



REPORT TO COUNCIL

STANDING COMMITTEE OF COUNCIL ON CITY SERVICES AND BUDGETS

JANUARY 19 and 20, 2006

A Regular Meeting of the Standing Committee of Council on City Services and Budgets was held on Thursday, January 19, 2006, at 9:30 a.m., recessed at 7:10 p.m. and reconvened (with the same members present) on Friday, January 20, 2006, at 9:00 a.m., in the Council Chamber, Third Floor, City Hall. The minutes from the two meeting dates have been consolidated for ease of reference.

PRESENT:

- Councillor Peter Ladner, Chair
- Mayor Sam Sullivan
- Councillor Suzanne Anton
- Councillor Elizabeth Ball
- Councillor David Cadman
- Councillor Kim Capri
- Councillor George Chow
- Councillor Heather Deal
- Councillor B.C. Lee
- Councillor Raymond Louie, Vice-Chair
- Councillor Tim Stevenson

CITY MANAGER'S OFFICE: Judy Rogers, City Manager

CITY CLERK'S OFFICE: Denise Salmon, Meeting Coordinator

ADOPTION OF MINUTES

The Minutes of the Standing Committee on City Services and Budgets meeting of December 15, 2005, were adopted.

RECOMMENDATION

1. **2006 Assessment Roll Report (File 05-1200-40)**

The Committee had before it the City of Vancouver 2006 Assessment Roll Report dated January 3, 2006, prepared by the BC Assessment Authority, which provided property and value information for taxation purposes.

Jason Grant, Area Assessor, BC Assessment Authority, accompanied by Deborah Francis and David Lee, Deputy Assessors, provided an overview of the above-noted report, which Council received for information.

**2. Southeast False Creek and Olympic Village: Review of Financial Plan and Strategy
(File 11-3600-03)**

The Committee had before it for consideration a Policy Report dated January 13, 2006, in which the Project Manager for Southeast False Creek & Olympic Village and the General Manager of Corporate Services, in consultation with the Director of Current Planning, responded to Council instructions from December 2005 with a report back on changes to the SEFC ODP and Financial Plan and Strategy to improve the economic sustainability of the development by having the PEF recover the estimated \$50 million land value of the City Land over the 15 to 20 year build out of the neighbourhood. Staff presented all options that related to housing mix and amenities for Council's consideration.

The City Manager referenced the full range of options presented by staff, but noted that not all options need to be pursued at this time, and recommended A, B1, C2, E, G, H, and I as contained in the report. She also noted a number of the options presented would require amendment to the SEFC Official Development Plan; the Director of Planning will report back for referral of any necessary changes to a future Public Hearing.

Also before Council was a letter dated January 17, 2006, from the Vancouver Board of Parks and Recreation, advising of a motion passed on January 16, 2006, in regard to this matter. Also circulated at the meeting was an information package prepared by staff entitled Southeast False Creek and the Olympic Village Council Choice, dated January 19, 2006 (on file).

Jody Andrews, Project Manager, Southeast False Creek and Olympic Village Project Office, with the aid of an overhead presentation, provided an overview of the report and responded to questions from Council, including the impact of any decision on the Request for Proposals (RFP), sources of alternative funding for the affordable housing, and options for regaining the financial sustainability to the Property Endowment Fund (PEF). Larry Beasley, Director of Current Planning, Cameron Gray, Director, Housing Centre, and Brent MacGregor, Deputy City Manager, also responded to questions from Council related to standards for new neighbourhoods, alternate funding sources for childcare, funding available from both the Federal and Provincial Governments, and impacts of Council's decision on the RFP process.

Brent MacGregor, Larry Beasley and Ken Bayne, Director of Financial Planning and Treasury, responded to additional questions from Council, including impact of increased real estate value on the PEF, funding for park space in the development, and appropriate uses of the PEF.

