



## COUNCIL REPORT

Report Date: September 26, 2025  
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VanRIMS No.: 08-2000-20  
Meeting Date: October 7, 2025  
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TO: Vancouver City Council

FROM: Armin Amrolia, Deputy City Manager

SUBJECT: Overholding Agreement and Grant to Creekview Co-op at 1483 Lameys Mill Road Recommendations

- A. THAT Council authorizes the Director of Real Estate Services to negotiate and execute a letter agreement (the "Overholding Agreement") with Creekview Housing Co-operative (the "Co-op") to amend a ground lease (the "Lease") dated April 25, 1984, of the City-owned property located at 1483 Lameys Mill Road, legally described as Lot 82 False Creek Plan 19033 (the "Property"), at below-market rent based on the Methodology for Co-operative Housing Lease Renewals (RTS 13783) approved by Council on July 7, 2021 ("Co-op Lease Methodology") on substantially the terms attached in Appendix A.
- B. THAT Council authorizes the Director of Real Estate to negotiate and execute all such further amendments to the Overholding Agreement and further ancillary legal documents as are consistent with the terms and conditions set out in this Report.

As the rent for the Overholding Agreement is below market, Recommendation A constitutes a grant and require at least 8 affirmative votes of Council, per Section 206(1) of the *Vancouver Charter*.

### Purpose and Executive Summary

This report seeks Council authority to enter into the Overholding Agreement with Creekview Co-op which will calculate rent based on the Co-op Lease Methodology, which will include a transition grant, during the month to month overhold tenancy.

### Council Authority/Previous Decisions

On July 7, 2021, Council approved the Co-op Lease Methodology ([RTS 13783](#)), which approved certain policies that are intended to guide or provide a framework for the negotiation of co-op lease renewals, including grants.

## **City Manager's Comments**

The City Manager concurs with the foregoing recommendations.

## **Context and Background**

Creekview Co-op is located at 1483 Lameys Mill Road in the False Creek South area. The City entered into the Lease with the Co-op on April 24, 1984 which expired on December 31, 2023. The Lease has been in overholding since that time.

The Co-op building is located in False Creek South which is undergoing a significant redevelopment planning exercise. As a result, an appropriate lease renewal or extension of the site cannot be determined with the Co-op at this time.

### **False Creek South Redevelopment Planning**

Redevelopment planning for False Creek South has been ongoing since 2021.

In October 2021, Council received "The Future of False Creek South: Advancing a Conceptual Development Plan and Addressing Lease Expiries" report that outlined a significant opportunity to use the valuable City-owned lands to create a large number of new affordable homes.

In March 2024, through a Council Members Motion, Council requested City staff to report back with an updated and enhanced False Creek South development framework that addresses current housing pressures, reflects citywide and community input, and considers key factors outlined in the Council resolution. That work is now underway and is expected to report back in Q1 2026.

## **Discussion**

The Overholding Agreement is an interim lease solution for the Co-op until the planning process for South False Creek is complete. The Co-op would like to better understand its lease options in the context of the development plan for False Creek South before negotiating a new lease with the City.

As the Co-op has not paid ground rent since January 1, 2024, staff have negotiated an Overholding Agreement with the Co-op. The Overholding Agreement generally continues the terms of the Lease but amends the calculation of ground rent to align with the Methodology for Co-operative Housing Lease Renewals. The Overholding Agreement provides that the parties will revisit the Overholding Agreement if a new lease has not been entered before December 31, 2027.

The Co-op Lease Methodology provides a framework that establishes land rent based on the incomes of co-op members rather than market land values and includes the provision of a transition grant.

On August 11, 2025, Creekview Co-op confirmed that its Board approved the form of the Overholding Agreement. Following Council's approval of the recommendations, staff will work with the Co-op towards finalizing and executing the Overholding Agreement.

A 2/3 vote of the Co-op's membership will be required prior to execution of the Overholding Agreement.

### Non-Market Co-op Lease Renewal Methodology - Over Holding Rent and Affordability

The Co-op Lease Renewal Methodology establishes an approach for the calculation of below market land rent for co-ops. The land rent calculation is based on the level of affordability provided by the Co-op, and a transition grant, for up to 10 years, is provided to ease the introduction of land rent into the Co-op's budget.

