



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: April 2, 2007
Author: Annitta Lee
Phone No.: 604.871.6025
RTS No.: 06594
VanRIMS No.: 06-3200-10
Meeting Date: April 17, 2007

TO: Vancouver City Council
FROM: Director of the Housing Centre
SUBJECT: Housing Agreement for 237 Keefer Street

RECOMMENDATION

- A. THAT Council approve entering into a housing agreement with the owner of 237 Keefer Street, as summarized in this report and as shown in the form of agreement attached hereto, and subject to finalization to the satisfaction of the Director of Legal Services and Director of the Housing Centre, but that no legal rights or obligations be created or will arise until the agreement as authorized by by-law is signed.
- B. THAT the Director of Legal Services be instructed to bring forward a by-law to enter into the Housing Agreement.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services RECOMMENDS approval of A and B.

COUNCIL POLICY

Council's housing priorities are to maintain and expand housing opportunities in Vancouver for low-and-modest income households with priority being given to families with children; seniors on fixed incomes or in need of support; SRO residents; and the mentally ill, physically disabled, and others at risk of homelessness.

DISCUSSION

The owner of 237 Keefer Street has applied to the City for a development permit (DE410451) to add two storeys to an existing three-storey retail/office building and to convert the building to retail/residential uses, with a total of 30 residential dwelling units on second through fifth floors. A retail store would be located on the ground floor. The development application further proposed to reconfigure the existing open parking area at grade accessed from the rear lane on this site. The building is situated in Chinatown zoned HA-1A. Retail and dwelling uses are permitted as outright approval uses in HA-1A zone.

The applicant requested a parking relaxation in return for entering into a housing agreement with the City. The proposed housing agreement will secure 12 units on the second floor for low-to-moderate income seniors receiving assistance from the Province's SAFER (Shelter Aid for Elderly Renters) program, and 18 units from third to fifth floors for market rental, all for a period of 15 years. Section 565.2 of the Vancouver Charter provides that Council may, by bylaw, enter into a housing agreement that in effect will provide for affordable and special needs housing. The development permit is now ready to issue, subject to the completion of the housing agreement.

SAFER is a Provincial program which provides direct cash assistance to seniors with low-to-moderate income who pay rent for their homes. This program is available to seniors with an annual income of less than \$27,996 for singles, and \$30,204 for couples. SAFER reimburses between 35% and 90% of the difference between 30% of their total income and the total amount of their rent. The program provides the most subsidy to people with the least income.

The housing agreement is attached as Appendix A. The major features of the proposed housing agreement are noted as follow:

Terms of the Agreement

1. All 30 (thirty) residential units will be kept available for monthly rental for a period of 15 years.
2. During the 15 year rental period, twelve (12) of the thirty (30) rental units will be kept available for use by seniors receiving SAFER assistance.
3. Priority for the seniors' units will be given to eligible persons residing in the City of Vancouver, east of Main Street.
4. During the 15 year rental period, eighteen (18) of the thirty (30) residential units will be kept available for residential purposes market rental on a month to month basis.
5. The lands may be subdivided by strata plan during the rental period, but one person or entity must own all of the residential strata lots created thereby and all residential units in the building must continue to be used in accordance with this agreement.

FINANCIAL IMPLICATIONS

There are no financial implications for the City.

CONCLUSION

Both rental housing and low income seniors housing are in short supply in the City. The proposed housing agreement presents an opportunity to add and secure 12 units for low-to-moderate income seniors and 18 units for rental for 15 years. This is consistent with Council's priorities to maintain and expand affordable rental housing. This form of development is also consistent with the Housing Plan for the Downtown Eastside and the Downtown Eastside Revitalization Program.

It is recommended that Council approve the housing agreement in principle and instruct the Director of Legal Services to bring forward a by-law to enter into the housing agreement.

