



# Corporate Report

NO: R082

COUNCIL DATE: May 8, 2006

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## REGULAR COUNCIL

TO: **Mayor & Council** DATE: **April 28, 2006**  
FROM: **Acting General Manager, Planning and Development** FILE: **5080-01**  
SUBJECT: **Surrey Home Ownership Assistance Program – Report on 2005 Program Year and Options for the Future Use of the Affordable Housing Fund**

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## RECOMMENDATION

It is recommended that Council:

1. Receive this report as information;
2. Authorize the use of \$200,000 from the Affordable Housing Reserve Fund (the "Fund") to allow the Surrey Home Ownership Assistance Program (the "Program") to be continued in 2006;
3. Authorize staff to undertake a process to seek out an appropriate external organization to administer the Program for the 2006 Program year, based generally on the terms of the 2005 administration agreement with the Greater Vancouver Housing Corporation (the "GVHC") and to recommend an appropriate organization and related agreement to Council for approval; and
4. Direct staff to prepare a draft policy and process for the use of some of the interest that is earned by the Fund to address "non-ownership housing gaps" that were identified in the Plan for the Social Well-being of Surrey Residents and to forward the draft policy and process to Council for consideration of approval.

## INTENT

The intent of this report is to:

- Advise Council of the results of the Program for the 2005 Program year;
- Seek Council approval for the continuation of the Program for 2006; and

- Obtain Council authorization for staff to undertake a process to seek an appropriate external organization to replace the GVHC as the administrator of the Program for the 2006 Program year.

## **BACKGROUND**

At the Regular Council Meeting on June 13, 2005, Council considered Corporate Report No. R145, entitled "Surrey Home Ownership Assistance Program – Report on 2004 Program Year, Request for Funding Approval for the 2005 Program Year and Approval of New Administration Agreement with the Greater Vancouver Housing Corporation" and, subsequently, authorized funding of \$450,000 for the 2005 Program year.

The Program has continued to receive steady interest by first-time homebuyers throughout the year and, by December 2005, funding for the 2005 Program year had been fully committed, with 26 households having been given assistance through the Program in buying a home.

Under the terms of the Affordable Home Ownership Policy, the Program remained active until March 31, 2006. At this time the Program is inactive, pending a Council decision regarding the continuation of the Program.

A copy of the Affordable Home Ownership Policy is attached as Appendix I, and a copy of each of the current Program criteria and brochure are attached as Appendices II and III, respectively.

## **DISCUSSION**

### **Results of the 2005 Program Year**

The 2005 Program year was the last year of a three-year extension granted by Council in 2003. Assistance was provided to 26 households in the 2005 Program year, the same number as in each of 2003 and 2004. The same factors that contributed to the success of previous Program years also contributed to the success of the Program in 2005. These included:

- Continued high levels of building activity in multiple residential housing units; especially in the apartment condominium and townhouse markets, which are more suitable for first time homebuyers; and
- Increased awareness and familiarity with the Program by real estate agents, financial institutions, developers and first-time homebuyers.

The following is a brief profile of the first-time homebuyers who were assisted during the 2005 Program year, based on the Program criteria:

- 22 households purchased newly constructed homes, while four of the households took advantage of the "resale" category of homes eligible under the Program, which includes units with building permits issued on or after January 1, 2000, that are

covered by the New Home Warranty provisions. There were no homes in the resale category in the 2004 Program;

