



## ADMINISTRATIVE REPORT

Report Date: January 16, 2012  
Contact: Vicki Potter  
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VanRIMS No.: 08-2000-20  
Meeting Date: January 31, 2012

TO: Vancouver City Council  
FROM: Subdivision Approving Officer  
SUBJECT: Proposed Strata Title Conversions: "The Village" Market Rental Residential Buildings

### ***RECOMMENDATION \****

THAT Council approve the application to convert to strata title ownership the previously occupied market rental residential buildings at 169 Walter Hardwick Avenue, 121 Walter Hardwick Avenue and 75 West 1<sup>st</sup> Avenue (PID: 028-074-114, Lot 341, False Creek, Plan BCP42610, Except Part in Air Space Plan BCP45059; PID: 028-245-202, Air Space Parcel 3, False Creek, Air Space Plan BCP44958; and PID: 028-234-600, Air Space Parcel 3, False Creek, Air Space Plan BCP44913).

### ***REPORT SUMMARY \****

Pursuant to the *Strata Property Act*, Council approval is required for an application to convert to strata title ownership the previously occupied buildings described in Recommendation A. A total of 119 residential strata lots are proposed for the three buildings (48 units at 169 Walter Hardwick Avenue, 21 units at 121 Walter Hardwick Avenue and 50 units at 75 West 1<sup>st</sup> Avenue).

### ***COUNCIL AUTHORITY/PREVIOUS DECISIONS \****

The City's Strata Title and Cooperative Conversion Guidelines outlines factors which Council will consider in reviewing applications for converting previously occupied buildings to strata title ownership. Council has delegated authority to approve certain conversion applications to the Approving Officer but Council approval is required for all residential buildings containing six dwelling units or more.

### CITY MANAGER'S/GENERAL MANAGER'S COMMENTS \*

The General Manager of Community Services and the City Manager RECOMMEND approval of the foregoing.

### Background/Context \*

On February 1, 2007, as part of the Olympic Village rezoning process, Council approved a condition of rezoning to require development of modest market rental housing buildings, subject to a 20 year rental restriction covenant to be registered on each title. The approximate location of these buildings is shown in Figure 1.

Figure 1



The buildings were intended to be strata titled upon completion of construction, but individual sale of units (strata lots) would not have been permitted until the rental restriction covenant had expired. Strata plans for new developments that have not yet been occupied can be registered directly at the Land Title Office without requiring approvals from City Council or the Approving Officer. However, even though strata plans had been prepared for each of the three modest market rental buildings, they were not registered in the Land Title Office prior to SEFC Properties Ltd. going into receivership. On November 17, 2010 Ernst & Young Inc. was appointed by the Supreme Court of British Columbia as the Receiver of SEFC Properties Ltd., formerly known as Millennium Southeast False Creek Properties Ltd. The Receiver is now fulfilling the original intention to stratify the Modest Market Housing contained on Parcels 3, 6 and 9, with the 20 year rental covenant to prohibit the sale of individual stratified units for the 20 year period.

- As the buildings are now occupied by rental tenants, Section 242 of the *Strata Property Act* now applies and requires approval by the Municipal Council for converting a previously occupied building to strata title ownership. Primarily, this is to ensure that buildings converted to strata title substantially comply with applicable City by-laws and in particular, the Building By-law.

As part of the process outlined in the Council-adopted Strata Title and Cooperative Conversion Guidelines, staff would normally advise tenants in rental buildings of the intent to convert a building to strata title ownership, to ensure that information was provided to tenants regarding the statutory provisions noted above, as well as other information such as prospective sale prices. However, in this case, tenants are not being notified as there will be no immediate impacts on them. As noted below, the units will be secured as rental for 20 years, at which point the owners could choose to continue renting the units or sell them as individual strata lots.

As a requirement of the rezoning of the Olympic Village lands, housing agreements were to be secured to restrict their use to rental only and ensure no separate sale for a period of 20 years. The housing agreements and related Section 219 covenants were not registered against the three modest market parcels prior to Millennium Southeast False Creek Properties Ltd. going into receivership. Accordingly, prior to registration of the strata plans, notice of a housing agreement and the related Section 219 covenant will be registered against title to each modest market parcel. In order for the Housing Agreement to be registered, the Vancouver Charter requires Council to pass a by-law to authorize the City to enter into a housing agreement. Concurrently with this report, a by-law approving the housing agreements for the three modest market parcels will be presented to Council for enactment.

### *Strategic Analysis \**

In addition to Development Services staff, the Chief Building Official and the Managing Director of Social Development have reviewed the strata conversion application.

As noted above, Section 242 of the Strata Property Act provides that the approving authority must not approve a strata plan (for conversion) unless the building in question substantially complies with, among other things, the applicable by-laws of the municipality. The Chief Building Official confirms that the buildings substantially comply with the Vancouver Building By-law.

The Managing Director of Social Development supports the Recommendation, as it is consistent with the recommendations approved by Council on February 1, 2007, to support the development of all the Modest Market Housing in "The Village" on the condition that the units be restricted in size and that such market rental housing be subject to a 20-year rental restriction.

*Implications/Related Issues/Risk (if applicable)*

*Financial \**

The conversion to strata title ownership will add value to the eventual sale of the Modest Market Housing to a third party. The City of Vancouver and its taxpayers will benefit from the sale of these assets.

*CONCLUSION \**

On the basis that the strata titling of the Modest Market Housing in "The Village" with a 20 year rental restriction was always contemplated, and that there will be no immediate impacts on tenants in these buildings, the Subdivision Approving Officer recommends approval of this application.

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