



## COUNCIL REPORT

Report Date: April 30, 2024  
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VanRIMS No.: 08-2000-20  
Meeting Date: May 28, 2024  
[Submit comments to Council](#)

TO: Vancouver City Council  
FROM: Armin Amrolia, Deputy City Manager  
SUBJECT: Grant to Amicae Co-op for Below Market Lease at 1047 Barclay Street

### Recommendations

THAT Council authorize the Managing Director of Non-Market Housing Development and Operations to execute a 5-year land lease with Amicae Co-operative Housing at below market rates estimated at \$250,819 (plus applicable property taxes or rent in lieu of taxes) for the City-owned property located at 1047 Barclay Street legally described as: PID: 006-847-111, Lot C Block 6 District Lot 185 Plan 20109 together with all buildings and improvements based on the Methodology for Co-operative Housing Lease Renewals (RTS 13783) approved by Council on July 8, 2021.

As the rent for the proposed lease will be below market, the Recommendation constitutes a grant and requires at least 8 affirmative votes of Council, per Section 206(1) of the *Vancouver Charter*.

### Purpose and Executive Summary

This report recommends Council approve a grant to Amicae Co-operative Housing related to a 5 year lease of the premises at 1047 Barclay Street at below market rates as outlined in the Methodology for Co-operative Housing Lease Renewals.

### Council Authority/Previous Decisions

On July 8, 2021, Council approved the [Methodology for Co-operative Housing Lease Renewals \(RTS 13783\)](#), which approved certain policies that are intended to guide or provide a framework for the negotiation of co-op lease renewals, including redevelopment.

### City Manager's Comments

The City Manager concurs with the foregoing recommendations.

## Context and Background

Amicae Co-operative Housing is located at 1047 Barclay in the Burrard Corridor sub-area of the West End Community Plan. The City entered into the current lease with Amicae Co-operative Housing on September 18, 1984 (“Current Lease”). This lease expires on June 14, 2024.

Staff have negotiated a short term lease with Amicae Co-operative Housing as they explore future partnership opportunities.

This report seeks approval for a grant for below market land rent for the 5 year lease term (“Short Term Lease Agreement”) which would be effective June 15, 2024, upon expiry of the Current Lease.

## Discussion

The Methodology for Co-operative Housing Lease Renewals establishes an approach for the calculation of below market land rent for short and long term Co-operative lease renewals. The calculation is based on the level of affordability provided. The methodology requires a minimum of 15% of the Co-operative’s units to be at Rent Geared to Income (RGI) affordability. If the Co-operative offers a higher level of affordability, the land rent decreases proportionately.

The Methodology also provides for a Transition Grant to ease the introduction of land rent into the Co-operative’s budget. The Transition Grant may be applied for a maximum of 10 years.

The calculation of land rent for Amicae Co-operative Housing incorporates the Transition Grant for the full 5 year term of the Short Term Lease Agreement.

## Financial Implications

The estimated market value for a 5-year land lease is approximately \$3.4 million.

Under the Methodology for Co-operative Housing Lease Renewals, the forecast 5-year land rent is reduced from \$1,174,183 to \$250,819 (plus applicable property taxes or rent in lieu of taxes), after adjusting for the Transition Grant of \$923,364. The below market lease constitutes a grant and approval requires eight affirmative votes of Council, per Section 206(1) of the Vancouver Charter.

Consistent with Council policies, all affordable housing projects are expected to be self-sustaining over the long-term where rents are set at levels that will cover mortgage payments, operating costs and capital replacement, and do not require further operating subsidies, property tax exemptions, and/or financial guarantees from the City.

## Legal Implications

No legal rights or obligations shall arise or be created by Council’s adoption of Recommendation A unless and until all legal documentation has been executed and delivered by the respective parties.

As the rent for the Short Term Lease Agreement will be below market, Recommendation A constitutes a grant and requires at least 8 affirmative votes of Council, per Section 206(1) of the *Vancouver Charter*.

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