* * * * *

LAND TITLE ACT
FORM C

(Section 233)

Province of British Columbia

GENERAL INSTRUMENT - PART 1 (This area for Land Title Office Use)

Page 1 of 9 pages

1. APPLICATION: (Name, address, phone number and signature of applicant, applicant's solicitor or agent)

Jim Blair
City of Vancouver Law Department
453 West 12th Avenue
Vancouver, B.C., V5Y 1V4
Phone 873-7514 (BTQ/mk) Client No. 10647

Signature of Agent

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:*

(PID)	(LEGAL DESCRIPTION)
015-663-868	Lot 13 Block 16 District Lot 196 Plan 184
015-663-892	Lot 14 Block 16 District Lot 196 Plan 184
015-663-906	Lot 15 Block 16 District Lot 196 Plan 184

3. NATURE OF INTEREST:*

DESCRIPTION	DOCUMENT REFERENCE (page and paragraph)	PERSON ENTITLED TO INTEREST
Section 219 Covenant	Article 1 Page 4 and 5	Transferee

4. TERMS: Part 2 of this instrument consists of (select one only)

- (a) Filed Standard Charge Terms D.F. No.
 (b) Express Charge Terms Annexed as Part 2
 (c) Release There is no Part 2 of this instrument

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument. If (c) is selected, the charge described in Item 3 is released or discharge as a charge on the land described in Item 2.

5. TRANSFEROR(S):*

PACIFIC CROWN INVESTMENT CORPORATION (Incorporation No. 411668)

6. TRANSFEREE(S):* (including postal address(es) and postal code(s))*

CITY OF VANCOUVER, 453 West 12th Avenue, Vancouver, B.C., V5Y 1V4

7. ADDITIONAL OR MODIFIED TERMS:*

N/A

8. EXECUTION(S):** This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)	Execution Date			Party(ies) Signature(s)
	Y	M	D	
<hr/> (Solicitor) (as to both signatures)	07			PACIFIC CROWN INVESTMENT CORPORATION by its authorized signatories: <hr/> Signature and Printed Name <hr/> Signature and Printed Name
<hr/> Bruce T. Quayle, Solicitor City of Vancouver 453 West 12 th Avenue Vancouver BC V5Y 1V4 Phone: 873-6545	07			CITY OF VANCOUVER , by its authorized signatory: <hr/>

OFFICER CERTIFICATION: Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

* If space insufficient, enter "SEE SCHEDULE" and attach schedule in Form E.

** If space insufficient, continue executions on additional page(s) in Form D.

TERMS OF INSTRUMENT - PART 2

WHEREAS:

A. The Owner is the registered owner of the following lands and premises in the City of Vancouver:

Parcel Identifier: 015-663-868
Lot 13 Block 16 District Lot 196 Plan 184;

Parcel Identifier: 015-663-892
Lot 14 Block 16 District Lot 196 Plan 184; and

Parcel Identifier: 015-663-906
Lot 15 Block 16 District Lot 196 Plan 184,

(collectively, the "Lands")

B. The Owner wishes to redevelop the Lands by carrying out alterations to an existing three-storey, retail/office building situated thereon (the "Building") by:

(i) adding two storeys to it and converting it to retail/residential uses, with the second to fifth-storey levels, inclusive, to be comprised of a total of 30 residential units; and

(ii) reconfiguring the existing, at-grade, open parking area on the Lands, with a relaxation from the City regarding the required parking requirements therefor to permit a reduction in the number of motor vehicle and bicycle parking; and

C. The Owner, under Development Permit Application No. DE410451 (the "DP Application"), has applied to the City for a development permit for that purpose.

D. The City has approved the DP Application subject to, among other things, the terms and conditions of this agreement.

THEREFORE in consideration of the sum of ten dollars (\$10.00) now paid by the City and other good and valuable consideration passing from each party to the other (the receipt and sufficiency of which is hereby acknowledged), the parties agree as follows:

