



IN CAMERA

ADMINISTRATIVE REPORT

Report Date: September 7, 2017
Contact: Mary Clare Zak
Contact No.: 604.871.6643
RTS No.: 12205
VanRIMS No.: 08-2000-21
Meeting Date: September 19, 2017

TO: Vancouver City Council

FROM: General Manager of Community Services

SUBJECT: Memorandum of Understanding - 1636 Clark Drive,
1321 to 1395 East 1st Avenue

IN CAMERA RATIONALE

This report is recommended for consideration by Council on the In Camera agenda as it relates to Section 165.2(1) of the *Vancouver Charter*: (k) negotiations and related discussions respecting the proposed provision of an activity, work or facility that are at their preliminary stages and that, in the view of the Council, could reasonably be expected to harm the interests of the city if they were held in public.

RECOMMENDATION

- A. That Council approve the basic terms and conditions substantially as outlined in the Memorandum of Understanding, included as Appendix A, between the City of Vancouver, BC Housing and Vancouver Coastal Health Authority, for a proposed mixed-use development comprising 3 City-owned lots addressed at 1636 Clark Drive and 8 City owned lots addressed at 1321 to 1395 East 1st Avenue) legally described as:

Parcel Identifier: 013-004-638, Lot 24, Except (A) Part in Plan 4123 and (B) Part in Explanatory Plan 17378 Block 60 District Lot 264A Plans 383 and 1771

Parcel Identifier: 013-004-590, Lot 23, Except Part in Explanatory Plan 17378, Block 60 District Lot 264A Plans 383 and 1771

Parcel Identifier: 013-004-581, Lot 22, Except Part in Explanatory Plan 17378, Block 60 District Lot 264A Plans 383 and 1771

Parcel Identifier: 006-747-884, Lot 21 Block 60 District Lot 264A Plan 383 and 1771

Parcel Identifier: 013-359-932, Lot 20 Block 60 District Lot 264A Plan 383 and 1771

Parcel Identifier: 015-327-345, Lot 19, Except the South 7 Feet Now Road, Block 60 District Lot 264A Plan 383 and 1771

Parcel Identifier: 015-327-337, Lot 18, Except the South 7 Feet Now Road, Block 60 District Lot 264A Plan 383 and 1771

The Common Property of Strata Plan VAS1149 and Strata Lots 1 to 13 District Lot 264A Strata Plan VR. 1149

Parcel Identifier: 015-213-552, Lot 15 Block 60 District Lot 264A Plan 383 and 1771

Parcel Identifier: 015-327-329, Lot 14 Block 60 District Lot 264A Plan 383 and 1771

Parcel Identifier: 012-694-029, Lot 13 Block 60 District Lot 264A Plan 383 and 1771

(together the “the Property”).

- B. THAT Council authorize the General Manager of Community Services and the General Manager of Real Estate Services to execute a Memorandum of Understanding substantially in the form attached hereto as Schedule A.
- C. THAT no legal rights or obligations shall be created and none shall arise until the matters set forth in Section 7.2 of the Memorandum of Understanding have been fulfilled.

REPORT SUMMARY

This report seeks Council’s approval of a Memorandum of Understanding and to enter into negotiations with BC Housing and the Vancouver Coastal Health Authority (VCH) for the development and construction of a mixed-use project described in the Memorandum of Understanding, Appendix A.

The Memorandum of Understanding proposes, among other things, that the City will grant a long-term ground lease to BC Housing, as lead proponent, to construct the development. The proposed development will include approximately 118,000 sq.ft. of integrated housing and services, including a community health service centre, social housing, and social enterprise space. The project will be anchored by the community health centre, including residential addictions treatment, subleased to and operated by VCH. Up to 100 new social housing units will be sub-leased by BC Housing to a non-profit housing provider to operate with maximum affordability considerations, replacing 17 existing rental housing units onsite. The City will obtain a sublease for the social enterprise space and may sub-sublease the social enterprise space to a non-profit operator to support innovation in community economic development. As negotiation of leases in the nature described above require Council approval, staff will return to Council to seek authority to negotiate the terms of such lease agreements at a future date.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