The following spoke in general support of the Southeast False Creek Official Development Plan and accompanying Southeast False Creek Redevelopment: Financial Plan and Strategy as approved at Public Hearing in March 2005. Specific reference on the need to retain the 1/3 (non-market), 1/3 (affordable), 1/3 (market) housing target adopted by Council for the SEFC City-owned Lands was also noted by the majority of speakers:

Gregor Robertson, MLA, Vancouver-Fairview
Jenny Kwan, MLA, Vancouver-Mt. Pleasant

Margaret Birrell, BC Coalition of People with Disabilities
Ron Bain, SEFC Stewardship Group (material filed)
John McBride
Martha J. Lewis, Executive Director, Tenants Rights Action Coalition
Paul Gauthier, Community Capacity Coordinator, BC Paraplegic Association
Thom Armstrong, Executive Director, Co-operative Housing Federation of BC
David Eby, Pivot Legal Society (brief filed)
Kim Kerr, Downtown Eastside Residents Association (DERA)
Stephanie Smith, Downtown Eastside Residents Association (DERA)
Gerry Cutler, legal counsel for Canadian Jewish Congress, Pacific Region
Muthiah Appavoo
Am Johal, Civil Society Development Project
Craig Langston
Nancy Chiavario
Sister Elizabeth Kelliher, S.A., Franciscan Sisters of the Atonement
DERA Chairperson of the Board (brief filed)
Leslie Stern, Lower Mainland Network for Affordable Housing
John Irwin, SEFC Working Group and SPEC
Sikee Liu
Philip Cable, Minister, First United Church
Lisa Birdeau

Points raised by the foregoing speakers included:

- opposed to recommendations contained in staff's report -do not scuttle the goal of building modest housing;
- retain the 1/3 (non-market), 1/3 (affordable), 1/3 (market)mix for the SEFC City-owned lands - this is crucial to a liveable, sustainable development;
- funding from senior levels of government needs to be aggressively pursued;
- what Council has already approved will provide for a rich and diverse community, and will be a showcase to the rest of the world in 2010;
- there is an acute lack of safe, affordable housing for seniors and people with disabilities; the loss of 10% of low, and 30% of mid range housing will exacerbate this situation;
- move ahead with the creative and visionary ODP as approved and the 1/3 mix option;
- obtain an economic plan in the form of a full cost analysis based on current information before making irreversible decisions - including obtaining updated information on development proposals and site costs;
- recommend staff continue to pursue modest market housing units for the development to the extent possible during the development process;
- diversity of the people builds the fabric of a neighbourhood, this is the highest priority for the City and fundamental to sustainability;
- cutting out all modest level housing and reducing affordable housing is betraying Vancouver's history of being a progressive City;
- affordable, accessible and appropriately located housing is much needed in our community; available units are not keeping pace with those in need;

- it is not too late to develop a project with universal design principles;
- would like to see an inclusive community with all housing fully integrated and accessible;
- continue with current housing mix - this is the kind of legacy the PEF was meant to create;
- the low cost residential hotel base is being eroded and affordable housing is disappearing at an alarming rate from the downtown core of Vancouver;
- loss of affordable housing has a serious impact on homelessness, and compounds factors such as injury, addiction, illness, disability and poverty, making each more difficult to treat;
- this is an unique opportunity to put money into affordable housing;
- options for the poor will not exist if Council abandons the approved ODP; we need affordable housing now;
- urge Council to include affordable housing in the plan for SEFC;
- the sustainability of the PEF is superseding the sustainability mix planned for SEFC for over ten years;
- important to set up a public process regarding uses of the PEF fund; the PEF is a public fund and the rainy day has come;
- the Vancouver Agreement has a mechanism in place for funding from senior levels of government;
- retain the community centre for SEFC as previously approved;
- to save \$50 million for the city is a failure to consider the cost to the lives of the children of the poorest families eligible for those social housing units; health care costs, lack of adequate food, effect of poor education in the long run will cost society much more;
- any investment in moderate and low income housing will be an investment for the future and an asset to the city;
- we cannot afford to lose one single subsidized housing unit; the 1/3 option was visionary, anything short of this is short-sighted;
- if the middle 1/3 housing component is removed this internationally recognized model community will be destroyed, along with the hope of ever owning a home in this city; and
- let sub-area 2a proceed as is, construction of 2a will serve as a trial to see what can be done - spend a small amount of the PEF principal, adjustments can be made to later parcels.

