



## COUNCIL REPORT

Report Date: April 29, 2024  
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Meeting Date: May 28, 2024  
[Submit comments to Council](#)

TO: Vancouver City Council

FROM: General Manager of Arts, Culture and Community Services in consultation with the Acting General Manager of Real Estate, Environment and Facilities Management

SUBJECT: New Agreements for the following Childcare Centres: 3 Corners Childcare Centre, International Village Children's Centre and Learning Tree Daycare

Lease Amendment for the following Neighbourhood House: Frog Hollow Neighbourhood House

### Recommendations

- A. THAT Council authorize the Director of Real Estate Services to negotiate and execute a new lease, sublease, and licence with the respective licensed non-profit group childcare operators for each of the three (3) childcare centres listed above and as described in further detail in Appendix A, on the key terms outlined in Appendix B, and upon such other terms and conditions to the satisfaction of the Director of Real Estate Services, the Director of Legal Services, and the Managing Director of Social Policy and Projects.
- B. THAT Council authorize the Director of Real Estate Services to negotiate and execute a lease amendment with the respective non-profit operator for the one (1) neighbourhood house listed above and as described in further detail in Appendix C, on the key lease terms outlined in Appendix D, and upon such other terms and conditions to the satisfaction of the Director of Real Estate Services, the Director of Legal Services, and the Managing Director of Social Policy and Projects.
- C. THAT no legal rights or obligations will arise or be created by Council's adoption of Recommendation A or B unless and until all legal documentation has been executed and delivered by the respective parties.

For the purposes of this report, the above-referenced lease, sublease, licence and lease amendment are herein collectively identified as "agreements". For all sites, the rent under the

agreements for the initial (or extended) terms and any subsequent renewal terms, will be below the applicable market rate and will include payment of rent in lieu of property taxes. Therefore, Recommendations A and B constitute grants valued at the estimated amounts listed in Appendix E, requiring a 2/3 vote of Council pursuant to Section 206(1) of the *Vancouver Charter*.

### **Purpose and Executive Summary**

The purpose of this report is to seek Council approval to negotiate and execute new agreements for three existing childcare facilities and to extend an existing agreement for one neighbourhood house, as below:

- New lease for Mount Pleasant Community Centre Association (“MPCCA”) to operate licensed group childcare at 3 Corners Childcare Centre at #301 - 1 Kingsway;
- New sublease for Vancouver Society of Children’s Centres (“VSOCC”) to operate licensed group childcare at International Village Children’s Centre at 680 Abbott Street;
- New licence for Brant Villa Day Care Society (“Brant Villa”) to operate licensed group childcare at Learning Tree Daycare at 4103 Brant Street; and
- Lease Amendment for the Association of Neighbourhood Houses of British Columbia (“ANHBC”) as the non-profit operator for Frog Hollow Neighbourhood House at 2131 Renfrew Street.

The approvals of these agreements constitute grants, as the rents charged are below applicable market rates and include payment of rent in lieu of property taxes. The value of the grants is outlined in Appendix E, and terms of the agreements are discussed in Appendices B and D.

The operators have all fulfilled their obligations and requirements as outlined in their current agreements, and the new/amended agreements will be substantially consistent with their current agreements, which are about to expire. The key terms, which are consistent with the provisions of the standard Form of Lease, are outlined in Appendices B and D.

The recommendations support the continued service provision by the operators, all of whom have outstanding reputations in their communities and have a long history of delivering high quality, accessible, and affordable childcare in the childcare facilities, and valuable family and community-oriented programming in the neighbourhood house.

### **Council Authority/Previous Decisions**

City Council has signaled its support for quality, accessible, and affordable childcare and early learning in Vancouver through the adoption of [Making Strides: Vancouver’s Childcare Strategy \(RTS 14540\)](#). This strategy provides a platform that aligns policy, investment and other City tools to promote partnerships with the Province and other organizations and supports the implementation of a senior government-led universal childcare system.

In December 2021, Council approved [Spaces to Thrive: Vancouver Social Infrastructure Strategy \(RTS 14727\)](#) which is Vancouver’s first strategic 10-year policy and partnership framework for City-owned and City-supported social infrastructure. This includes support for

neighbourhood houses, which play a vital role in Vancouver's social infrastructure and childcare ecosystems.