Healthy City Strategy (2015)
Housing & Homelessness Strategy (2012)
City of Reconciliation (2014)
Mayor's Task Force on Mental Health and Addictions, Caring for All (2014)
Grandview Woodland Plan (2016)
Community Economic Development Strategy (2016)

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City/General Manager recommends approval of recommendations to begin formal discussions and negotiations with BC Housing and Vancouver Coastal Health on this project in line with the Memorandum of Understanding. The project outlined in the proposed MOU demonstrates key partners working together to better address a clear need for addiction service-delivery, housing and employment in Vancouver.

REPORT

Background/Context

BC Housing, in partnership with Vancouver Coastal Health and the City, are proposing to develop a 'state-of-the-art' comprehensive, integrated community health service and residential addictions treatment centre with up to 100 social housing units and dedicated social enterprise space:

Component	Area
1. Community Health Services & Residential Treatment	~55,000 sq. ft. (Incl. 20 units)
2. Social Housing	~60,000 sq. ft. (60-100 units)
3. Social Enterprise	~3,000 sq. ft.
Total	~118,000 sq. ft.

Under the proposed MOU, the City will make a land contribution for the project currently valued at approximately \$16M (2017 Assessed Value - Land Only). The proposed Property is comprised of eleven (11) legal lots that are currently zoned under two different zoning districts: I-2 (three westernmost lots comprising 1636 Clark Drive) and RM-4N (eight parcels to the east comprising 1321 to 1395 East 1st Avenue).

Figure 1: 1636 Clarke Drive & 1321 to 1395 East 1st Avenue



The intention is to consolidate the sites into one parcel and to rezone the consolidated parcel to a site-specific CD-1 district, permitting a four-storey mixed-use development through a rezoning, as per the Grandview Woodland Plan. The entire site will be considered as a single project and will incorporate Indigenous design and wellness principles.

Key Components of the Project:

1. Community Health Services & Residential Treatment

The proposed Community Health Centre will offer primary care services, withdrawal management treatment, and academic teaching and research in the innovative field of addiction treatment.

2. Social Housing

Approximately 60-100 social housing units, depending on household unit type distribution, will be created with maximum affordability considerations. Currently 17 households rent housing onsite and tenant relocation plans will be provided.

3. Social Enterprise

Complementing the project, in compliance with the industrial (I-2) zoning at 1636 Clark Drive, will be social enterprise space. This component of the project is intended to align with the overall project's vision to address gaps in service provision for people with addictions, including employment and Aboriginal healing and wellness.

Strategic Analysis

The recent overdose crisis has continued to highlight key gaps in services for health and addictions treatment services, including withdrawal management ('treatment on demand') and addictions research, as well as prevention through improving social determinants of health such as housing, cultural belonging, and employment.

Objectives of the project will be to:

- Address gaps in access to: immediate detox referral and promote alignment to short and long-term residential treatment programs in Vancouver, and culturally relevant Indigenous healing and wellness services;
- Promote evaluation and training modules for specialized, integrated addictions treatment;
- Promote housing stability while in treatment to stabilize the recovery process;
- Decrease contact with the criminal justice system and divert emergency room and hospital visits for people who are inebriated;
- Disrupt the cycle of homelessness due to addiction and lack of access to jobs and training opportunities.

VCH currently operates a 'daytox' facility on a City-owned site at 377 E2nd Avenue, a facility that no longer meets contemporary standards. VCH seeks a nearby location to the Downtown Eastside to modernize the 'daytox' program into an integrated community health service centre, as part of the implementation VCH's Downtown Eastside Second Generation Strategy currently underway. People currently accessing emergency departments due to inebriation will have access to a new sobering unit instead, with links to specialized addictions treatment provided through residential detox or outpatient 'daytox' services depending on assessment, and transitional housing towards longer term and stable housing if homeless. The existing lease for the VCH operated 'daytox' at the City-owned site, 377 E2nd Avenue, will be surrendered by the Province and VCH under separate surrender agreement, releasing this site back to the City.