Heather Holden, Chair, Vancouver Park Board, spoke in support of a full size community centre, boating facility and park land allocation, as recommended by the City Manager.

Richard Campbell, Better Environmentally South Transportation (BEST) (brief filed) spoke in support of the elimination of motor vehicle traffic on the Ontario Greenway in SEFC, which would greatly enhance both the safety and quality of experience for people cycling on the Greenway.

Colleen Nystedt, noted that while a social housing mix is desirable, the principal in the PEF should not be used for this purpose; the integrity of the PEF needs to be retained for longer term benefit.

MOVED by Councillor Cadman
THAT the Committee recommend to Council

THAT respecting the virtually unanimous public input received by this Council and the virtually unanimous initial endorsement for the ODP, that this Council recommend no amendments to the RFP for area 2A and allow the private proponents to deliver their proposals on schedule on January 30th, resulting in no delay in the completion of the 2010 Olympic Village.

Not Put

The Mayor rose on a Point of Order and requested the Chair to rule on the validity of the motion. The Chair declared the motion out of order on the advice of the City Clerk because Motions to "reaffirm" a position previously taken by adopting a motion or resolution are not in order.

The City Clerk was requested to provide a memorandum back on the specific rationale in the City's reference documents to rule the motion out of order.

MOVED by Mayor Sullivan
THAT the Committee recommend to Council

- A. THAT Council approve an amendment to the Southeast False Creek Financial Plan and Strategy establishing the long term objective of having the Property Endowment Fund ("PEF") recover the value of the City Lands in Southeast False Creek ("SEFC") (estimated at \$50 million based on industrial zoning) over the 15 to 20 year development horizon for the neighbourhood;

AND THAT in order to create the opportunity to achieve that objective, Council consider the following Considerations for reducing the amount of funding provided by the PEF in the development.

- B. THAT the housing mix for the SEFC City Lands not require the modest market housing component, which would allow \$8.3 million of unallocated funds to be returned to the PEF;

FURTHER THAT staff work with City and Private Land developers in SEFC to achieve beneficial solutions targeted to modest market (middle income) consumers with the objective to achieve 33% of such housing.

- C. THAT the housing mix for the SEFC City Lands comprise a minimum of 20% across the entire site, while maintaining the minimum 250 units of Olympic Legacy affordable housing in sub-area 2A, and that alternative funding sources be pursued up to \$16.6 million with an objective of providing up to 33% affordable housing in sub-areas 1A and 3A, resulting in as much as 29% affordable housing across the entire site, which would result in an approximate increase in revenue of \$16.6 million to the PEF.
- D. THAT there be a minimum of two childcare facilities on the SEFC City Lands and one on the SEFC Private Lands, with an objective of up to five childcare facilities on the SEFC City Lands and Private Lands, and that alternative funding sources be pursued with an objective of achieving five facilities, which would result in an approximate savings of \$3.2 million to the PEF.
- E. THAT the Director of Current Planning be instructed to report back to City Council regarding referral to Public Hearing of possible ODP amendments generally reflecting City Council's choices with respect to B, C, and D above.
- F. THAT the Project Manager for the Southeast False Creek and Olympic Village development be instructed to issue an addendum to the Request for Proposals ("RFP") for the design and construction of the Olympic Village advising the participating Short-listed Respondents of City Council's choices with respect to B, C, and D above.
- G. THAT staff report back to City Council with an update on the financial status of the Southeast False Creek development prior to the rezoning Public Hearing for sub-area 2A.

amended

AMENDMENT MOVED by Councillor Capri

THAT the following be added to the above motion:

- H. THAT the City of Vancouver will seek every opportunity to increase the overall number of social housing units built in the city by developing a comprehensive strategy aimed at increasing investments from senior levels of government.
- I. THAT staff identify opportunities to fast-track the development of social and affordable housing through the use of densification and alternative housing initiatives.