MPPCA were selected to be the operator of 3 Corners Childcare Centre at #301 - 1 Kingsway via a 2008 RFEOI and were appointed as the operator of the 3 Corners Childcare Centre via RTS 7828: [Report - Mount Pleasant childcare facility operator: 2009 Apr 21 \(vancouver.ca\)](#). The operating model and budget for the Mount Pleasant Centre, which informs the lease terms for the 3 Corners Childcare Centre, was outlined via RTS 07873: [Report - Mount Pleasant Centre Operating Model Budget: 2009 Mar 26 \(vancouver.ca\)](#).

VSOCC were appointed as the operator of the International Village Children's Centre at 680 Abbott Street via RTS 07752: [Report - International Village Children's Centre: 2009 Jul 21 \(vancouver.ca\)](#).

The establishment of the original Learning Tree Daycare facility at 4103 Brant Street is described via RTS 3960 [Land Leases for BCBC Portables \(vancouver.ca\)](#). The fundraising drive to replace the daycare with a suitable new building is described via RTS 4544 [Funding for Replacement of Learning Tree Day Care and Playhouse Child Development Centre \(vancouver.ca\)](#). Brant Villa were appointed as the continuing operator of the new Learning Tree Daycare facility as outlined via RTS 06263 [Allocation of City-Wide Development Cost Levies to Brant Villa Day Care Society - Learning Tree Day Care \(vancouver.ca\)](#).

On August 11, 1981, the City approved in principle the lease of four 33-foot lots at East 5<sup>th</sup> Avenue and Renfrew to ANHBC for the purpose of constructing a new Frog Hollow Neighbourhood House and adjacent social housing. Frog Hollow Neighbourhood House was approved for rezoning by City Council via a Public Hearing on May 20, 1982; and the facility was subsequently constructed by ANHBC in 1985, pursuant to Development Permit DE201954.

### **City Manager's Comments**

The City Manager concurs with the foregoing recommendations.

### **Context and Background**

The City, while recognizing that the mandate for childcare provision rests with senior governments, values the importance of affordable, accessible, and quality childcare to the social and economic sustainability of Vancouver's families and neighbourhoods. Under "Making Strides: Vancouver's Childcare Strategy", the City is working to align and set strategic policy directions and goals and to develop action plans for the next decade. This work will guide the City to support senior governments to deliver a universal childcare system that meets the needs of families in the City. In the short term, one of the City's early actions is to support the retention of existing licensed childcare spaces.

Neighbourhood houses are another critical social infrastructure in the City, providing resources, programs, and education that benefit their communities. The "Spaces to Thrive: Vancouver Social Infrastructure Strategy" is Vancouver's strategic framework for City-owned and City-supported social infrastructure, which includes neighbourhood houses. Neighbourhood houses are uniquely positioned in their connection to community and their ability to be responsive to

community needs, holding strong community relationships and providing much needed services to underserved communities of Vancouver.

### Operator Background

#### *MPCCA as Operator for 3 Corners Childcare Centre*

Mount Pleasant Community Centre Association (“MPCCA”) opened its first licensed preschool program in 1978 and has been providing licensed preschool and school-age care for over fifteen years at Our House Childcare Centre (123 West 16th Avenue). MPCCA have been the operators of 3 Corners Childcare Centre since it opened in 2009, providing licensed full-day childcare for 12 infants, 12 toddlers, and 25 children ages 3-5. A bursary is offered to children and families who may require additional support in accessing their care. The facility is located within the Mount Pleasant Community Centre; a unique partnership among the City of Vancouver, Vancouver Park Board, Vancouver Public Library, Mount Pleasant Community Centre Association, and many partner service providers.

#### *VSOCC as Operator for International Village Children's Centre*

Vancouver Society of Children's Centres (“VSOCC”) is the largest single-purpose organization providing licensed, non-profit childcare and related family programs in the City of Vancouver. Its overall mission is to design, develop and deliver an integrated and comprehensive continuum of high-quality childcare and family services that reflect community, family and children's values, needs and interests. To ensure that community needs are being met, parents make up 50% of VSOCC's board of directors and parents provide input through surveys. It currently operates 33 licensed childcare programs across 16 locations.

VSOCC were created and formally incorporated in December 1994, in response to the 1990 Civic Childcare Strategy's recommendation for the development of a "single-purpose, non-profit childcare organization" to manage new City-owned/City-leased facilities in the Downtown area. VSOCC's original mandate was to work with City staff to design, develop and operate City-owned or leased childcare facilities in the downtown district.

