



## COUNCIL REPORT

Report Date: October 28, 2025  
Contact: Lon LaClaire  
Contact No.: 604.873.7336  
RTS No.: 18265  
VanRIMS No.: 08-2000-20  
Meeting Date: November 25, 2025  
[Submit comments to Council](#)

TO: Vancouver City Council

FROM: General Manager of Engineering Services in consultation with the Director of Real Estate Services

SUBJECT: Lease Renewal of a Portion of Dunlevy Avenue, Adjacent to 350 East Pender Street, Between East Pender Street and Keefer Street, with Mau Dan Gardens Co-operative Housing Association

### Recommendations

- A. THAT Council authorize the Director of Real Estate Services to renew the lease (the "Lease") for the portion of Dunlevy Avenue located between East Pender Street and Keefer Street, legally described as, That portion of Dunlevy Avenue, adjacent to Lot C, Block 122, District Lot 196, Plan 13208, Group One, as illustrated in Appendix A (the "Lease Area"), for a five (5) year term, subject to one (1) year notice of termination, effective July 1, 2025, with a total rental rate of \$74,400 per annum to Mau Dan Gardens Co-operative Housing Association ("Mau Dan").
- B. THAT Council approve a grant in lieu of rent for the Lease in the amount of \$55,800 per annum, leaving a net annual rent payable by Mau Dan of \$18,600.
- C. THAT no legal rights or obligations shall arise or be created between the City and Mau Dan unless and until a legally binding agreement for the Lease is successfully executed, as referenced in A and B above, to the satisfaction of the Director of Legal Services.

Recommendation B constitutes a grant and requires 2/3 affirmative votes of Council members per *Vancouver Charter* section 206(1).

## **Purpose and Executive Summary**

This report seeks Council approval to renew the lease of a closed portion of Dunlevy Avenue to Mau Dan Gardens Housing Association for a five (5) year term at a below market rental rate, supported by a grant in lieu of rent, due to ongoing financial constraints and continued need to maintain safety, security and privacy for residents.

## **Council Authority/Previous Decisions**

The authority for closing and disposing of streets and lanes is set out in the *Vancouver Charter*. Pursuant to Section 289A(a), Council may, by lease or licence, permit the use of stopped-up and closed surfaces of streets by the occupants of abutting property.

On September 15, 2020 (RTS 14004), Council authorized a subsequent five (5) year lease agreement at an annual rate of \$56,600, subject to a grant in lieu of rent of \$42,600, for a net below market rent of \$14,000 per annum to Mau Dan

## **City Manager's Comments**

The City Manager concurs with the foregoing recommendations.

## **Context and Background**

Mau Dan Co-operative is a 124-unit non-profit co-operative which was developed in 1982 on City-owned land. The Co-op has a ground lease with the City that expires in March 2051.

In April 1995, Council resolved to close, stop-up and lease the approximately 932.5 square metre (10,040 square foot) portion of Dunlevy Avenue located between Pender Street and Keefer Street, to Mau Dan in order to allow for the installation of fencing around their property to improve the safety and security for the residents. The closure received the support of residents in the community, the Vancouver Police Department, and the Engineering Services department.

In 2000, 2005, 2010, 2015, and 2020, Mau Dan requested that the City renew its then-current lease agreement, as applicable, at below market rent, citing both the importance of the closed road for maintaining safety and security, and ongoing financial challenges for the non-profit co-operative. On each occasion, Council supported the request, approving staff recommendations to extend such lease for a further five (5) year term at below-market rates.

In 2020, the market value of annual rent was estimated at \$56,600, subject to a grant in lieu of rent of \$42,600, for a net below market rent of \$14,000 per year.

## **Discussion**

Following a review by Engineering stakeholder's, it was confirmed that that the subject portion of road remains unnecessary for municipal or public access purposes.

The Lease Area contains both City of Vancouver and 3<sup>rd</sup> party utilities and will continue to function as a utility corridor for both overhead and underground services. The Lease will continue to provide the City with the appropriate indemnities, maintenance obligations and access requirements.

The Lease will be drawn to the satisfaction of the General Manager of Engineering Services, the Director of Legal Services and the Director of Real Estate Services.

Mau Dan is currently over holding their existing lease which expired June 30th, 2025. The lease renewal would be retro-active to July 1, 2025.

In a letter to staff dated June 17, 2025, attached as Appendix B, Mau Dan Housing Society emphasized the continued importance of the closed road in supporting safety, security, privacy, and the marketability of the housing complex. The letter also outlined financial pressures, noting the challenge of operating within a limited annual budget of \$2,200,000 while preparing for necessary replacements to components of the Building Envelope Retrofit system that are nearing the end of their service life. Additionally, Mau Dan referenced a recent significant capital investment to replace the parking slab membrane and implement the associated landscape plan.