Housing Agreement

1. Pursuant to Section 565.2 of the *Vancouver Charter* SBC 1953 c.55, the Owner covenants and agrees that:

- (a) prior to the City issuing any occupancy permit for the Building after this agreement is registered on title to the Lands, the Owner will construct twelve (12) residential units within the Building's second storey level and, at all times for fifteen (15) years after such issuance of an occupancy permit (the "Required Rental Period"), the Owner will keep and maintain all such residential units in good and habitable condition and make them available for use exclusively as low income rental housing for seniors in accordance with this agreement, reasonably prudent landlord-tenant practices for rental residential accommodation and any and all laws applicable thereto, including, without limitation, residential tenancy and human rights legislation in British Columbia (the "Seniors Units");
- (b) each of the Seniors Units is to be occupied only by single persons at least 60 years of age or two persons cohabiting, at least one of whom is at least 60 years of age, receiving assistance from the Province of British Columbia under its Shelter for Elderly Renters Program ("SAFER") or, in the City's discretion, from a similar governmental program;
- (c) If SAFER is discontinued or changed at any time after this agreement is registered on title to the Lands, the Owner, on the City's request, will accept and sign a modification of this agreement setting out, at the City's discretion:
 - (i) income levels for singles and couples to qualify to occupy the Seniors Units and the manner of adjustment of such income levels over time;
 - (ii) whether or to what extent persons occupying the Seniors Units must be in receipt of rent subsidies; and
 - (iii) the maximum monthly rents the Owner may charge for use and occupation of the Seniors Units and the adjustment of such maximum monthly rents over time, except that the Owner will not at any time be required to lower the rents payable for the Seniors Units and such rents will be in amounts approximately the same as those charged and payable and will be adjusted in similar fashion to adjustments made under SAFER before it was discontinued or changed;
- (d) priority for use of the Seniors Units will be given to eligible persons residing in the City of Vancouver, east of Main Street;
- (e) prior to the signing and registration of any such modification of this agreement, the monthly rents for the Seniors Units may not be increased;
- (f) the Seniors Units at all times will be let on a month to month basis only;

- (g) rent for use and occupation of the Seniors Units will be charged and payable on a monthly basis only;
- (h) the Owner will maintain a rent roll for each Seniors Unit setting out for each month the name of each resident thereof, the monthly rent payable and the amount of SAFER assistance received for each Seniors Unit and all additional services provided to any Seniors Unit for which the Owner charges any amount in addition to the monthly rent payable therefor. The Owner will keep all such records for a minimum of five (5) years each and will not then destroy or permit destruction of any of them without the City's express written consent, and the Owner will make all such records available for inspection by the City at any time on reasonable notice. In August of each year the Owner will provide the City with a written statement made under oath by one of its registered directors before a commissioner for taking affidavits for British Columbia setting out that he or she has reviewed the entire rent roll for the preceding calendar year and that:
 - (i) the rent roll is complete or detailing how it is incomplete;
 - (ii) all residents of the Seniors Units are qualified to reside therein according to the requirements of this agreement or, if they are not, provides details regarding those who were not so qualified and where and for how long they did reside or have resided in the Building; and
 - (iii) gives the particulars of residents new to the Seniors Units and of those who have vacated them;
- (i) the Owner will give a copy of this agreement to each resident of the Seniors Units;
- (j) prior to the City issuing any occupancy permit for the Building after this agreement is registered on title to the Lands, the Owner will construct eighteen (18) residential units within the Building's third to fifth storey levels and, at all times thereafter during the Required Rental Period, the Owner will keep and maintain all such residential units in good and habitable condition and make them available to the general public for use as rental accommodation in accordance with this agreement, reasonably prudent landlord-tenant practices for rental residential accommodation and any and all laws applicable thereto, including, without limitation, residential tenancy and human rights legislation in British Columbia (the "Market Rental Units");
- (k) the Market Rental Units at all times will be let on a month to month basis only;
- (l) rent for use and occupation of the Market Rental Units will be charged and payable on a monthly basis only;

- (m) the amount of rent charged and payable for use and occupation of any of the Market Rental Units at all times will be based reasonably on current market values from time to time for such residential rental accommodation in the part of the City of Vancouver in which they are situated;
- (n) at all times while this agreement is in effect, and for five years thereafter, the Owner will prepare and keep monthly rental records in relation to the letting of the Market Rental Units and will make all such records available to the City for inspection at any time on reasonable notice to the Owner. The Owner will keep all such financial records for a minimum of five (5) years each and will not then destroy or permit destruction of any of them without the City's express written consent.