Social housing objectives will contribute to the 10-year targets of Vancouver's new Housing and Homelessness Strategy, *Housing Vancouver*, currently under development. The social enterprise space will provide additional opportunities for local job creation and production space outside the Downtown Eastside, a priority identified in the Community Economic Development Strategy. Incorporating Indigenous healing and wellness services, as well as design, into the project reflects a connection to key service agency services such as the Vancouver Aboriginal Friendship Centre Society, Urban Native Youth Centre, Vancouver Native Housing Society, and Britannia Community Centre.

Implications/Related Issues/Risk (if applicable)

Financial

The following table summarizes the value of the contemplated contributions of the various parties toward the estimated \$71 million (including land) cost of the 118,000 sq. ft. project.

	Project Component	Scope	Est. Value	Party
1.	Land/Sites <ul style="list-style-type: none"> Ground lease to BCH = 99 years Existing lease swap ('Daytox, 377 E. 2nd Avenue) Tenant Relocation Plans for 17 existing renter hshlds Environmental Remediation 	296.7' frontage x 111' depth	\$16M	CoV
2.	Phase 1 Tenant Relocation <ul style="list-style-type: none"> Relocation Plans for 17 existing renter hshlds 	17 hshlds.	\$0.065M	CoV
3.	Community Health Care Centre <ul style="list-style-type: none"> Community Health Services & Residential Treatment Addictions academic teaching + research 20 residential treatment units 	55,000 sq. ft.	\$30M	BCH/VCH
4.	Social Housing <ul style="list-style-type: none"> 60-100 social housing units 	60,000 sq. ft.	\$23M	BCH
5.	Social Enterprise	3,000 sq. ft.	\$2M	CoV
	Total Estimated Project Value (without Land)		\$55M	

Notes to table:

- Land total reflects approximate area after road dedications
- Environmental Cost Recuperation will be made through City request from adjacent site Owner (Previous Gas Station)
- As per Section 3.2 of the MOU, the City will be responsible for 3.2(a)(ii) to (viii) ("Phase 1") and BC Housing will be responsible for 3.2(a) (i) and (vii) ("Phase 2")
- As per Section 2.3 of the MOU, BC Housing will be responsible for all costs associated with the Rezoning including architects and consultants fees and Rezoning application fees
- As per Section 2.5, VCH will make a capital contribution for the incremental cost of the design, development and construction of the Community Health Centre component and the Residential Treatment component
- As per Section 2.6 of the MOU, the City will make a capital contribution for the incremental cost of the design, development and construction of the Social Enterprise component of the project

Contemplated City contribution

The MOU contemplates the following contributions from the City:

- A nominal land lease for the contemplated consolidated site, currently comprised of four lots currently held in the Property Endowment Fund and seven held in the Capital Fund; the estimated combined value of which is \$16 million.

- \$65,000 for Phase 1 Tenant Relocation Plan for the 17 existing renter households.
- \$2,000,000 for design, development and construction of the Social Enterprise component of the project.

The contributions contemplated in the MOU and summarized above are subject to approval of the transactions and agreements contemplated in the MOU and approval the related budgets, including the proposed ground-lease to BC Housing. The nominal rent would constitute a grant in the amount of the fair market value of the lease and will require an approval from Council.

CONCLUSION

Vancouver Coastal Health requires a new location to modernize and adapt its approach to primary care and addictions services to an integrated community-based model. This report recommends the City enter into an MOU with BC Housing and Vancouver Coastal Health as attached as Appendix A. Approval of the MOU will allow partner discussions and negotiations to continue leading up to a rezoning process for an integrated project that maximizes the sites and addresses priority objectives for the City in terms of addictions treatment, social housing and social enterprise space.

* * * * *

DEPARTMENTAL APPROVAL AND REPORT CONCURRENCES

General Mgr.: Report Date: September 7, 2017

Author: Dianna Hurford

Date: Phone No.: 604.673.8286

This report has been prepared in
consultation with the departments listed to
the right, and they concur with its contents.