#### *Brant Villa as Operator for Learning Tree Daycare*

Brant Villa Day Care Society (“Brant Villa”) has been the operator of the Learning Tree Daycare at 4103 Brant Street since the facility was built by the Province on City land in 1974. The Province subsequently transferred ownership of the facility to Brant Villa, and the City and Province contributed funds to the Society's fundraising campaign to replace the ageing portable with the permanent building that exists today. This City-owned site also contains the Playhouse Child Development Centre at 4107 Brant St, which is operated by Developmental Disabilities Association of Vancouver-Richmond under a separate licence agreement. With a parent-run board, Brant Villa continues to provide a safe and inclusive environment which fosters connection and learning for children and their families. They operate 25 spaces of licensed full-day care for children aged 3-5 and they celebrate 50 years of serving their community in June 2024.

### *ANHBC as Operator for Frog Hollow Neighbourhood House*

Founded in 1894, the Association of Neighbourhood Houses of British Columbia (“ANHBC”) is the organizing body for 7 of the 11 Neighbourhood Houses in Vancouver<sup>1</sup> and has served the Hastings-Sunrise and north Renfrew-Collingwood neighbourhoods via their stewardship of Frog Hollow Neighbourhood House since they built the facility in 1985. ANHBC is an important partner to the City of Vancouver, holding strong community relationships and providing much-needed services in underserved areas of Vancouver; including being a key partner in advancing “Making Strides: Vancouver’s Childcare Strategy”, “Spaces to Thrive: Vancouver Social Infrastructure Strategy” and other City goals and priorities. Frog Hollow Neighbourhood House offers a wide range of services and programs to local residents, from infants; to parents and caregivers; and to seniors. Via their operation of Frog Hollow Neighbourhood House, ANHBC have been offering programs that respond to the needs of the Hastings-Sunrise and north Renfrew-Collingwood communities since 1985 and are an important part of the social fabric of the neighbourhood.

### **Discussion**

City-facilitated spaces that offer licensed childcare and community-focused programming remain a critical social infrastructure priority of the City, as they are key components in setting the stage for child success and building a healthy, equitable city. Each of the operators identified in this report have been delivering high quality, accessible, and affordable childcare in the childcare facilities, and valuable family and community-oriented programming in the neighbourhood house. If these organizations were unable to enter into new/amended agreements, this may impact their ability to continue services which would result in a significant disruption to the families accessing those services. For childcare, this may also result in increasing the shortfall of childcare spaces in the City.

Staff have conducted performance reviews for each operator. In each case, the groups fulfilled all of the reporting requirements as outlined in their current agreements, are delivering high quality services to their communities, and are operating in a manner that is aligned with the City’s strategic objectives. Therefore, staff recommend that the City enter into new/amended agreements in 2024, as outlined in this report. Additionally, the report regarding these 4 agreements was reviewed and approved by the Bid Committee on April 4, 2024.

### Potential Future Development of 2131 Renfrew & Rationale for Lease Amendment

Frog Hollow Neighbourhood House is located at 2131 Renfrew and will be subject to the emerging [Rupert and Renfrew Station Area Plan](#), which seeks to increase density in proximity to the transit stations. Despite undertaking multiple improvements and expansions to Frog Hollow Neighbourhood House during their current tenure, including the addition of a second floor in 2001, ANHBC report that the demand for services and programs at Frog Hollow Neighbourhood House has continued to exceed the building’s capacity. Early discussions with ANHBC indicate

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<sup>1</sup> The seven Vancouver-based Neighbourhood Houses part of ANHBC are: Cedar Cottage, Frog Hollow, Gordon, Kitsilano, Marpole, Mount Pleasant, and South Vancouver Neighbourhood Houses.

that they are open to exploring future development and partnership opportunities, in order to increase their capacity via the development of a modernized and expanded neighbourhood house facility. Any such development will likely require a funding strategy with multiple partners (Federal, Provincial, ANHBC, City, etc.); it is therefore unlikely that any such development will begin before 2030.

Given this opportunity to expand and modernize the existing Frog Hollow Neighbourhood House in tandem with the overall densification of this neighbourhood, as contemplated via the Rupert and Renfrew plan, staff recommend offering a lease amendment that extends ANHBC's current term by 10 years, with one option to renew for a further 5 years (for a potential total of 15 years). This offers the best balance of security of tenure and flexibility in light of possible future development and is also consistent with other lease terms being offered to our non-profit partners.

### Evolving Partnerships and Role of Senior Government

City-facilitated, social-serving spaces, such as the four facilities identified in this report, are developed and supported through key partnerships with community and, in some cases, senior government agencies. A key direction of Spaces to Thrive: Social Infrastructure Strategy and Making Strides: Childcare Strategy is to work strategically to strengthen intergovernmental relationships for more streamlined approaches and investments for social infrastructure.