- Four purchasers qualified for \$20,000 in funding assistance available to first time homebuyers purchasing a newly constructed home in the City Centre. The Program provides for a greater amount of assistance to households purchasing a newly constructed home in the City Centre (up to \$20,000, as opposed to up to \$15,000 in the remainder of the City);
- Eighteen of the purchasers (69%) were residents of Surrey at the time of their home purchase, while eight of the purchasers (31%) worked in, but did not live in, Surrey at the time they purchased their home. This is an increase of one from 2004 and a significant increase from 2003 where only three assisted households were living outside the City, but working in Surrey. The Program criteria allow households where at least one person worked at a full-time job in Surrey to purchase a home in Surrey under the Program;
- Three households (12%) are families with children, which was similar to the 2004 Program year. The majority of purchasers were households without children, including 15 singles;
- Thirteen households purchased townhouses, which had been the predominant type of home purchased under the Program until 2004. Thirteen households purchased apartment condominiums in 2005, compared to only seven households in 2003, indicating the attraction of the apartment condominium market to provide a more affordable housing option to first time homebuyers;
- Nine households who purchased a home had annual incomes below \$41,000, reflecting the availability of some affordable options in the multiple residential housing markets; and
- The Program criteria limits participation in the Program to households with annual incomes not greater than \$59,000, an amount that is at least 10% below the Surrey average household income. The following chart provides a summary, by income level, of the households that participated in the Program in the 2005 Program year, as compared to 2004 and 2003.

<b>Income Range</b>	<b>2005 Households</b>	<b>2004 Households</b>	<b>2003 Households</b>
\$30,000 and less	2	3	4
\$31,000 to \$40,999	7	9	6
\$41,000 to \$50,999	7	7	8
\$51,000 to \$59,000	10	7	8
<b>Total Households</b>	<b>26</b>	<b>26</b>	<b>26</b>

### **Status of the Affordable Housing Fund**

The policy, first adopted by Council in 1998, stipulated that funding for the Program be limited to the interest earned by the Fund in the previous year. The actual number of households that can be assisted in any given year depends on the amount of assistance provided to each participating household.

The Fund had just over eight million dollars at the end of 2005. As part of the 2006 budget, Council has approved the use of \$350,000 from the Fund for the continuation of the Program.

### **Program Updates and Revisions**

Over the past few years, a number of changes to Program have been made on a year-by-year basis. These changes have been made in response to changing market conditions or to improve the administration of the Program. No Program changes were required for the 2005 Program year as the Program appeared to be well aligned with the housing market and generated interest from a broad range of households and income levels.

The Program policy provides that the maximum household income criterion be updated annually to reflect changes in the estimated average household income for the City of Surrey. The Program provides that eligible households are those with gross annual incomes at least 10% below the average household income for the City, based on the most recent available census data, i.e., 2001 data, adjusted for specific years by the Consumer Price Index ("CPI").

The 2005 income ceiling for the Program was \$59,000, first set in 2003 in response to 2001 census information on average household income for Surrey and adjusted in accordance with the CPI. The income ceiling remained unchanged for the 2004 and 2005 Program years on the basis that the Program was well positioned to assist a broad range of households under this income ceiling, due to increasing awareness of the Program by Surrey residents and increased supply of affordable townhouse and condominium housing options.

It is proposed that the maximum income ceiling of \$59,000 be raised by \$5,000 to \$64,000 in the 2006 Program year to reflect the estimated 8.5% average increase in household income since 2003 and the price increases in the local housing market over the past three years.

### **Status of Administration Agreement**

The 2005 administration agreement for Program, similar to previous Program years, covered one year of Program delivery and four years of Program monitoring, for a total contract term of five years. Under the agreement, in addition to administering the process of assessing applications for grants under the Program, the GVHC is required to monitor the homes purchased under the Program, including confirmation that the homes remain in compliance with Program criteria, and for transferring to the City funds that become available from homeowners selling homes that were purchased under the Program.

The number of households that are provided with assistance in any given year is dependent on the amount of assistance provided to each of the households. Under the Program, a household purchasing an eligible home in the City Centre may receive up to \$20,000 in financial assistance and a household purchasing an eligible home outside of

City Centre may receive up to \$15,000 in assistance. The administration agreement with the GVHC was based on up to 27 households being provided with assistance in a year.

