



IN CAMERA COUNCIL REPORT

Report Date: May 28, 2024
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VanRIMS No.: 08-2000-20
Meeting Date: June 11, 2024

TO: Vancouver City Council
FROM: Deputy City Manager
SUBJECT: Temporary Modular Housing License Extension for 3598 Copley Street

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*:

(c): the acquisition, disposition or expropriation of land or improvements, if the Council considers that disclosure could reasonably be expected to harm the interests of the city; and
(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.

Recommendations

- A. THAT Council authorize the Director, Real Estate Services to negotiate and execute a license agreement extension with the Provincial Rental Housing Corporation ("PRHC") for the temporary modular housing buildings located on City owned properties at: 3598 Copley Street, legally described as: PID 003-616-380 Lot 13, EXCEPT PARCEL A (REFERENCE PLAN 224) BLOCK A DISTRICT LOT 741 PLAN 1567, for a new term expiry of September 30, 2029 (the "License").
- B. THAT Council direct that the proposed License extension in Recommendation A to be provided at a nominal rate of \$1.00 each for the term, subject to the City's approval in its sole discretion, and that the licensee be deemed to be an organization contributing to the welfare of the city. All terms and conditions will be to the satisfaction of the Deputy City Manager and the Director of Legal Services; and,
- C. THAT no legal rights or obligations will arise or be created by Council's adoption of Recommendations A and B, unless and until all legal documentation has been executed and delivered by the respective parties.

Recommendation B constitutes a grant and requires 8 affirmative votes of all Council members, in accordance with section 206(1) of the Vancouver Charter.

Purpose and Executive Summary

The purpose of this report is to seek Council approval to execute a license extension agreement for a temporary modular housing building developed by BC Housing on City-owned land in 2018.

Supportive housing, including temporary modular housing, is a critical component of the City's strategy for meeting the needs of people experiencing or at risk of homelessness. Extending the License for the identified temporary modular housing property will support the City's continued leadership role in implementing solutions to homelessness.

Council Authority/Previous Decisions

On October 4, 2017, Council directed staff to execute construction agreements and any required assignment and assumption agreements to support the development of temporary modular housing in Vancouver. On March 7, 2023, Council authorized staff to negotiate and execute license agreement extensions with the Provincial Rental Housing Corporation for the temporary modular housing buildings located on City owned properties at seven TMH sites; 3598 Copley was not included at that time. Staff has since concluded that the 3598 Copley site can accommodate temporary modular housing for the maximum 10 year term of the associated development permit.

This report aligns with the Housing Vancouver Strategy, which prioritizes working with partners to deliver supports and housing for people who are currently homeless.

City Manager's Comments

The City Manager concurs with the foregoing recommendations.

Context and Background

In September 2017, the City and BC Housing entered into a Memorandum of Understanding (MOU) to guide the creation of 600 temporary modular supportive housing units for Vancouver residents experiencing or at risk of homelessness. As directed by the MOU, BC Housing was responsible for funding, constructing, and operating the modular housing developments, and the eventual relocation of the TMH tenants and removal of the structure at the end of license term. The City's responsibilities included providing City-owned sites to support the developments and leading public engagement activities. Some temporary modular housing units were also constructed on privately owned sites.

Between 2017 and 2022, the City executed license agreements for ten City-owned sites to support the development of more than 600 temporary modular housing units. These properties were committed on a temporary basis and are intended to be returned to the City at the end of the license term to support other strategic priorities, such as long-term affordable housing developments. Prior to license expiry, the temporary modular housing buildings will be disassembled and relocated to another location by BC Housing, and BC Housing will coordinate the relocation of existing TMH tenants.

BC Housing's TMH program provides safe, secure and adequate housing, and is a critical part of the City's strategy for meeting the needs of residents experiencing homelessness. Temporary modular housing combines studio units at shelter rates (\$500 per month for a single person)

with on-site services for residents, including a 24/7 staffing model, meals, and wrap-around health and support services delivered in partnership with Vancouver Coastal Health and other service providers. Temporary modular housing and other forms of supportive housing are an integral component of Vancouver’s housing supply, and there continues to be significant demand for units in these buildings.

Discussion

The site at 3598 Copley was initially committed for a five year term. As outlined in Table 1, the recommended license extension date is September 30, 2029 the maximum length of term of the associated development permit.

BC Housing has committed ongoing operating funding to support the continued operation of the TMH building and will continue to work closely with the operators at the property.

Additional development permit approvals are also required to support the extension of the temporary modular housing building. This work will be completed in conjunction with the execution of the license extension agreement.

Table 1: Proposed License Extension for Temporary Modular Housing on City Land

Address	Current License Expiry Date	Proposed License Expiry Date	Rationale
3598 Copley	September 30, 2024	September 30, 2029	Align with 10-year temporary development permit maximum, as per Zoning and Development By-law regulations.

Next Steps

Pursuant to Council direction, staff will liaise with BC Housing to finalize the License Agreement extension. Staff will also support BC Housing in completing the development permit applications required for the property.

Financial Implications

It has been a longstanding Council policy that all affordable housing projects are to be self-sustaining over the long-term, and do not require further operating subsidies and property tax exemptions from the City. BC Housing continues to be fully responsible for all operating and capital maintenance costs for the ten TMH buildings on City-owned sites, as well as the eventual relocation of the TMH tenants and removal of the structure at license expiry.

Should Council approve Recommendation B, the nominal rent authorized for 3598 Copley constitutes a grant of \$200,000/annum, requiring approval by two thirds of all Council.

Legal Implications

If approved, the Recommendations will result in the extension of the License terms.