### Membership Profile - RGI and Non-RGI Units

In accordance with the Co-op Lease Methodology, the Overholding Agreement with the Co-op is intended to be below market where land rent is primarily determined by the number of non-Rent Geared to Income ("Non-RGI") and Rent Geared to Income ("RGI") member households pursuant to Schedule A of Appendix A.

The Co-op Lease Methodology requires a minimum of 15% of the Co-op's units to be at RGI affordability.

*Figure 1: Summary of RGI and Non RGI Units*

Unit type	Unit count	RGI units		Non-RGI units	
		Count	% of units	Count	% of units
1 BR	30	18	60%	12	40%
2 BR	49	16	32%	33	68%
3 BR	24	7	29%	17	71%
	<b>103</b>	<b>41</b>	<b>40%</b>	<b>62</b>	<b>60%</b>

### Membership Profile – Income Profile

Summarized below is the current income profile for the Co-op, with the average annual income by bedroom type for RGI and non-RGI households.

*Figure 2: Average Incomes of RGI and Non-RGI Units*

Unit type	Unit count	RGI units		Non-RGI units	
		Count	Average income	Count	Average income
1 BR	30	18	\$32,180	12	\$73,961
2 BR	49	16	\$49,050	33	\$128,143
3 BR	24	7	\$64,773	17	\$145,693

### Estimated Land Rent and Transition Grant

*Figure 3: Estimated Year 1 Annual Rent*

	Total \$	\$ per unit per month
<b>Rent revenue</b>	\$1,942,922	\$1,571.94
Senior Gov't Subsidy	\$93,298	\$75.48
Vacancy deduction	(\$19,429)	(\$15.72)
Opex deduction	(\$574,447)	(\$464.76)
Capex deduction	(\$731,356)	(\$591.71)
<b>Unadjusted Land Lease Rent</b>	<b>\$710,987</b>	<b>\$575.23</b>

The calculation of land rent below for the Overholding Agreement period incorporates a transition grant from January 1, 2024 to December 31, 2027. The estimated transition grant of \$2.4M over the four years is summarized as follows:

*Figure 4 : Estimated Transition Grant over 4 Years*

Year	Est. land rent, before grant (\$)	Est. Transition grant		Est. land rent, after grant	
		%	\$	\$ Total	\$ per unit per month
1 (2024)	710,987	95%	675,438	35,549	29
2 (2025)	713,013	90%	641,711	71,301	58
3 (2026)	729,125	80%	583,300	145,825	118
4 (2027)	745,657	70%	521,960	223,697	181
<b>Total</b>	<b>2,898,782</b>		<b>2,422,409</b>	<b>476,373</b>	

As land rent for the RGI units are set based on household income, the entire \$2.4M of transition grant is allocated to non-RGI units, which is equivalent to \$39,071 for each non-RGI household over the four-year period.

#### Land Rent Payment Structure

The Co-op Lease Methodology would require the Co-op to pay annual land rent, which is set annually based on Non-RGI Benchmark Rent for Non-RGI Units and incomes of RGI Units, offset with operating, capital and vacancy deductions to account for the Co-op's responsibilities to maintain the Property.

#### **Financial Implications**

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.

The estimated fair market rental value for the Property is approximately \$733,204 annually. As such, the below-market renewal rent for the Lease and the overhold rent for the Existing Lease each constitute a grant and approval requires eight affirmative votes of Council, per Section 206(1) of the *Vancouver Charter*.

#### **Legal Implications**

No legal rights or obligations shall 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.

Recommendations A constitutes a grant and require at least 8 affirmative votes of Council, per Section 206(1) of the *Vancouver Charter*.

\* \* \* \* \*

## SCHEDULE A BASIC RENT FOR OVERHOLDING PERIOD - TERMS AND CONDITIONS

### **RGI/Non-RGI Household Target**

- Basic Rent will be reduced for member households that meet the RGI Unit Eligibility Criteria. The number of RGI Units that meet the RGI Unit Eligibility Criteria must be agreed-upon at the beginning of the year (i.e., the Minimum RGI Units) and must be at least 15% of total units in the Premises. The Minimum RGI Units can be adjusted at the beginning of each year.

