

DEFINITIONS

INCOME THRESHOLDS

Very Low Income Household:

- A household with gross household income of **less than 50 percent** of the median household income of the municipality (e.g., in 2016, gross income of less than **\$31,173**).

Low Income Household:

- A household with gross household income of **50 to 80 percent** of the median household income of the municipality (e.g., in 2016, gross income of between **\$31,173 and \$49,875**).

Moderate Income Household:

- A household with gross household income of **80 to 120 percent** of the median household income of the municipality (e.g., in 2016, gross income of between **\$49,876 and \$74,813**).

Above Moderate Income Household:

- A household with gross household income of **120 to 150 percent** of the median household income of the municipality (e.g., in 2016, gross income of between **\$74,814 and \$93,516**).

High Income Household:

- A household with gross household income of **greater than 150 percent** of the median household income of the municipality (e.g., in 2016, gross income of **\$93,517 or greater**).

AFFORDABILITY

Affordable Ownership Housing:

- housing for which the purchase price results in annual *accommodation costs* which do not exceed 30 percent of gross annual household income;

Affordable Rental Housing:

- in the case of rental housing, the least expensive of:
 - o a unit for which the *accommodation cost* does not exceed 30 percent of gross annual household income for *low and moderate income households*; **or**
 - o a unit for which the *accommodation cost* is at or below the average market rent of a unit in the regional market area.

ACCOMMODATION COSTS

- a. in the case of ownership housing, includes the mortgage, principal, and interest (based on a 25-year amortization, 10 percent down payment and the chartered bank administered mortgage rate for a conventional 5 year mortgage as reported by the Bank of Canada at the time of application) plus property taxes, GST and any other mandatory costs associated with purchasing the units, and heat, hydro, and hot water; and
- b. in the case of rental housing, the gross monthly rent that includes utilities, heat, hydro, and hot water unless otherwise stipulated in a senior level government program which may define accommodation costs differently

SCENARIO TESTING

Scenario 1: Single Minimum Wage Earner

- Assume 35 hours/week, min. wage (\$15/hr), 50 weeks (gross household income of **\$26,250**)
- Household falls within the “**very low income household**” threshold
- Definition of “affordable rental housing” does not capture “very low income households” **[GAP]**
- Assumed that the individual’s needs would not be met by the freehold (ownership) market
- At 30% threshold, would need rent (covering “accommodation costs”) at **\$656.25** per month
- 2019 CMHC Median Rent in White Rock was **\$1,100**
- **Monthly shortfall of \$443.75**

FOOD FOR THOUGHT

- Per 2016 Census there were 1,155 renter households with incomes of **less than \$29,999**; this represents 36% of all renter households and 12% of total White Rock housing stock
- Per 2016 Census there were 1,000 owner households with incomes of **less than \$29,999**; this represents 15% of all owner households and 10% of total housing stock.
- It is assumed owner households in the very low income household category capture those households who are not carrying a mortgage and are living off a fixed income. That said, consideration should be given to the costs of maintaining a home, paying property tax and related “non-negotiable” housing-related expenses, relative to income
- Per the definition of “affordable rental housing”, households in the low end of the low income household threshold (\$31,173) could afford “accommodation costs” of up to \$800 per month. With CMHC median **(not average)** rent being \$1,100 within the region, any household earning \$44,000 or more, paying this rate or less, would fall within the “affordable rental housing” definition.
- Should we limit the definition of “affordable rental housing” to the “low and moderate income households” and/or an “average market rent”? Could we apply the “30%” threshold more broadly and instead identify income thresholds, through for example (OCP) policy and other initiatives, whose housing needs will not be met by the private market.
- Should the assumption be that households in the very low income category will have needs that will not be met by the private market and that the greatest level of intervention ought to be directed to rental tenure housing?

Scenario 2: Senior(s) Living on Fixed Income

Supplement	Single Senior	Married Couple (both on fixed income)
Old Age Security (OAS)	\$615.37	\$615.37
Guaranteed Income Supplement (GIS)	\$919.12	\$553.28
Seniors Supplement	\$1,534.49	\$60.25
Guaranteed Totals	\$1,583.79	$\$1,228.90 \times 2 = \mathbf{\$2,457.80}$
Gross Household Income	\$19,005.48	\$29,493.60

- Assumed that none of the individuals are receiving Canadian Pension Plan monies, which if received would have the effect of reducing the GIS
- Household falls within the “**very low income household**” threshold
- Definition of “affordable rental housing” does not capture “very low income households” **[GAP]**
- Assumed that the individual’s needs would not be met by the freehold (ownership) market
- At 30% threshold, would need rent (covering “accommodation costs”) at **\$475.13 (single senior on fixed income)** per month or **\$737.34 (married senior couple on fixed income)**
- 2019 CMHC Median Rent in White Rock was **\$1,100**
- **Monthly shortfall of \$624.87 or \$362.66**