Concurring Departments:

Budgets:

Name (please print)

Signature

INFORMATION RELEASE:

1. Councils' decision related to this report may be made public following Rezoning on or about May 31, 2017.
2. Final sign-off on the release of information related to this report will be provided by Report Author through General Manager, City Manager, and other individuals as appropriate.

MEMORANDUM OF UNDERSTANDING

June 28, 2017

Between City of Vancouver (the “City”), British Columbia Housing Management Commission (“BC Housing”), and the Vancouver Coastal Health Authority (“VCH”) for a proposed mixed-use development (the “Development”) at 1636 Clark Drive and 1321 to 1395 East 1st Avenue.

The purpose of this Memorandum of Understanding (this “MOU”) is to set forth the basic business terms and conditions upon which BC Housing, VCH and the City intend to proceed with discussions and negotiations for the construction of the Development described herein. While this MOU does not create binding rights or obligations, the parties wish to confirm their intent to work together in a cooperative and collaborative manner to negotiate and finalize, with all reasonable due diligence and timeliness, the arrangements, transactions and agreements contemplated herein.

1. Background and Description

1.1 The Development would be located on the City-owned lands (the “Lands”) along East 1st Avenue between Clark Drive and McLean Drive legally described in Schedule A.

1.2 The proposed Development would have a total floor area of approximately 118,000 sq. ft. and would be comprised of four primary components:

(a) *Community Health Services.*

(i) The proposed Development would be anchored by a new 55,000 sq. ft. VCH Community Health Centre that offers primary care services and withdrawal management treatment. The existing Vancouver Detox Centre located at 377 East 2nd Avenue (leased to the Province of British Columbia and operated by VCH) no longer meets contemporary facility standards and its replacement is a high priority for VCH leadership. The new Community Health Centre will include new and expanded services and will be planned to ensure that facility resources support service provision and the needs of clients and families who seek care at the Community Health Centre. In particular, the Community Health Centre will be designed to meet the cultural and healing needs of the Aboriginal population.

(ii) The Community Health Centre will also accommodate academic teaching and research as well as provide a learning hub to support staff development, knowledge transfer and sharing of leading best practices in withdrawal management care and treatment in British Columbia.

(iii) The Community Health Centre would be operated and funded by VCH.

(b) *Residential Treatment.* Complementing the Community Health Centre would be approximately 20 units of residential treatment units for clients who have completed detoxification and are waiting for placement in a longer-term treatment facility or residential housing. These units would provide short-term (1-day to 30-days) residential treatment. The residents generally would not

require medical care and would attend programs provided at the Community Health Centre. The Residential Treatment component would also be operated and funded by VCH as part of the Community Health Services program.

- (c) *Social Housing.* Complementing the Community Health Centre would be 60 to 100 units of social housing. Social Housing is defined by the City of Vancouver's policies and bylaws, and at least 30% of the dwelling units must be occupied by households with incomes at or below housing income limits, as set out in the current "Housing Income Limits" table published by the British Columbia Housing Management Commission ("BC Housing"), or equivalent publication; the social housing units must be owned by a non-profit corporation, by a non-profit co-operative association, or by or on behalf of the city, the Province of British Columbia, or Canada; and in respect of which the registered owner or ground lessee of the freehold or leasehold title to the land on which the social housing is situated has granted to the City a section 219 covenant, housing agreement, or other security for the housing commitments required by the City, registered against the freehold or leasehold title, with such priority of registration as the City may require. It is a condition of this MOU that the Social Housing component is included in the Development and BC Housing to be responsible to operate, fund and manage. The City and BC Housing will make every effort to achieve the greatest level of affordability feasibly possible, subject to approval by BC Housing's Executive Committee and BC Housing's Board of Commissioners.
- (d) *Social Enterprise.* Complementing the Social Housing component will be social enterprise space for use by a non-profit organization to hire and support people with barriers to employment. The Social Enterprise component would be constructed on the three westernmost parcels. The Social Enterprise component would be funded and managed by the City of Vancouver or a non-profit organization suitable to the City.