### **Basic Rent Calculation and Payment**

- At the beginning of each year of the Term, (a) the Landlord will provide the Tenant with the RGI Unit Eligibility Criteria; (b) the Tenant and the Landlord will define the Minimum RGI Units, which will impact the calculation of Basic Rent; and Basic Rent will be set annually by determining an indicative rent at the beginning of the year using the previous year's income for members occupying the Minimum RGI Units.
- Rent will be paid monthly in advance.
- At the end of each year of the Term, (a) Basic Rent will be adjusted based on income testing results of that year for Minimum RGI Units; and (b) any amounts owing to the Landlord will be paid the next rent payment date, and any amounts owing to the Tenant may be deducted from the next payment date(s).
- If the Tenant does not maintain its committed Minimum RGI Units, the Tenant will pay additional rent equivalent to the Non-RGI amounts for the deficit.
- At all times, the Tenant must deliver a minimum of 15% RGI Units.

### **Rent Formula:**

	Non-RGI Revenue
+	RGI Revenue
+	Sr. Government Subsidies
-	Vacancy Allowance
-	OPEX Deduction
-	CAPEX Deduction
=	<b>Rent before Grant</b>
-	Transition Grant
=	<b><u>Annual Net Rent</u></b>

### **Non-RGI Revenue**

- Non-RGI Rent revenue = # of units x lower of:
  - 25% of Median Vancouver Renter Income (MVRI), and
  - 15% discount of CMHC average area rents (Downtown zone);
    - MVRI is adjusted when new census data is published and escalated by RTA rate between census periods.
    - CMHC area rents are published annually.
- Eligibility/income threshold:
  - Non-RGI Unit households must report income at the beginning of the Term
  - Should members occupying Non-RGI Units not provide income information, the Landlord reserves the right to determine land rent for these units at the prevailing market rates for the number of units with income information outstanding

### **RGI Revenue**

- Rent revenue = # of eligible units x 30% of household income and not lower than the maximum shelter rate component of Income Assistance;
- Eligibility/ income threshold:
- Household income is at or below HILs; or Non-RGI rent rate, whichever is lower
  - Should members occupying RGI Units be over-housed according to the Tenant's unit occupancy and over/under housing guidelines/policies, the Landlord reserves the right to determine land rent for these units at the Non-RGI unit rate
- Tenant Housing Charge Conditions:
- Housing charges set by Tenant for households in RGI eligible units cannot exceed 30% of income
  - RGI Unit households must report income at the beginning of the Term and be income tested (and adjusted) annually

### **OPEX Deduction**

OPEX deduction of \$476 PUPM in year 1 of the Term, escalated annually by rate of escalation of Non-RGI and RGI Revenue from the previous year

### **CAPEX Deduction**

CAPEX deduction of \$607 PUPM in year 1 of the Term, escalated annually by rate of escalation of Non-RGI and RGI Revenue from the previous year

### **Vacancy Allowance**

Vacancy deduction of 1% of RGI Revenue and Non-RGI Revenue

### **Transition Grant**

The Transition Grant will be available for a maximum of 4 years.

The Transition Grant is not available to new co-op members of the Tenant during the overholding period *as its purpose is to assist existing members with lease payments*. The Tenant's existing co-op members moving to different units leased to the Tenant are not considered new members.

Rent Discount Formula:

- Total Unadjusted Rent x Year Rent Discount %

Year Rent Discount #:

- Yr 1 – 95%
- Yr 2 – 90%
- Yr 3 – 80%
- Yr 4 – 70%

Term & Eligibility:

- Available only to existing members at commencement of the Term
- Member must report income at beginning of Term for unit to be eligible

### **Senior Government Subsidy**

Adjustment for senior government operating subsidy received by the Tenant

Adjustment cannot exceed the difference in lease rate between RGI and Non-RGI units by unit type x total RGI units by unit type