Scenario 3: Young Two-Earner Family

- Dual earner household with two children
- Couple receives Universal Child Care (UCC) Benefit of \$600 per month
- Couple has gross household income, with UCC, of \$125,000
- Household falls within the “**high income household**” threshold
- At 30% threshold, accommodation costs could not exceed **\$3,125** per month
- Assume ownership housing is desired
- Assume 20% down payment is available
- Assume 3.5% interest, 25 year term, monthly pmt.
- Assume \$300 per month in strata fees, \$100 per month in hydro, and \$120 in cable/internet
- “Affordable Ownership Housing” defined at **\$650,000**
- 2019 Sales data from Real Estate Board of Greater Vancouver notes the following Benchmark Price by Structure Type

Housing Type	White Rock	Surrey
Single Detached	\$1,340,900	\$1,004,100
Row House	\$648,300	\$565,100
Apartment	\$500,100	\$410,700

- Assumes the young couple has \$130,000 for the down payment
- If only 10% is available (now \$57,500) couple could purchase a home at **\$575,000**; form of housing likely changes from a townhome to an apartment which could contribute to overcrowding, being a measure (suitability) of **core housing need**
- If UCC removed from gross income (may not be recognized by lender), household income falls to **\$117,800** and purchasing power falls to **\$600,000** with 20% down and **\$550,000** with 10% down

Scenario 4: Person with Disability

- The table below shows the max. benefit you might be eligible for based on your family unit.
- To be eligible, you must:
 1. Show that you meet financial eligibility to receive assistance;
 2. Be 18 years old (you can start the application process when you are 17 ½);
 3. Have a severe physical or mental impairment that is expected to continue for more than two years;
 4. Be significantly restricted in your ability to perform daily-living activities;
 5. Require assistance with daily living activities from:
 - 5.1. Another person;
 - 5.2. An assistive device, or;
 - 5.3. An assistance animal.
- If you are a single person between the ages of 19-64, the benefit rate would be \$1183.42 (\$375 shelter portion + \$808.42 support portion).

Classification	Shelter	Support	Maximum Benefit
Single Person: Aged 18-64	\$375	\$808.42	\$1,183.42
Couple: One with PWD	\$570	\$1,027.56	\$1,597.56
Couple: One with PWD with 1 Child	\$660	\$1,121.56	\$1,781.56
Couple: Both with PWD	\$570	\$1,503.06	\$2,073.06
Couple: Both with PWD with 1 Child	\$660	\$1,597.06	\$2,257.06
Single Parent: with 1 Child	\$570	\$949.08	\$1,519.08

- Note: To be eligible for disability assistance, a family unit's net income must not equal or exceed the amount of disability assistance that would be payable to a family unit of that size and composition.

Thresholds to “Affordable Ownership Housing”

- The table below highlights gross household income required to purchase housing per the “affordable ownership housing” definition:

Gross Household Income	Affordable Ownership Housing (10% down payment)	Affordable Ownership Housing (20% down payment)
\$50,000	\$150,000	\$180,000
\$75,000	\$300,000	\$340,000
\$100,000	\$450,000	\$500,000
\$125,000	\$575,000	\$650,000
\$150,000	\$725,000	\$800,000
\$200,000	\$1,000,000	\$1,125,000

- Assumptions: 25 year term, 3.5% interest, \$300 monthly strata fees, \$100 monthly hydro and \$100 monthly cable/internet)
- Households with a gross income of less than \$100,000 are likely not going to be able to purchase a home within the White Rock market / region without leveraging other funding resources (e.g., equity, loans from family, etc.)

Thresholds to “Affordable Rental Housing”

- The table below highlights gross household income required to rent housing per the “affordable rental housing” definition (incomes in the low and moderate household income brackets highlighted):

Gross Household Income	Monthly Accommodation Costs (@30%)
\$20,000	\$500
\$30,000	\$750
\$40,000	\$1,000
\$50,000	\$1,250
\$60,000	\$1,500
\$70,000	\$1,750
\$80,000	\$2,000
\$90,000	\$2,250
\$100,000	\$2,500

- 2019 CMHC Median Rent in White Rock was \$1,100 per month. At this rate, households with a gross income of **\$44,000 or more** would be able to afford rent per the definition of “affordable rental housing” (i.e., 30% of accommodation costs).
- Per the 2016 Census there were 3,510 households (35% of total) with incomes of less than \$44,999 (being the “low and moderate income households”). Of these households, 1,680 (47.8%) were renter households and 52.1% were owner households.