With provincial and federal governments committing to a universal system of childcare and early learning, including the provincial \$10-a-day childcare program, the City may seek opportunities to help sustain these facilities over the long term based on emerging partnerships and funding from senior government. The City's portfolio of non-profit leases has grown in size and complexity, and the City needs to continue to pursue options to help sustain it, which could include exploring a revised approach to rent. A rental policy has not yet been developed and will require consideration of the broad range of contexts for the City's non-profit lease portfolio, as well as conversations with those operators to which it would apply. In consideration of this, and the evolving role of senior government described above, the terms of the new and amended agreements recommended in this report maintain flexibility so that the renewal terms can align to any future Council policy related to rent applicable to social non-profit entities occupying City buildings or space.

Pursuing these opportunities aligns with recommendation 1B from the [Mayor's Budget Task Force Report \(January 2024\)](#), which calls for greater intergovernmental coordination across municipal, regional, provincial, and federal governments, as well as with First Nations.

### **Financial Implications**

For the childcare centres, the proposed basic rent for the initial 5-year term of each agreement is to be set at a nominal rate of \$10.00, inclusive of an amount in lieu of property taxes and payable in advance. For the neighbourhood house, the proposed basic rent is to be set at a nominal rate of \$10.00 for the initial 10-year term extension, inclusive of an amount in lieu of property taxes and payable in advance. In order to preserve flexibility around how these spaces are supported in the future, for the second and third 5-year terms (renewal options) for the childcare centres, and the final 5-year term (renewal option) for the neighbourhood house, rent will be either:

- (1) a nominal rate of Ten dollars (\$10.00), inclusive of payment of rent in lieu of property taxes;
- or,
- (2) should any future Council policy establish another rent amount applicable to social non-profit entities occupying City buildings or space, then such amount will be the rent applicable.

As the rent is below the applicable market rate and will include payment of rent in lieu of property taxes, this is considered a grant and requires an affirmative vote of 2/3 of all Council members. These grants are valued at the estimated annual amounts listed in Appendix E, based on the first year of the term for each facility, minus the nominal rate or rent amounts charged. The maximum estimated value of the grants listed in Appendix E is \$1,071,000 annually. Any charge under (2) would reduce the amount of the total grant in the second and third 5-year terms (renewal options) for the childcare centres, and the final 5-year term (renewal option) for the neighbourhood house.

Consistent with their current agreements, VSOCC and MPCCA will continue to receive a high level of support from the City in facility maintenance, repair, and replacement; and Brant Villa and ANHBC will continue to be responsible for all expenses related to their facilities, including maintenance and operating expenses. The value of operating and maintenance expenses has not been reflected in the grant amounts listed in Appendix E; however, moving forward staff will seek to represent these costs in future grant amounts for grant reports related to leases.

### **Legal Implications**

Real Estate, Environment and Facilities Management, Partner Agreements and Social Policy and Projects will instruct Legal Services to prepare the childcare sublease for VSOCC based on the City's Precedent Childcare Lease (VSOCC); to prepare the childcare lease and licence for Mount Pleasant Community Centre Association and Brant Villa Day Care Society based on the City's Precedent Childcare Lease (General); and the lease amendment for ANHBC based on the City's Precedent Non-Profit Lease Modification.

Real Estate, Environment and Facilities Management, Partner Agreements and Social Policy and Projects will jointly oversee the development of the agreements, as well as ongoing management of the childcare centres and neighbourhood house.

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## APPENDIX A

### Childcare Centres

- (i) Childcare Centre: 3 Corners Childcare Centre  
Childcare Operator (Tenant): Mount Pleasant Community Centre Association (“MPCCA”)  
Civic Address of Premises: #301 - 1 Kingsway, Vancouver  
Legal Description: PID: 026-083-744  
Lot E District Lot 200A New Westminster District Plan BCP14091 Except Part in Air Space Plan BCP42989
  
- (ii) Childcare Centre: International Village Children's Centre  
Childcare Operator (Subtenant): Vancouver Society of Children's Centres (“VSOCC”)  
Civic Address of Premises: 680 Abbott Street, Vancouver  
Legal Description: PID: 027-045-765  
Air Space Parcel 1, False Creek Air Space Plan BCP29637
  
- (iii) Childcare Centre: Learning Tree Daycare  
Childcare Operator (Tenant): Brant Villa Day Care Society (“Brant Villa”)  
Civic Address of Premises: 4103 Brant Street, Vancouver  
Legal Description: PID: 026-416-638  
Lot H Block 4 District Lot 741 Group 1 New Westminster District Plan BCP19650



## APPENDIX B

### Key Terms and Conditions for Childcare Centres

Term and Renewals: Initial term of five (5) years, each commencing the day after the expiry of the current term of each respective agreement, with two (2) options to renew, each for a further five (5) years (possible total of 15 years).

