operate and otherwise deal with the Strata Lot as a careful and prudent owner would do and in such a manner that, except as contemplated in this Agreement, the warranties, representations and covenants of the Owners as contained in this Agreement remain true and correct;
- (b) take or cause to be taken all proper steps and actions and corporate proceedings to enable the Owners to vest a good and marketable title to the Strata Lot in the Purchaser at the Completion Date, free and clear of all liens, encumbrances, defects in title, equities or claims of every nature and kind except for Permitted Encumbrances and to enable the Owners to carry out the sale of the Strata Lot and to execute and deliver this Agreement as valid and binding obligations of the Owners.

17. The Owners hereby represent and warrant to, and covenant and agree with, the Purchaser as at the Completion Date that:

- (a) the Owners have no indebtedness or obligation to any person which might now or in future constitute a lien, charge or encumbrance on the Strata Lot, other than the Permitted Encumbrances;
- (b) the Owners have not used the Strata Lot or permitted any use of the Strata Lot, to store, manufacture, dispose of, emit, spill, leak, generate, transport, remediate, produce, process, release, discharge, landfill, treat or remediate any explosive, radioactive material, asbestos, urea formaldehyde, chlorobiphenyl, hydrocarbon, underground tank, pollution, contamination, hazardous substance, corrosive substance, toxic substance, special waste, waste, or matter of any kind which is or may be harmful to human safety or health or to the environment, including anything the storage, manufacture, disposal, emission, discharge, treatment, generation, use, transport, remediation or release into the environment of which is now or at any time after the execution of this Agreement is prohibited, controlled, regulated or licensed under any laws applicable to the Strata Lot ("Contaminant");

- (c) the Owners have not caused or permitted, the storage, manufacture, disposal, emission, spilling, leakage, treatment, generation, transportation, remediation, production, processing, release, discharge, landfilling, treatment or remediation of any Contaminant in, on, under or from the Strata Lot; and
- (d) the Owners have at all times used the Strata Lot in compliance with all laws relating to Contaminants and to the environment.

Indemnity

18. The Owners covenant and agree with the Purchaser, which covenant shall survive the completion of any conveyance of the Strata Lot arising from the exercise of this Option, that the Owners must indemnify and save harmless the Purchaser, and its elected and appointed officials, officers, employees and agents, from and against any and all actions, causes of action, liabilities, demands, losses, damages, costs (including remediation costs and costs of compliance with any law, and legal fees and disbursements), expenses, fines and penalties, suffered or incurred by the Purchaser, whether brought against any one or more of them by the Owners or by any other person, or by any governmental authority, by reason of a breach of any representation or warranty, covenant or agreement of the Owners set forth in this Agreement.

Closing Documents

19. Not less than 14 days before the Completion Date, the Purchaser shall deliver to the Owners' solicitors:

- (a) two copies of a Form A Transfer transferring the fee simple title to the Strata Lot to the Purchaser ("Transfer") subject only to Permitted Encumbrances;
- (b) two copies of the Owners' Statement of Adjustments to be approved and executed by the Owners; and
- (c) a statutory declaration of any authorized officer of the Owners that the Owners are residents of Canada within the meaning of the *Income Tax Act* (Canada).

Closing Procedure

20. On or before the Completion Date, the Owners shall deliver to the Purchaser's solicitors, in trust, the Transfer executed on behalf of the Owners and in registrable form, on the undertakings that:

- (a) on the Completion Date, the Purchaser shall apply to register the Transfer in the LTO only if the adjusted Purchase Price has first been deposited in the trust account of the Purchaser's solicitors; and
- (b) after application has been made to register the Transfer in the LTO, and upon receipt of a satisfactory post-index search of the title to the Strata Lot indicating that in the normal course of LTO procedure the Purchaser shall become the registered owner of the Strata Lot free and clear of all liens, charges and encumbrances other than the Permitted Encumbrances, the Purchaser shall pay the Owners at once the adjusted Purchase Price by solicitor's trust cheque delivered to the Owners' solicitors.

Risk

21. The Strata Lot shall be at the Owners' risk until the Completion Date and shall thereafter be at the risk of the Purchaser. In the event of loss or damage to the Strata Lot occurring before the completion of the closing on the Completion Date by reason of fire, tempest, lightning, earthquake, flood or other acts of God, explosion, riot, civil commotion, insurrection or war, the Purchaser, at the Purchaser's option, may cancel this Agreement.

Access

22. The Purchaser, its agents and employees, have the licence, conditional on providing 48 hours prior written notice to the Owners, to enter upon the Strata Lot from time to time prior to the Completion Date, at the Purchaser's sole risk and expense, for the purpose of making reasonable inspections, surveys, tests and studies of the Strata Lot.

Fees and Taxes

23. The Purchaser shall pay:

- (a) any property transfer tax under the *Property Transfer Tax Act* (British Columbia);
- (b) LTO registration fees in connection with the transfer of the Strata Lot to the Purchaser;
- (c) the Purchaser's legal fees and disbursements but not the Owners'; and
- (d) all goods and services tax, if any, payable in respect of transfer of the Strata Lot to the Purchaser under the *Excise Tax Act* (Canada).

Further Assurances

24. Each of the parties shall at all times hereafter execute and deliver at the request of the other all such further documents, deeds and instruments and shall do and perform such acts as may be reasonably necessary to give full effect to the intent and meaning of this Agreement.