CARRIED UNANIMOUSLY

AMENDMENT MOVED by Councillor Louie

THAT the following be substituted for B above:

THAT the housing mix for the SEFC City Lands not require the modest market housing component in sub-area 2A, which would allow \$4.2 million of unallocated funds to be returned to the PEF; and that alternative funding sources be pursued to retain the requirement of providing up to 33% modest market housing in sub-areas 1A and 3A;

FURTHER THAT staff work with City and Private Land developers in SEFC sub-area 2A to achieve beneficial housing solutions targeted to modest market (middle income) consumers with an objective to achieve 33 % of such housing.

CARRIED

(Councillor Anton opposed)

AMENDMENT MOVED by Councillor Louie

THAT the following be substituted for C above:

THAT the housing mix for the SEFC City Lands comprise a minimum of 20% affordable housing in sub-areas 1A and 3A plus the minimum 250 units of Olympic legacy affordable housing in sub-area 2A (returning \$12.5 m to the PEF), resulting in approximately 23% affordable housing across the entire site and that alternative funding sources be pursued to retain the requirement of providing up to 33% affordable housing in sub-area 1A and 3A, resulting in as much as 29% affordable housing across the entire site.

LOST

(Councillors Anton, Ball, Capri, Ladner, Lee and the Mayor opposed)

AMENDMENT MOVED by Councillor Anton

THAT the following be added to the motion:

- J. THAT City staff be requested to work with Park Board staff and members of the public to develop a plan for the non-motorized boating use and needs of the east end of False Creek and that the plan be used to assist in the design process for the community centre.

CARRIED UNANIMOUSLY

MOTION AS AMENDED

THAT the Committee recommend to Council

- A. THAT Council approve an amendment to the Southeast False Creek Financial Plan and Strategy establishing the long term objective of having the Property Endowment Fund ("PEF") recover the value of the City Lands in Southeast False Creek ("SEFC") (estimated at \$50 million based on industrial zoning) over the 15 to 20 year development horizon for the neighbourhood;

AND THAT in order to create the opportunity to achieve that objective, Council approve the following for reducing the amount of funding provided by the PEF in the development.

- B. THAT the housing mix for the SEFC City Lands not require the modest market housing component in sub-area 2A, which would allow \$4.2 million of unallocated funds to be returned to the PEF; and that alternative funding sources be pursued to retain the requirement of providing up to 33% modest market housing in sub-areas 1A and 3A;

FURTHER THAT staff work with City and Private Land developers in SEFC sub-area 2A to achieve beneficial housing solutions targeted to modest market (middle income) consumers with an objective to achieve 33 % of such housing.

- C. THAT the housing mix for the SEFC City Lands comprise a minimum of 20% across the entire site, while maintaining the minimum 250 units of Olympic Legacy affordable housing in sub-area 2A, and that alternative funding sources be pursued up to \$16.6 million with an objective of providing up to 33% affordable housing in sub-areas 1A and 3A, resulting in as much as 29% affordable housing across the entire site, which would result in an approximate increase in revenue of \$16.6 million to the PEF.
- D. THAT there be a minimum of two childcare facilities on the SEFC City Lands and one on the SEFC Private Lands, with an objective of up to five childcare facilities on the SEFC City Lands and Private Lands, and that alternative funding sources be pursued with an objective of achieving five facilities, which would result in an approximate savings of \$3.2 million to the PEF.
- E. THAT the Director of Current Planning be instructed to report back to City Council regarding referral to Public Hearing of possible ODP amendments generally reflecting City Council's choices with respect to B, C, and D above.
- F. THAT the Project Manager for the Southeast False Creek and Olympic Village development be instructed to issue an addendum to the Request for Proposals ("RFP") for the design and construction of the Olympic Village advising the participating Short-listed Respondents of City Council's choices with respect to B, C, and D above.

- G. THAT staff report back to City Council with an update on the financial status of the Southeast False Creek development prior to the rezoning Public Hearing for sub-area 2A.
- H. THAT the City of Vancouver will seek every opportunity to increase the overall number of social housing units built in the city by developing a comprehensive strategy aimed at increasing investments from senior levels of government.
- I. THAT staff identify opportunities to fast-track the development of social and affordable housing through the use of densification and alternative housing initiatives.
- J. THAT City staff be requested to work with Park Board staff and members of the public to develop a plan for the non-motorized boating use and needs of the east end of False Creek and that the plan be used to assist in the design process for the community centre.