- 1.3 The approximate area of each component of the Development is proposed to be as follows:

Component	Area
Community Health Services & Residential Treatment	~55,000 sq. ft. (Incl. 20 units)
Social Housing	~60,000 sq. ft. (60-100 units)
Social Enterprise	~3,000 sq. ft.
Total	~118,000 sq. ft.

2. Zoning and Urban Form

- 2.1 The Lands are comprised of a number of legal parcels that are currently zoned under two different zoning districts: I-2 (three westernmost parcels comprising 1636 Clark Drive) and RM-4N (eight parcels to the east comprising 1321 to 1395 East 1st Avenue). The intention is to consolidate the Lands into one parcel and to rezone the

consolidated parcel to a site-specific CD-1 district to permit the four-storey mixed-use Development (the “Rezoning”).

- 2.2 From an architectural and urban design perspective, the entire site will be considered as a single project to ensure a consistent approach with regard to pedestrian experience, traffic flows, and accessibility, among others. Given the location of the Lands, VCH in conjunction with BC Housing will use its best efforts to ensure that Aboriginal design principles are considered as part of the Development.
- 2.3 It is proposed that BC Housing will initiate and carry out the lot consolidation, land use designation and rezoning application in consultation with the City. The City, in its capacity as owner of the Lands, will cooperate with BC Housing, in its capacity as agent, to bring forward the Rezoning application to Council on the understanding that the City of Vancouver, in its regulatory capacity, will maintain full discretion in determining the conditions of Rezoning and whether all such conditions have been satisfied. BC Housing will be responsible for all costs associated with the Rezoning including, for clarity and without limitation, architects and consultants fees and Rezoning application fees.
- 2.4 Subject to Sections 2.5 and 2.6, BC Housing will be responsible for all costs associated with the design, development and construction of the proposed Development, including architects and consultants fees and Rezoning application fees on approval by BC Housing’s Executive Committee.
- 2.5 VCH will make a capital contribution for the incremental cost of the design, development and construction of the Community Health Centre component and the Residential Treatment component.
- 2.6 The City will make a capital contribution for the incremental cost of the design, development and construction of the Social Enterprise component.
- 2.7 A preliminary plan of the Lands (outlined in heavy red outline) showing proposed road widening and a table of approximate areas is attached hereto as Schedule B.

3. Other Matters

- 3.1 *City of Vancouver Regional Context Statement Official Development Plan.* It appears that the three westernmost parcels are within the Industrial Regional Designation delineated under the City of Vancouver Regional Context Statement Official Development Plan (the “RCS”). The RCS protects industrial lands within the City of Vancouver and calls for the exclusion of uses that are inconsistent with the intent of industrial areas (such as residential uses). There is a procedure for re-designating land from one regional land use designation (i.e., industrial) to another regional land use designation provided that the aggregate area of all proximate sites so re-designated does not exceed one hectare (the three westernmost parcels do not exceed one hectare) but the process of achieving this must be explored further. While it is proposed that the Social Enterprise component of the Development would not be inconsistent with the RCS in respect of industrial use, some clarity will be needed in this regard and the parties will work together, in good faith, to determine whether the proposed uses of the Lands will be permitted under the RCS or whether the three westernmost parcels can be re-designated as contemplated under the RCS.

3.2 *Rental Housing Stock Official Development Plan and Tenant Relocation and Protection Policy and Guidelines.*