### **Financial Implications**

Real Estate Services reviewed current rental rates in the vicinity and confirmed a fair market rent of \$74,400 per year for the closed portion of the road. Given the increase in market rents since 2020 and the financial challenges that Mau Dan has referenced, staff recommends the Dunlevy Avenue lease be renewed at a below market rent of \$18,600 per year, which requires a grant in lieu of rent of \$55,800.

By granting a subsidized rental rate, Council will be conveying a financial benefit to Mau Dan. While no funding is required for this financial benefit, it is considered a grant in lieu of rent and as such, must be approved by Council via 2/3 affirmative votes.

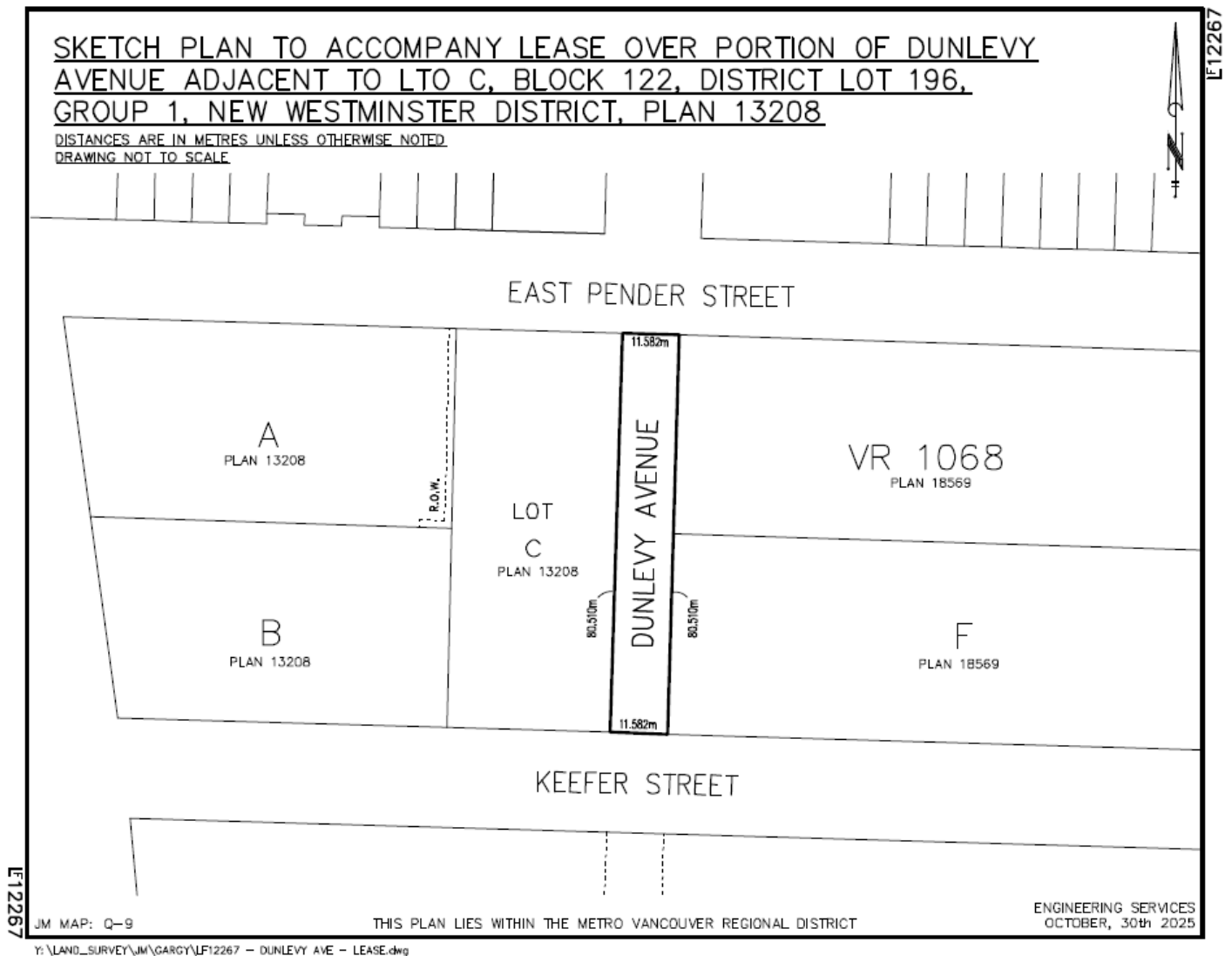
The net rental income will be credited to the Property Endowment Fund.