The GVHC has administered the Program on behalf of the City from the inception of the Program in 2000, up to the end of the 2005 Program year. The GVHC has, however, given notice to the City that it will not continue to administer the Program following the completion of the 2005 Program year. GVHC staff has indicated that the administration services provided by the GVHC are unique to Surrey and not representative of the more broadly based services and housing mandate of the GVHC as a regional housing agency. To date, the GVHC and the City have entered into five administration agreements. The GVHC will continue to monitor the status of homes and related mortgages issued under their administration of the Program.

GVHC's administration costs for 2005 were approximately \$32,000, which is similar to previous years and below the administration cost target of 10% of the Program's total funding allocation of \$450,000.

The City's policy for the Program provides that the Program be administered by an external agency on behalf of the City, to ensure consistency with the *Local Government Act* and the *Community Charter*.

### **2006 Program**

The delivery of the Program for the 2006 Program year will be subject to Council's adoption of the recommendations of this report, and subject to the City retaining an administrator for the Program to replace the GVHC. Subject to Council approval of the recommendations of this report, City staff will continue to distribute brochures, maintain the City's website information, run City Page advertisements and issue press releases about the Program, while the Program administration organization will continue to act as the primary contact for detailed information about the Program and to receive and evaluate applications in relation to the granting of assistance and, thereafter, to monitor the homes for which assistance is granted to ensure that the Program criteria continue to be respected.

### **Program Review Including Alternative Uses for the Affordable Housing Fund**

On February 20, 2006 Council approved the recommendations of Corporate Report No. C004 - Stage 2 Action Plan of the Plan for the Social Well-Being of Surrey Residents: "Social Service Gaps for Which the City has Secondary, Limited or No Responsibility". In the Key Issue Area of Housing and Homelessness, Council adopted the following recommendation:

*"Develop a policy and program to provide some seed money towards the implementation of solutions for housing gaps (e.g. Phoenix House), possibly using the Affordable Housing Reserve Fund as a source of funding".*

In the gap analysis conducted for the Social Well Being Plan, in addition to the general issue of "low-income housing for families and singles," the specific areas of "emergency shelters," "supportive housing units," "transitional housing units" and, most significantly in terms of the number of housing units required, "purpose-built affordable housing", were identified as housing gaps.

While the mortgage support component of Program has been successful and has, to date, assisted 88 households with below-average income to purchase a home in Surrey, a portion of the Fund could be directed to support alternative approaches to providing affordable housing. These approaches could lead to a broader range of households being provided with assistance while addressing a wider range of housing needs. In this regard, \$150,000 of the interest earned on the Fund in 2005 is being reserved to provide "seed funding" in support of proposals that are directed toward addressing "non-ownership" housing gaps identified in the Social Well Being Plan. It is recommended that Council direct staff to prepare a draft policy and process for the use of these funds and make appropriate further recommendations to Council in due course.

## CONCLUSION

Based on the above discussion, it is recommended that Council:

- Authorize the use of \$200,000 from the Fund to allow the Program to be continued in 2006;
- Authorize staff to undertake a process to seek out an appropriate external organization to administer the Program for the 2006 Program year, based generally on the terms of the 2005 administration agreement with the GVHC and to recommend an appropriate organization and related agreement to Council for approval; and
- Direct staff to prepare a draft policy and process for the use of some of the interest that is earned by the Fund to address "non-ownership housing gaps" that were identified in the Plan for the Social Well-being of Surrey Residents and to forward the draft policy and process to Council for consideration of approval.

How Yin Leung  
Acting General Manager,  
Planning and Development

MBA/kms/saw

### Attachments:

- Appendix I Affordable Home Ownership Policy
- Appendix II Home Ownership Assistance Program
- Appendix III Home Ownership Assistance Program Brochure

**CITY OF SURREY**  
**AFFORDABLE HOME OWNERSHIP POLICY**

Program Years 2004 and 2005

**Primary and Other Objectives:**

The primary objective of the Affordable Home Ownership Policy is to financially assist households who reside or work in Surrey and who would not typically be able to enter the housing market due to income constraints to own a home.