- (a) The City of Vancouver's Rental Housing Stock Official Development Plan and Tenant Relocation and Protection Policy and associated Guidelines (collectively, the "**Rental Housing Policies**") will apply in respect of any of the parcels comprising of Lands currently in the RM-4N zoning district which are used as "primary" rental stock. The Rental Housing Policies provide for, *inter alia*:
 - (i) the provision of one-for-one replacement of the 17 existing rental units on site;
 - (ii) the preparation of a tenant relocation plan;
 - (iii) compensation to be paid to existing tenants of "primary" rental stock;
 - (iv) minimum notice provisions for termination of tenancy agreements;
 - (v) compensation for moving expenses;
 - (vi) the provision of assistance to identify alternative accommodations;
 - (vii) that projects such as this one where rental units are being replaced with social housing, tenants will be offered right of refusal, provided they meet the eligibility requirements for the new social housing; and
 - (viii) additional support for special circumstances including:
 - (A) additional financial compensation or support, such as partnering with health organizations and other non-profit services, may be requested for vulnerable tenants (e.g. seniors, persons with disabilities, tenants with low income, mental health issues, etc); and
 - (B) additional support for special circumstances to include identifying at least one alternate accommodation option within 10% of the tenant's current rent, if the tenant has a low income and is paying significantly lower than CMHC average rent for the area.
- (b) The City will be responsible at their own cost for ensuring compliance with Sections 3.2(a)(ii) to (vi) and (viii), inclusive, and BC Housing will be responsible for ensuring compliance with the Sections 3.2(a)(i), and (vii)

4. **Tenure**

- 4.1 Once the Lands are consolidated, RCS designations have been addressed and subject to Rezoning bylaw enactment, it is intended that the City will lease the consolidated parcel to BC Housing under a long-term ground lease (the "**Ground Lease**") to enable BC Housing to carry out the construction of the Development. The term of the Ground Lease will be of sufficient length to enable a 99-year lease of the Development after issuance of an occupancy permit for the Development. The Ground Lease must ensure compliance with the Rental Housing Policies in respect of, *inter alia*, rights of first refusal to the existing tenants of "primary" rental stock. The City will seek Vancouver

City Council approval for a grant in an amount equal to the fair market value of the Ground Lease, such that rent for the Ground Lease will be nominal.

4.2 Upon completion of construction of the Development, BC Housing will:

- (a) subject to Section 5.1, grant a sublease (the “**VCH Sublease**”) of the Community Health Centre component and the Residential Treatment component of the Development to VCH for a term of 99 years less one day;
- (b) grant a sublease (the “**City Sublease**”) of the Social Enterprise component of the Development to the City for a term of 99 years less one day; and
- (c) continue its lease of the Social Housing component for a term of 99 years.

5. **Next Steps**

5.1 The City will discuss the surrender of the existing Detox Centre lease (the “**Detox Centre Lease**”) at 377 East 2nd Avenue (the “**Detox Centre Lands**”) with the Province of British Columbia (the “**Province**”), it being a condition of this MOU and the transactions contemplated herein that, within 30 days after the parties have entered into this MOU, the City receive confirmation in writing that the Province will surrender the Detox Centre Lease and all rights thereunder and that VCH will surrender its interest in the Detox Centre Lands, including any rights granted to it under the Voluntary Accommodation Agreement (Agreement #112990) dated May 2, 2011 and the Lease (CL112990) dated April 5, 2017 within six months after the later of:

- (a) the determination by VCH, acting reasonably, that the Community Health Centre and Residential Treatment component of the Development are suitable for the delivery of primary care services and withdrawal management treatment and short-term residential treatment, respectively); and
- (b) issuance of an occupancy permit for the Development,

and the Province will deliver the Detox Centre Lands to the City in accordance with the terms and conditions of the Detox Centre Lease.

5.2 The parties will determine funding requirements and will prepare a preliminary budget showing the parties’ respective funding obligations. Once the preliminary budget has been approved by the parties, this MOU and the preliminary budget (*Note: Class to be determined*) will be presented to Vancouver City Council for approval of this MOU and the preliminary budget.