### **Legal Implications**

No legal rights or obligations will arise or be created between the Mau Dan Co-operative Housing Association and the City unless and until a legal lease agreement is successfully negotiated and executed by the City through its authorized signatories as authorized by Council and executed by the Mau Dan Co-operative Housing Association.

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## APPENDIX A LEASE AREA SKETCH



## APPENDIX B LETTER



**MAU DAN GARDENS CO-OPERATIVE HOUSING**  
415-350 E. Pender Street  
Vancouver BC V6A 3X4 Tel : (604) 255-4778  
Email : office@maudancoop.ca

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June 17, 2025

Elaine Lee, BBA, RI  
Property Negotiator | Real Estate Services  
CITY OF VANCOUVER  
507 West Broadway, Suite 320  
Vancouver BC V5Z 0B4

By email: Elaine.Lee2@vancouver.ca

Re: Dunlevy Ave Lease Renewal, Contract 13731

To Whom It May Concern,

I'm writing on behalf of Mau Dan Gardens Housing Co-op, regarding the lease renewal of the lane on Dunlevy Avenue between Pender Street & Keefer Street. Our lease is due to expire on June 30th, 2025 and we're looking to secure a renewal at the current rate of \$14,700 for the next 5 years, and welcome a longer term.

The renewal of the lease is crucial to the safety and viability of our housing co-op, and the affordable lease rate is essential to Mau Dan as a non-profit housing association.

When we first negotiated the Dunlevy lease in 1995 and erected our perimeter security fence, the co-op and surrounding neighbourhoods were beset by a major volume of street drug trafficking and sex trade that spilled into and throughout our grounds. The common areas had all but been abandoned, and members continuously encountered drug users on their doorsteps, laneways and parkade entrances.

After the installation of the fence in 1995/6 our situation improved dramatically. The grounds were safe for our members to enjoy freely. The Garden Committee was reinvigorated, and the Membership Committee was able to attract members willing to live in our neighbourhood. The ongoing safety of the laneway has proven integral in shaping our community. The secure laneway is used as a playground, access point, meeting area, outdoor dinner table, summer movie theatre, mailroom, bike parking, and general common backyard for our members across all ages.

Nevertheless, outside the gates, the street-level activity remains high and there are tent encampments across the street. With Dunlevy mall and the finger laneways secured by the perimeter fence, we can provide relatively safe, affordable housing and contribute to the safety of our surrounding neighbours. We hope this paints a good picture of the significance this simple laneway has for Mau Dan Co-op. The benefits of the security fence and the lease on Dunlevy are many, and we appreciate the long-time support from the City for Mau Dan in maintaining the fence.



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Mau Dan Housing Co-operative is made up of 124 co-op units: 52 in an apartment block and 76 townhouses. With over 300 residents, Mau Dan boasts a high number of seniors, single adults, and growing families, with 40 to 50 young children attending local elementary and secondary schools. We have a cultural mix including members of Chinese, Vietnamese, Korean, English-Canadian and French-Canadian backgrounds.

Approximately 30% of our members receive federal housing subsidies in order to pay the low-end of market housing charges. We have an agreement with The Agency to provide Rental Assistance from CMHC to our low-income members.

Our co-op is in a crucial financial position as we work to balance a yearly operating budget of \$2.2 million with a \$9 million mortgage renewal held by the private funder, VanCity. In 2014, we saw substantial completion of the entire Building Envelope Retrofit (BER), and in 2021, we finally completed the replacement of the parkade slab membrane and the landscape plan. The BER is now past the 10-year mark, and we are seeing the life span of some components reaching their end; repair and maintenance costs are going up again. The level of safety and security provided by the fence is crucial to our ability to attract members willing to share this financial burden.

We therefore request that City Council continue to assist Mau Dan in managing this lease, which is vital to the continued viability of our housing complex, which in turn, is an important component of the affordable housing stock in the Downtown Eastside, Strathcona and Chinatown neighbourhoods. When we installed the gates and leased Dunlevy Mall in 1995, the financial grant arrangement was made where 75% of the cost is paid by the City and 25% is paid by Mau Dan Housing Co-operative. We ask that the City maintain our lease for the use of Dunlevy Ave between Pender and Keefer at the current rate of \$14,700 a year plus GST and welcome a longer term lease.

Thank you for your consideration.

Yours truly,

*by email*

Ewan Kirk  
President, Board of Directors  
On behalf of the members of Mau Dan Gardens Co-operative Housing Association