Other objectives of the proposed policy include:

- The Affordable Housing Reserve Fund must be a "revolving fund" (i.e., the Fund continues to exist and provide benefit to the City's citizens over time);
- Households who are assisted should not recognize a "windfall" as a result of the application of the policy;
- The use of the Fund should be directed such that Surrey residents and workers are assisted;
- Administration costs associated with the policy's implementation and on-going maintenance should be minimized.

**Term:**

This policy will remain "active" until March 31, 2006 after which time the policy will be deemed "inactive". Prior to the policy becoming inactive, the City Manager will submit a report to Council, which reviews the merits of the policy, based on the experience to date and makes recommendations regarding its continuation.

**Funding:**

Funding to support the implementation of the policy will be provided from the Affordable Housing Special Reserve Fund ("the Fund") and will be approved by Council on an annual basis in conjunction with the adoption of the City's annual operating budget.

Funding in support of this policy in any year will be limited to a maximum of the annual interest earned during the previous year on the principal contained in the Fund.

**Target Group:**

The policy will be focused on assisting households who are first time homebuyers with incomes below the average household income in the City. The average household income for the City will be based on the most recent Census data and adjusted by the annual changes in the Consumer Price Index to reflect the estimated average household income for the previous year. The average household income in Surrey for the Year 2003 is estimated to be \$65,750 and the target group for this Policy will have a household income equal or below \$59,000 representing an income at least 10% below the average household income in Surrey.

### **Amount of Assistance to be Provided:**

The target reduction in the price of affordable housing units provided as a result of the application of this policy is the lesser of 15% of the market price or \$15,000 for the qualifying dwelling unit. To complement the Whalley Enhancement Strategy adopted by Council in May 2003, an additional \$5,000 of assistance will be provided to participants purchasing newly constructed *Homes* in the City Centre, as defined in the Surrey Zoning By-law No. 12000.

The maximum mortgage of the affordable housing unit purchased by a household through the application of this policy is to be related to the income of the household. The mortgage available from financial lending institutions is typically no more than three (3) times the annual income of the household purchasing the unit.

Where the financial assistance is provided directly to a qualifying household, the assistance may not be used as any part of the "5% minimum down payment" on the affordable home but rather as a reduction in the amount of the first mortgage.

### **Means by Which Assistance Will be Provided:**

The City will enter into an agreement with a non-profit housing society (the "society") to deliver "affordable homes" under this policy. The agreement will ensure that the conditions of this policy are fully respected. The City will provide funding to the society which will then be used to provide affordable homes in the City under one or both of the following options, to be specified by the City in its agreement with the selected non-profit society:

- 1. Home Ownership Development Program** - Affordable housing units will be constructed in Surrey with support from the private sector and/or non-profit housing groups. These housing units will be sold to qualifying Surrey households at a discount below market value. Each of the sponsors will be responsible for absorbing part of the targeted price discount of the housing units. Further study of this option will be necessary before detailed program requirements can be specified and implemented.
- 2. Home Ownership Assistance Program** - Qualifying households will be eligible for an interest free loan to assist in the purchase of a newly constructed housing unit in Surrey. The program requirements and eligibility criteria are as described in the Home Ownership Assistance Program, as amended from time and as adopted by Council.

### **Recovery of Funds:**

Any subsidy on each affordable housing unit provided under the application of this policy will be registered as an interest free "silent" second mortgage on the housing unit and be recoverable by the Fund on any resale of the unit or if the owner(s) of the unit cease(s) to occupy the unit as his/her/their primary residence. The recoverable amount will decrease annually by 10% of the original value of the subsidy to a maximum of 50% of the original value (i.e., if a unit is held for 5 years before sale, the repayment to the Fund would amount to 50% of the original value of the "silent" second mortgage).



**Annual Report:**

The City Manager will provide, during the first quarter of each year, an annual report to Council on the results of the application of the policy during the previous calendar year.