5.3 If Vancouver City Council approves this MOU, the preliminary budget and the grant for the Ground Lease rent, BC Housing will commence the Rezoning process in consultation with the City. It is anticipated that, in addition to any other requirements of the City of Vancouver, in its regulatory capacity, the following will be conditions of Rezoning bylaw enactment:

- (a) the consolidation of the Lands;
- (b) resolution of the potential RCS issue;
- (c) compliance with the Rental Housing Policies;
- (d) settling the terms of the Ground Lease for Vancouver City Council approval;

- (e) settling the terms of the VCH Sublease for Vancouver City Council approval;
 - (f) settling the terms of the City Sublease for Vancouver City Council approval; and
 - (g) settling the terms of a development agreement (the “**Development Agreement**”) setting out the rights and obligations of the parties in respect of the construction and use of the Development for Vancouver City Council approval.
- 5.4 Once the conditions of Rezoning bylaw enactment are prescribed by Vancouver City Council, the City, BC Housing and VCH will negotiate and settle the terms of the Ground Lease, the VCH Sublease, the City Sublease and the Development Agreement for approval by Vancouver City Council prior to Rezoning bylaw enactment.
- 5.5 Subject to satisfaction of all conditions of Rezoning bylaw enactment and enactment of the Rezoning bylaw, the City and BC Housing will:
- (a) enter into the Ground Lease with the City; and
 - (b) enter into the Development Agreement.
- 5.6 The City will be responsible for the cost of removal of any “waste” (as defined in the *Environmental Management Act*) discovered during the excavation of the Lands.
- 5.7 Upon completion of construction of the Development:
- (a) BC Housing and VCH will enter into the VCH Sublease; and
 - (b) BC Housing and the City will enter into the City Sublease.
- 5.8 For clarity, the VCH Sublease may not be granted by BC Housing until the Detox Centre Lease has been surrendered by the Province and VCH has surrendered its interest in the Detox Centre Lands.
- 5.9 The City, BC Housing and VCH will hold prompt and regular meetings with the respective and appropriate approval personnel to ensure that the Development and the Rezoning progresses in a timely manner and the parties will cooperate in the Rezoning process with a view to Rezoning bylaw enactment.
- 6. Termination of MOU**
- 6.1 The parties acknowledge that it is a condition of this MOU that the Social Housing component form part of the Development. If a Social Housing component is not included in the Development or BC Housing does not operate, fund and manage the Social Housing component, this MOU and any other agreements arising from or contemplated under this MOU and all rights and obligations hereunder or thereunder will terminate.
- 6.2 In addition to the foregoing, this MOU and any other agreements arising from or contemplated under this MOU and all rights and obligations hereunder or thereunder will terminate if:
- (a) the condition set out in Section 5.1 is not satisfied within 30 days of execution of this MOU;

- (b) BC Housing has not applied for the Rezoning application within two years of the date hereof; or
- (c) Vancouver City Council does not approve the Rezoning in principle following a public hearing; or
- (d) BC Housing does not satisfy the conditions of Rezoning bylaw enactment within two years of approval in principle of the Rezoning; or
- (e) BC Housing does not apply for a development permit for the Development within 1 year of enactment of the Rezoning by-law; or
- (f) BC Housing does not apply for a building permit to construct the Development within two years of enactment of the Rezoning bylaw.
- (g) Should the project not proceed for reasons such as the rezoning not being approved, partners will meet to contemplate options for pre-development costs incurred to date

7. Nature of MOU

- 7.1 The intent of this MOU is to set out the key terms and conditions (the “Key Terms”) to be incorporated into the Ground Lease, the VCH Sublease, the City Sublease, the Development Agreement and any other agreement contemplated herein or required to carry out the Development (collectively, the “Agreements”).
- 7.2 No legal rights or obligations will arise or be created by the tabling and discussion of this MOU or any amendments to it unless and until Vancouver City Council has approved this MOU, approved the Agreements and enacted the Rezoning bylaw and the City, VCH and BC Housing have executed the Agreements, as applicable, in accordance with the Key Terms as set out herein and otherwise on terms and conditions satisfactory to the General Manager of Community Services, the General Manager of Planning, Urban Design and Sustainability, the General Manager of Real Estate and Facilities Management and the Director of Legal Services.
- 7.3 For clarity, preliminary approval of this MOU and the preliminary budget by Vancouver City Council will not be deemed to be preliminary approval or approval in principal of the Rezoning or approval of any Agreements, all of which will be subject to further Vancouver City Council approval in its unfettered discretion. The parties acknowledge that the City is a party to this MOU in its capacity as the owner of the Lands and not in its regulatory capacity.
- 7.4 This MOU and any other agreements arising from or contemplated under this MOU and all rights and obligations of VCH may be subject to approvals by VCH’s senior executives and board of directors and, if applicable, the Ministry of Health.