Notice

25. Where any notice, request, direction, or other communication is required to be given or made by either party under this Agreement, it shall be in writing and is effective if delivered in person, sent by registered mail, by telegram, by telex or by facsimile addressed to the party for whom it is intended at the address set out above and any notice, request, direction or other communication shall be deemed to have been given if by registered mail, when the postal receipt is acknowledged by the other party; by telegram, when transmitted by the carrier; and, by telex or facsimile when transmitted. The address of either party may be changed by notice in the manner set out in this provision.

Time of Essence

26. Time is of the essence of this Agreement.

Tender

27. Any tender of documents or money may be made upon the parties at their respective addresses set forth in this Agreement or upon their respective solicitors.

Entire Agreement and Its Survival

28. There are no representations, warranties, guaranties, promises or agreements other than those expressly contained in this Agreement, all of which shall survive the Completion Date, registration of documents and payment of the Purchase Price and shall not merge with any deeds or agreements delivered in connection with completion of this transaction and shall not merge with the Transfer or its registration. The provisions of this Option to Purchase Agreement between the parties with respect to the Strata Lot constitute the entire agreement between the parties and terminate and supersede all previous communications, representations, warranties, covenants and agreements, whether verbal or written, between the parties with respect to the subject of this Option to Purchase Agreement.

Enurement

29. This Agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators, successors and assigns.

Modification

30. This Agreement may not be modified or amended except by an instrument in writing signed by the parties or by their successors or assigns.

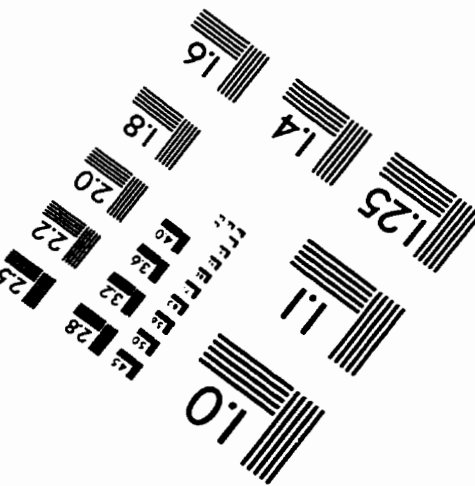
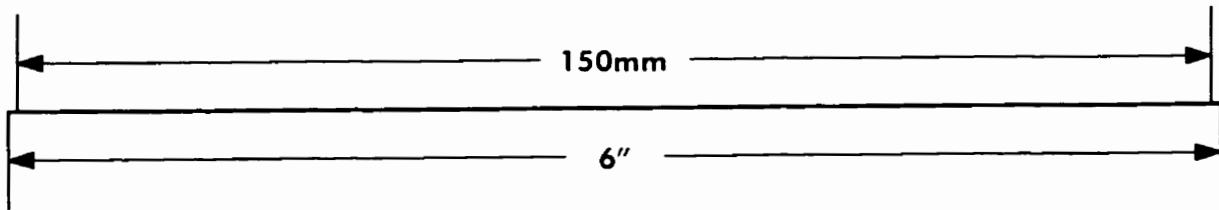
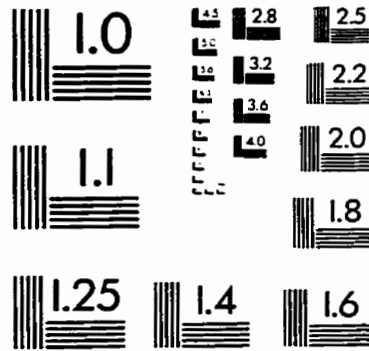
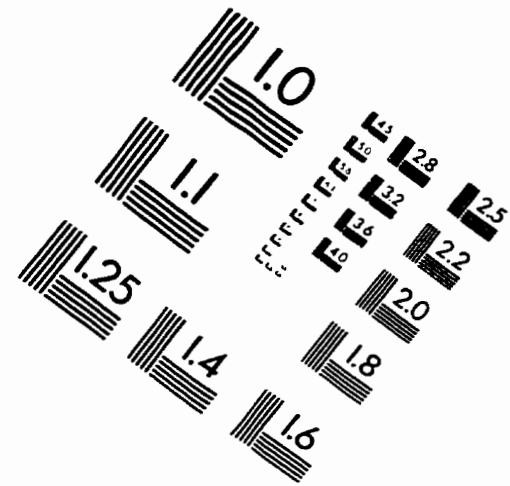
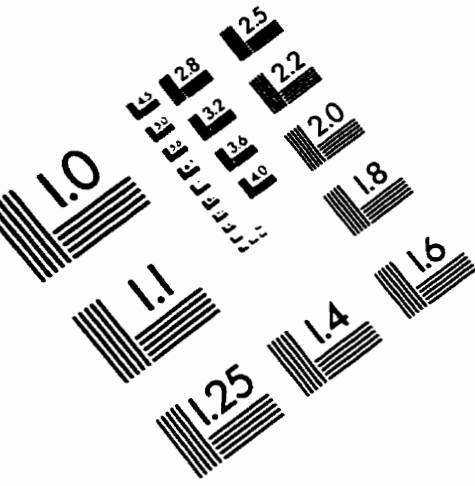
Interpretation

31. Wherever the singular or masculine or neuter is used in this Agreement, the same shall be construed as meaning the plural, the feminine or body corporate where the context or the parties so require.

As evidence of their agreement to be bound by the above terms, the parties each have executed and delivered this Agreement under seal by executing Part 1 of the *Land Title Act* Form C to which this Agreement is attached and which forms part of this Agreement.

END OF DOCUMENT

IMAGE EVALUATION TEST TARGET (QA-3)



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