**Legislation:**

This policy is subject to any specific provisions of the Local Government Act or other relevant legislation.

**CITY OF SURREY**  
**HOME OWNERSHIP ASSISTANCE PROGRAM**

**Program Years 2004 and 2005**

**A. PROGRAM OVERVIEW**

The home ownership assistance program is aimed at improving the access to *Home* ownership for *Households* who find it difficult due to income constraints to enter the housing market. The *Program* is meant to assist *Households* with incomes at least 10% below the *Average Household Income* in the *City*.

The *Program* will improve access to *Home* ownership in the following two ways:

- By providing an interest free loan to qualifying *Households* towards the purchase of a *Home*, subject to the availability of allocated funds for the *Program*. The loan will be registered as a Second Mortgage and will be partially forgivable over time.
- By improving home affordability through encouraging developers to offer competitively priced homes to *Participants* in recognition of the marketing opportunity presented by the *Program*.

The administration of the *Program*, including the receiving of *Applications* from interested *Households*, registration of second mortgages and reporting requirements will be undertaken by a *Non-Profit Housing Society* with which the *City* will enter into an *Agreement*.

**B. PROGRAM CRITERIA**

**1. Eligible Households:**

*Households* interested in having the opportunity to participate in the *Program* will need to meet the following eligibility requirements:

(a) *First Time Home Buyer*

An eligible *Household* must include an individual 19 years of age or older, who will be one of the owners of the *Home*, and who:

- (i) Is a Canadian citizen or is lawfully admitted to Canada as a landed immigrant; and
- (ii) Has not previously held a registered interest in land, whether in British Columbia or elsewhere.

(b) Full-time employment

Refers to an individual 19 years or older who works 30 or more hours per week at their main or only job located in the *City of Surrey*.

(c) Households

An eligible *Household* means one or more individuals, 19 years of age or older, who will be the registered owner (s) in fee simple of the eligible *Home* to be registered in the New Westminster Land Title Office, and who have continuously maintained a principal residence in the City of Surrey or continuously maintained *full-time employment* in the City of Surrey for a period of not less than six months immediately before an *Application* is submitted to the GVHC.

(d) *Household* Income and Assets

Eligible *Households* will have a gross annual income 10% below the *Average Household Income* for the City of Surrey. On this basis, the total annual income for eligible *Households* is not to exceed \$59,000.

The total annual income includes income from all sources, including earned income, all income from public and private pension and disability plans, government income supplements, child support, alimony, unemployment insurance and an imputed income from assets.

The total asset amount held by eligible *Households* is not to exceed the maximum total annual income permitted under the *Program*. Assets include accounts in banks, trust companies, etc.; stocks and bonds; equity in a business; Registered Retirement Savings Plans; and cash including gift down payments from family or friends.

(e) Down Payment Requirements: Minimum and Maximum

Eligible *Households* are required to provide a minimum equity of 5% as down payment as set out by Canada Housing and Mortgage Corporation, and qualify for a first mortgage with a financial lending institution. The *Program* cannot be used to finance the minimum 5% down payment, but the *Program* can be used to reduce the size of the first mortgage.

Additional financial contributions are permitted beyond the minimum 5% down payment. However, the maximum down payment contribution from shall not exceed 20% of the purchase price of an eligible *Home*.

(f) Income Statements

To assist in verification of income and assets, eligible *Households* must submit copies of filed income tax returns for the current year and two previous years, a summary of other financial or investment statements, and such other information as may be necessary to verify the current total annual income of the *Household*.

(g) Surrey Resident

Is an individual who meets the requirements of a *Household*, and resides in the City of Surrey.

(h) Surrey Worker

Is an individual who meets the requirements of a *Household*, does not reside in the City of Surrey.