CARRIED

(Councillors Cadman, Chow, Deal, Louie and Stevenson opposed)

On January 19, 2006,
the Committee recessed at 12 noon to go In Camera, reconvened at 12:40 p.m.,
recessed at 2:30 p.m. for the Planning and Environment Committee meeting,
reconvened at 5:25 p.m. and recessed at 7:10 p.m.

On January 20, 2006,
the Committee recessed at 12:30 p.m., reconvened at 1:10 p.m.
recessed at 4:10 p.m., reconvened at 4:25 p.m., and
adjourned at 6:50 p.m.

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CITY OF VANCOUVER

REGULAR COUNCIL MEETING MINUTES STANDING COMMITTEE OF COUNCIL ON CITY SERVICES AND BUDGETS

JANUARY 19 and 20, 2006

A Regular Meeting of the Council of the City of Vancouver was convened on Thursday, January 19, 2006, at 12 noon, in the Council Chamber, Third Floor, City Hall, following a portion of the Standing Committee on City Services and Budgets meeting, to consider a motion to go In Camera.

PRESENT:

- Mayor Sam Sullivan
- Councillor Suzanne Anton
- Councillor Elizabeth Ball
- Councillor David Cadman
- Councillor Kim Capri
- Councillor George Chow
- Councillor Heather Deal
- Councillor Peter Ladner
- Councillor B.C. Lee
- Councillor Raymond Louie
- Councillor Tim Stevenson

CITY MANAGER'S OFFICE: Judy Rogers, City Manager

CITY CLERK'S OFFICE: Denise Salmon, Meeting Coordinator

"IN CAMERA" MEETING

MOVED by Councillor Ladner
SECONDED by Councillor Stevenson

THAT Council will go into a meeting later this day which is closed to the public, pursuant to Section 165.2(1) of the Vancouver Charter, to discuss matters related to paragraph(s):

(a) personal information about an identifiable individual who holds or is being considered for a position as an officer, employee or agent of the city or another position appointed by the city;

CARRIED UNANIMOUSLY

- - - - -
*Council recessed at 12 noon, to go In Camera and reconvened at 12:40 p.m
in the Council Chamber with the same members present.*
- - - - -

MOVED by Councillor Ladner
SECONDED by Councillor Stevenson

THAT Council waive Section 3.2 of the Procedure By-law as it relates to the start time of the afternoon Standing Committee on Planning and Environment meeting.

CARRIED UNANIMOUSLY

- - - - -
Council recessed at 12:42 p.m. and reconvened on Friday, January 20, at 6:55 p.m., following the conclusion of the City Services and Budgets Committee meeting in order to consider recommendations and actions of the Committee
- - - - -

COMMITTEE OF THE WHOLE

MOVED by Councillor Ladner
SECONDED by Councillor Anton

THAT this Council resolve itself into Committee of the Whole, Mayor Sullivan in the Chair.

CARRIED UNANIMOUSLY

COMMITTEE REPORTS

Report of Standing Committee on City Services and Budgets January 19, 2006

Council considered the report containing the recommendations and actions taken by the Standing Committee on City Services and Budgets. Its items of business included:

1. 2006 Assessment Roll Report
2. Southeast False Creek Development: Review of Financial Strategy and Plan

Items 1 and 2

MOVED by Councillor Ball

THAT the recommendations and actions taken by the Standing Committee on City Services and Budgets at its meeting of Thursday, January 19, reconvened on January 20, 2006, as contained in items 1 and 2, be approved.

CARRIED
(Councillors Cadman, Chow, Deal, Louie and Stevenson opposed)

RISE FROM COMMITTEE OF THE WHOLE

MOVED by Councillor Capri

THAT the Committee of the Whole rise and report.

CARRIED UNANIMOUSLY

ADOPT REPORT OF COMMITTEE OF THE WHOLE

MOVED by Councillor Anton
SECONDED by Councillor Ball

THAT the report of the Committee of the Whole be adopted.

CARRIED UNANIMOUSLY

The Council adjourned at 6:57 p.m. on January 20, 2006

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