[Balance of page intentionally blank.]

7.5 This MOU and any other agreements arising from or contemplated under this MOU and all rights and obligations of BC Housing will be subject to approvals by BC Housing's Executive Committee and Board of Commissioners.

_____ day of _____, 2017.

City of Vancouver
by its authorized signatory:

Vancouver Coastal Health Authority
by its authorized signatories:

Signature

Signature

Name and Title

Name and Title

**British Columbia Housing Management
Commission**
by its authorized signatory:

Signature

Name and Title

SCHEDULE B
LEGAL DESCRIPTION OF LANDS

1. Parcel Identifier: 013-004-638, Lot 24, Except (A) Part in Plan 4123 and (B) Part in Explanatory Plan 17378 Block 60 District Lot 264A Plans 383 and 1771
2. Parcel Identifier: 013-004-590, Lot 23, Except Part in Explanatory Plan 17378, Block 60 District Lot 264A Plans 383 and 1771
3. Parcel Identifier: 013-004-581, Lot 22, Except Part in Explanatory Plan 17378, Block 60 District Lot 264A Plans 383 and 1771
4. Parcel Identifier: 006-747-884, Lot 21 Block 60 District Lot 264A Plan 383 and 1771
5. Parcel Identifier: 013-359-932, Lot 20 Block 60 District Lot 264A Plan 383 and 1771
6. Parcel Identifier: 015-327-345, Lot 19, Except the South 7 Feet Now Road, Block 60 District Lot 264A Plan 383 and 1771
7. Parcel Identifier: 015-327-337, Lot 18, Except the South 7 Feet Now Road, Block 60 District Lot 264A Plan 383 and 1771
8. The Common Property of Strata Plan VAS1149 and Strata Lots 1 to 13 District Lot 264A Strata Plan VR. 1149
9. Parcel Identifier: 015-213-552, Lot 15 Block 60 District Lot 264A Plan 383 and 1771
10. Parcel Identifier: 015-327-329, Lot 14 Block 60 District Lot 264A Plan 383 and 1771
11. Parcel Identifier: 012-694-029, Lot 13 Block 60 District Lot 264A Plan 383 and 1771

SCHEDULE B

PRELIMINARY PLAN AND TABLE OF APPROXIMATE AREAS



APPROXIMATE AREAS		
Address	Lot Dimensions	Lot Area *
1636 Clark Drive (Lot 24)	19' frontage x 115' depth	9,725 sq. ft. *
1636 Clark Drive (Lot 23)	33' frontage x 115' depth	
1636 Clark Drive (Lot 22)	33' frontage x 115' depth	
1321 East 1st Avenue (Lot 21)	33' frontage x 122' depth	4,026 sq. ft. *
1327 East 1st Avenue (Lot 20)	33' frontage x 122' depth	4,026 sq. ft. *
1335 East 1st Avenue (Lot 19)	33' frontage x 115' depth	3,770 sq. ft. *
1341 East 1st Avenue (Lot 18)	33' frontage x 115' depth	3,779 sq. ft. *
1353 East 1st Avenue (VR 1149)	65.7' frontage x 115' depth	7,551 sq. ft. *
1379 East 1st Avenue (Lot 15)	33' frontage x 122' depth	4,026 sq. ft. *
1387 East 1st Avenue (Lot 14)	33' frontage x 122' depth	4,026 sq. ft. *
1395 East 1st Avenue (Lot 13)	33' frontage x 122' depth	4,026 sq. ft. *
Assembled	296.7' frontage x 111' depth *	42,629 sq. ft. *
* After road dedications (approximate)		