2. **Eligible Homes:**

The following conditions describe a *Home* that is eligible to be purchased under the *Program*:

- (a) *Homes* may be new (i.e. never occupied) or resale (provided the building permit was issued on January 1, 2000 or later) and the *Home* is covered by a new home warranty in accordance with the requirements of the Homeowner Protection Act, and
- (b) *Homes* must be located in the City of Surrey.

**C. DEVELOPER PARTICIPATION**

To increase the level of *Home* affordability provided under the *Program*, the City may request the *Non-Profit Housing Society* to contact residential developers and builders who are planning or constructing new homes to advise them of the *Program* and to encourage and identify competitively priced, eligible *Homes* for the *Program*.

**D. HOME OWNERSHIP ASSISTANCE PROVISIONS**

*Participants* will be eligible for a loan equal to the lesser of 15% of the market price of a qualifying *Home* or \$15,000. *Participants* purchasing a newly constructed *Home* located in the City Centre are eligible for a loan equal to the lesser of 20% of the market price of a qualifying *Home* or \$20,000. The City Centre is as described in the attached map and as defined in the Surrey Zoning By-law No. 12000. The terms and conditions of the loan will include, but not be limited to the following:

- (a) The loan will be interest free and be registered on title as a second mortgage, to be recovered upon resale of the *Home*;
- (b) The repayment amount of the loan will decrease annually by 10% of the original loan amount to a maximum of 50%. The annual discount will occur on the anniversary of the registration date of the second mortgage;
- (c) The *Home* is to be occupied by the owner during the term of the second mortgage;
- (d) The second mortgage must be arranged before the completion date of the purchase of the home. The second mortgage cannot be made retroactively;

- (e) Additional owners cannot be registered on title of the home during the term of the second mortgage; and
- (f) The loan may become due and payable if the terms and conditions of the second mortgage are not fully met at all times.

## E. PROGRAM DEFINITIONS

The following definitions apply throughout the Home Ownership Assistance Program:

" <i>Agreement</i> "	means the agreement entered into between the City of Surrey and a Non-Profit Housing Society;
" <i>Applicant</i> "	means a <i>Household</i> which has submitted an <i>Application</i> for the opportunity to participate in the <i>Program</i> ;
" <i>Application</i> "	means an application form completed by an Applicant, including supporting documentation submitted to the contracted <i>Non-Profit Housing Society</i> ;
" <i>Home</i> "	means the lands and premises, purchased under the Program registered in fee simple in the New Westminster Land Title Office in the <i>Participant's</i> name which will be the principal residence of the Participant;
" <i>Average Household Income</i> "	means the gross annual household income that is the mathematical average of all household incomes in the City of Surrey based on the most recent Canadian census;
" <i>Non-Profit Housing Society</i> "	means the Non-Profit Housing Society selected by the City to implement, administer and monitor the <i>Program</i> and with which the City of Surrey has an agreement;
" <i>Participant</i> "	means an applicant who: <ul style="list-style-type: none"><li>(a) has been verified as eligible under the <i>Program</i>;</li><li>(b) will be the registered owner in fee simple of the eligible <i>Home</i> to be registered in the New Westminster Land Title Office; and</li><li>(c) has entered into a second mortgage to purchase a home under the <i>Program</i>;</li></ul>
" <i>Program</i> "	means the Home Ownership Assistance Program as outlined in this document and referenced in the City's Affordable Home Ownership Policy.

## Application Process

administered by the Greater Vancouver  
Housing Corporation

### Stage 1: Pre-Qualification

- ❑ Interested households are requested to submit a **Stage 1 Application** to the Greater Vancouver Housing Corporation to determine if they are eligible for the Program.

### Stage 2: Program Assistance

#### Home Search and First Mortgage

- ❑ Pre-qualified households undertake their own search for a qualified home they wish to purchase, and secure their own first mortgage from a financial lending institution.