Each renewal option is conditional upon the City being satisfied that the childcare operator has the capacity to operate, maintain and program the licensed childcare centre in accordance with the agreement terms and the public service requirements for the duration of the renewal term contemplated.

Total Rent: Nominal rent of Ten dollars (\$10.00) for the initial 5-year term, inclusive of payment of rent in lieu of property taxes, payable in advance. For the second and third 5-year terms (renewal options) of each agreement, rent will be either:

(1) a nominal rate of Ten dollars (\$10.00), inclusive of payment of rent in lieu of property taxes;

or,

(2) should any future Council policy establish another rent amount applicable to social non-profit entities occupying City buildings or space, then such amount will be the rent applicable.

Form of Agreement, SLA and PSR: For the childcare centre operated by Vancouver Society of Children's Centres ("VSOCC"), the sublease for International Village Children's Centre is to be based on the City's Precedent Childcare Lease (VSOCC).

For the childcare centres operated by Mount Pleasant Community Centre Association ("MPCCA") and Brant Villa Daycare Society ("Brant Villa"), the lease and licence are to be based on the City's Precedent Childcare Lease (General).

Each agreement will include a Service Level Agreement ("SLA") and Public Service Requirements ("PSR") as schedules to be attached to and forming part of the agreement.

Consistent with their current agreements, the SLAs for VSOCC and MPCCA will continue to reflect a high level of support from the City in facility maintenance, repair, and replacement; Brant Villa will continue to be responsible for all expenses related to their facility, including maintenance and operating expenses.

## APPENDIX C

### Neighbourhood House

- (i) Neighbourhood House: Frog Hollow Neighbourhood House  
Operator (Tenant): Association of Neighbourhood Houses of British Columbia  
("ANHBC")  
Civic Address of Premises: 2131 Renfrew Street, Vancouver  
Legal Description: PIDs 012-924-261, 012-924-270, 012-924-288, 012-924-296  
Lots 14 - 17 Block 2 North 1/2 of Section 35 Town of Hastings Suburban Lands Plan  
1314

## APPENDIX D

### Key Terms and Conditions for Neighbourhood House

Term and Renewals: Extension of the current term by ten (10) years, from the date it was originally set to expire, with one (1) option to renew for a further five (5) years (possible total of 15 years).

The renewal option is conditional upon the City being satisfied that the operator has the capacity to operate, maintain and program the neighbourhood house in accordance with the agreement terms and the public service requirements for the duration of the renewal term contemplated.

Total Rent: Nominal rent of Ten dollars (\$10.00) for the initial term extension, inclusive of payment of rent in lieu of property taxes, payable in advance. For the final 5-year term renewal option, rent will be either:

(1) a nominal rate of Ten dollars (\$10.00), inclusive of payment of rent in lieu of property taxes;

or,

(2) should any future Council policy establish another rent amount applicable to social non-profit entities occupying City buildings or space, then such amount will be the rent applicable.

Form of Agreement, SLA and PSR: The lease amendment will be based on the City's Precedent Non-Profit Lease Modification.

The amendment will include a Service Level Agreement ("SLA") and Public Service Requirements ("PSR") as schedules to be attached to and forming part of the amendment. Consistent with their current agreement, ANHBC will continue to be responsible for all expenses related to their facility, including maintenance and operating expenses.

## **APPENDIX E**

### **Grant Values by Site**

**(based on the first year of the term/extended term for each agreement)**

- Lease with MPCCA for 3 Corners Childcare Centre constitutes a grant valued at approximately \$206,000 per annum, MPCCA also receive a high level of support from the City in facility maintenance, repair and replacement;
- Sublease with VSOCC for International Village Children's Centre constitutes a grant valued at approximately \$512,000 per annum, VSOCC also receive a high level of support from the City in facility maintenance, repair and replacement;
- Licence with Brant Villa for Learning Tree Daycare constitutes a grant valued at approximately \$108,000 per annum, Brant Villa receive no support from the City in facility maintenance, repair, and replacement;
- Lease Amendment with ANHBC for Frog Hollow Neighbourhood House constitutes a grant valued at approximately \$245,000 per annum, ANHBC receive no support from the City in facility maintenance, repair, and replacement.

Should any future Council policy establish another rent amount applicable to social non-profit entities occupying City buildings or space, then such rent amount will reduce the amount of the total grant.