Section 219 Covenant

2. Pursuant to Section 219 of the *Land Title Act*, R.S.B.C. 1996, c.250, the Owner covenants and agrees that:

- (a) the Owner will keep and maintain the Lands and the Building in good repair and in a safe, clean, neat and tidy condition at all times after an occupancy permit is or occupancy permits are issued for the Seniors Units and the Market Rental Units, and if, at any time during the Required Rental Period, the Seniors Units or the Market Rental Units are damaged or destroyed the Owner will restore or replace them as soon for use in accordance with this agreement as soon is reasonably possible;
- (b) If at anytime during a the Required Rental Period the Lands are subdivided by strata plan, none of the strata lots created thereby comprising the Seniors Units and the Market Rental Units may be sold or otherwise transferred separately, one person or entity must own all such strata lots, and all residential strata lots in the Building must continue to be used in accordance with this agreement for the remainder of that 15 year period; and
- (c) if for any reason at any time during the Required Rental Period, the Building can no longer be used for the purposes contemplated by this agreement, the improvements on the Lands will be reconfigured within thirty (30) days after such discontinuance of uses so that the parking spaces available thereon are entirely in accordance with the requirements under the City's bylaws.
- (d) The City, at the Owner's request and expense, will discharge this Section 219 Covenant on the expiry of the Required Rental Period.

General

3. All notices, demands or requests of any kind which a party may be required or permitted to serve on another in connection with this agreement must be in writing and will be served on the other party by registered mail, fax or by personal service to:

(a) For the City:

City of Vancouver
453 West 12th Avenue
Vancouver, British Columbia V5Y 1V4

Attention: General Manager of Community Services
and Director, Housing Centre

(b) And for the Owner:

To the Owner's address as set out in the certificate of title for the Lands or such other address of which the Owner may notify the City according to the requirements of this section.

3. Any notice delivered pursuant to this agreement:

- (a) if delivered by registered mail, will be deemed complete seven days after the day of mailing except where there is a postal service disruption during such period in which case service should be deemed to be completed upon actual delivery of the notice, demand or request;
- (b) if delivered by fax, will be deemed complete on the third business day after the day when the facsimile transmission was transmitted; and
- (c) if delivered by hand will be deemed complete two days after the day of delivery.

4. This agreement may be enforced by mandatory and prohibitory court orders. If in any action to enforce this agreement the City is entitled to court costs from the Owner, then such costs will be payable to the City on an actual costs basis.

5. Whenever the singular or masculine is used herein, the same will be construed as meaning the plural, feminine or body corporate or politic and vice versa where the context or the parties require.

6. The covenants and agreements set forth herein on the part of the Owner will burden and run with and bind the Lands and will attach thereto and run with each and every part into which the same may be subdivided or consolidated.

7. This Agreement shall enure to the benefit of and be binding upon the City and its

successors and assigns and this Agreement shall enure to the benefit of and be binding upon the Owner and its respective heirs, executors, administrators, successors and assigns.

8. If any term of this Agreement is held to be invalid, illegal or unenforceable by a court having the jurisdiction to do so, that term 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 term.

9. No alleged waiver of any breach of this Agreement is effective unless it is an express waiver in writing of the breach in respect of which it is asserted against the party alleged to have given the waiver. No such waiver of any breach of this Agreement operates as a waiver of any other breach of this Agreement.

10. This is the entire agreement between the parties concerning the subject matter of this Agreement and it may only be amended by a document executed by both the City and the owners in fee simple of the Lands.

11. Nothing contained or implied herein shall prejudice or affect the City's rights and powers in the exercise of its functions pursuant to the Vancouver Charter, S.B.C. 1953, c. 55, as amended, and the rights and powers of the City under all of its public and private statutes, by-laws and regulations, all of which may be as fully and effectively exercised in relationship to the Lands as if this Agreement had not been executed and delivered by the City and the Owner.

12. The Owner shall, after execution hereof, do or cause to be done, at its own cost and expense, all things and acts necessary to ensure that this Agreement is registered against title to the Lands with priority over all other encumbrances except encumbrances in favour of the City.

13. This Agreement shall only be personally binding on the person(s) or entity(s) comprising the Owner in respect of matters arising within the period during which such person or persons respectively have any right, title or interest in the Lands or any part thereof.

14. If the Land Title Office rejects the registration of this Agreement or any interest purported to be granted hereby, then the parties hereto shall re-execute and re-register same in a form and style acceptable to the Land Title Office.

IN WITNESS WHEREOF the parties have executed this Agreement on Forms C and D which are a part hereof.