#### Home Ownership Assistance

- ❑ Pre-qualified households may complete a **Stage 2 Application** to receive a Surrey Home Ownership Assistance Loan, when they have found a qualified home they wish to purchase and have a "Contract of Purchase and Sale".
- ❑ Applications are reviewed in the order they are received by the Greater Vancouver Housing Corporation, and assistance is awarded in the same order.
- ❑ Applications will be accepted until the end of each Program year, or until funds for the Program year have been allocated.

## Take a look!

*The opportunity is yours!*

For More Information and  
an Application Form please:

#### 1. Visit the City of Surrey - Website:

[www.city.surrey.bc.ca](http://www.city.surrey.bc.ca)

click on "Living in Surrey", then click on "Community Development" and then on "Surrey Home Ownership Assistance Program".

#### 2. Contact the Greater Vancouver Housing Corporation:

**Phone: (604) 451-6144**

Greater Vancouver Housing Corporation  
17<sup>th</sup> Floor, 4330 Kingsway,  
Burnaby, BC V5H 4G8

E-mail: [shoap@gvrd.bc.ca](mailto:shoap@gvrd.bc.ca)

**Office hours:**

8:00 a.m. to 4:00 p.m. Monday to  
Friday, excluding statutory holidays.

The Greater Vancouver Housing Corporation  
is administering the Program on behalf of  
the City.



## SURREY Home Ownership Assistance Program

Up to

# \$20,000

*could be available to you to help  
purchase your 1st home!*

- ✓ *interest free loan*
- ✓ *no monthly payments*
- ✓ *up to 50% of loan is free,  
non-repayable!*



***The City is helping to make  
homeownership more  
affordable!***



## Program Overview

### What is the purpose of the Program?

- ❑ Surrey City Council initiated this Program because home ownership provides long term benefits of security, tenure, equity, and pride of ownership. In this way it strengthens our community.
- ❑ The Home Ownership Assistance Program is designed to assist households with low to moderate incomes purchase their first home.
- ❑ The Program is intended to assist people who already live or work in Surrey.

### How long is the Program available?

- ❑ The Program was first launched in 2000 and the second phase took place in 2002.
- ❑ Surrey City Council has approved a third phase of the Program to run between 2003 and 2005.

### Who is funding the Program?

- ❑ Surrey is providing the funding for the Program with the annual interest earned on the City's Affordable Housing Fund.
- ❑ The Greater Vancouver Housing Corporation is administering the Program on behalf of the City.

## Financial Assistance

### How much financial assistance is available?

#### City-wide: \$15,000

- ❑ Qualified households purchasing an approved newly-constructed or resale home are eligible for a loan that is the lesser of 15% of the purchase price of the home or \$15,000.

#### Surrey City Centre: \$20,000

- ❑ Qualified households purchasing a newly constructed home in the Surrey City Centre are eligible for a loan that is the lesser of 20% of the purchase price of the home or \$20,000.

### Program Loans:

- ❑ The loans are registered as a second mortgage, are interest free and repayable upon the sale of the home or 20 years, whichever comes first;
- ❑ The loans are discounted by 10% per year for the first 5 years of ownership. After 5 years the repayable amount is 50% of the loan amount (i.e. \$7,500 or \$10,000) and;
- ❑ The loans may not be used to finance the minimum 5% down payment required to purchase a home.

## Program Criteria

### Who is eligible to participate?

#### Eligible households are:

- ❑ First-time homebuyers;
- ❑ Living or working full-time in Surrey, and have lived or worked in the City for a minimum of 6 consecutive months at the time of application; and
- ❑ Earning an annual household income not exceeding \$59,000.
- ❑ Eligible for a first mortgage from a financial lending institution.

#### Eligible homes are:

- ❑ Located in Surrey;
- ❑ Newly constructed units or re-sale units with building permits issued after January 1, 2000; and
- ❑ Covered by a New Home Warranty Insurance in accordance with the provisions of the Homeowner Protection Act of BC.
- ❑ The home must remain owner-occupied while in the Program.



Participating households typically achieve a home in the condominium apartment or townhouse market.