

## IN-CAMERA COUNCIL MEETING

NOVEMBER 13, 2018

### DECISION RELEASE

#### 3185 Riverwalk Ave (Parcel 8A) Lease Terms

- A. That Council authorize the General Manager of Real Estate Services and Facilities Management to negotiate and execute a ground lease, (the "Lease") for the City-owned site located at 3185 Riverwalk Avenue, legally described as: Lot 12 Blocks 9, 10, and 17 District Lot 330 Group 1 New Westminster District Plan EPP 23174 (the "Property") with SUCCESS Affordable Housing Society ("SUCCESS") to enable the development of a non-market housing project, which ground lease will provide for:
- i) a term of 60 years;
  - ii) a nominal prepaid rent;
  - iii) no less than 30% of housing units in the building are rented to households with incomes below the then current BC Housing Income Limits (HILs) for subsidized housing in the city published each year by the commission or its successor in function or an equivalent publication approved by the City;
  - iv) reporting requirements, including an annual rent roll and building condition report every five years;
  - v) the creation of, implementation of and compliance with a capital asset plan;
  - vi) a requirement to maintain a capital replacement reserve at a level of funding approved by the City;
  - vii) an option in favour of the Provincial Rental Housing Corporation to assume the rights and obligations of the lessee in the event of specified defaults as contemplated by the City's Standard Lease Charge Terms for bare land leases of this kind; and
  - viii) a requirement that all surplus revenues generated from the project be divided equally between the City and SUCCESS as lessee, with the lessee's portion to be used:
    - a. first, to create and maintain a reserve for the purpose of subsidizing the rent of HILs unit occupants whose income decreases below the level approved at the commencement of the rental agreement;
    - b. second to: (i) increase the affordability of HILs units within the Building or increase the net number of HILs Units in the Building through turnover of non-HILs units or as the result of income-testing of existing occupants; (ii) meet the affordability target for non-HILS units within the Building of renting such units at no more than 90% of the appraised market rent for a comparable unit in the local area and no more than 30% of the low and moderate income limit as determined by BC Housing; or (iii) create or acquire net new, social housing within Vancouver;

- ix) a requirement that should BC Housing Management Commission (“BC Housing”) become an equity contributor to the project, any surplus be divided equally among the City, the lessee and BC Housing, on a one-third net basis, with BC Housing’s portion to be reinvested in affordable housing projects in Vancouver under the new Vancouver Affordable housing Endowment Fund (or other affordable housing projects in Vancouver that BC Housing and the City both support, and as agreed to by the City), subject to approval from its Executive Committee and/or Board of Commissioners; and
  - x) which will otherwise be in accordance with the terms and conditions outlined in this report and to the satisfaction of the General Manager of Arts, Culture and Community Services, the General Manager of Real Estate and Facilities Management, the Director of Finance, and the Director of Legal Services.
- B. THAT no legal rights or obligations will arise or be created by Council’s adoption of A above, unless and until all legal documentation has been executed and delivered by the respective parties.

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