

File No.: 04-1000-20-2020-321

August 25, 2020

s.22(1)

Dear s.22(1)

Re: **Request for Access to Records under the Freedom of Information and Protection of Privacy Act (the "Act")**

I am responding to your request of June 10, 2020 for:

Most recent and signed:

- 1) Housing Agreement between the City and Provincial Rental Housing Corporation;**
- 2) Memorandum of Understanding between the City and the BC Housing Management Commission;**
- 3) Agreement(s) specifically regarding The View (any single or combination of 250 Powell Street, also 211 Gore Avenue, also 275 Cordova Street).**

All responsive records are attached. Please note that the records being provided to you are responsive to points one and two of your request, and that there are no further agreements on file in regards to the third point of your request.

Under section 52 of the Act you may ask the Information & Privacy Commissioner to review any matter related to the City's response to your request. The Act allows you 30 business days from the date you receive this notice to request a review by writing to: Office of the Information & Privacy Commissioner, info@oipbc.bc.ca or by phoning 250-387-5629.

If you request a review, please provide the Commissioner's office with: 1) the request number assigned to your request (#04-1000-20-2020-321); 2) a copy of this letter; 3) a copy of your original request for information sent to the City of Vancouver; and 4) detailed reasons or grounds on which you are seeking the review.

Please do not hesitate to contact the Freedom of Information Office at foi@vancouver.ca if you have any questions.

Yours truly,

[Signature on file]

Barbara J. Van Fraassen, BA
Director, Access to Information & Privacy

Barbara.vanfraassen@vancouver.ca

453 W. 12th Avenue Vancouver BC V5Y 1V4

*If you have any questions, please email us at foi@vancouver.ca and we will respond to you as soon as possible. Or you can call the FOI Case Manager at 604.871.6584.

Encl.

:kt

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

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1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

LTO Client number:
Phone number:
Matter number:

Deduct LTSA Fees? Yes ☒

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

007-756-852 LOT 5 DISTRICT LOT 196 PLAN 14664

STC? YES ☐

3. NATURE OF INTEREST
Covenant

CHARGE NO.

ADDITIONAL INFORMATION
Entire Instrument

4. TERMS: Part 2 of this instrument consists of (select one only)

(a) ☐ Filed Standard Charge Terms D.F. No.

(b) ☒ Express Charge Terms Annexed as Part 2

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument.

5. TRANSFEROR(S):

**PROVINCIAL RENTAL HOUSING CORPORATION, AS TO ITS LEASEHOLD INTEREST
PURSUANT TO LEASE CA**

6. TRANSFEREE(S): (including postal address(es) and postal code(s))

CITY OF VANCOUVER

**453 WEST 12TH AVENUE
VANCOUVER**

**BRITISH COLUMBIA
CANADA**

V5Y 1V4

7. ADDITIONAL OR MODIFIED TERMS:
N/A

8. EXECUTION(S): This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)

Execution Date

Transferor(s) Signature(s)

See Form D

Y	M	D

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

PAGE 2 of 3 pages

Officer Signature(s)



CHARLOTTE K. WONG
Barrister & Solicitor
300 - 5687 YEW STREET
VANCOUVER, B.C. V6M 3Y2

(AS TO BOTH SIGNATURES)

Execution Date

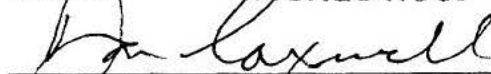
Y	M	D
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Transferor / Borrower / Party Signature(s)

PROVINCIAL RENTAL HOUSING
CORPORATION, by its authorized
signatory(ies)



Name: AGNES ROSS



Name: Dan Maxwell

OFFICER CERTIFICATION:


Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

PAGE 3 of 3 pages

Officer Signature(s)


Stephen F. Hayward

Barrister & Solicitor

453 West 12th Avenue
Vancouver, BC V5Y 1V4
Tel: 604-873-7714

Execution Date

Y M D

81A 18 01 07
15

Transferor / Borrower / Party Signature(s)

CITY OF VANCOUVER by its
authorized signatory:


Frances J. Connell/Yvonne Liljefors

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

TERMS OF INSTRUMENT - PART 2

Housing Agreement and Building Use Covenant 250 Powell Street (formerly 211 Gore Avenue)

WHEREAS:

A. It is understood and agreed that this instrument and Agreement, dated for reference November 15, 2013, shall be read as follows:

- (i) the Transferor, Provincial Rental Housing Corporation, is called "PRHC" as more particularly defined in Section 1.1; and
- (ii) the Transferee, City of Vancouver, is called the "City" or the "City of Vancouver" when referring to the corporate entity and "Vancouver" when referring to the geographic location;

B. The Registered Owner is the registered owner of the Lands and the Building, and the Province is the beneficial owner of the Lands and the Building and the legal representative of the Registered Owner for all intents and purposes in respect of the Lands and the Building;

C. BC Housing, a representative of the Province of British Columbia, has agreed to provide financial assistance to the Lessee and the Operator for the capital and operating costs, respectively, of the Building;

D. PRHC is a company affiliated with BC Housing which holds interests in land managed and/or financed by BC Housing, and will lease the Lands from the Province;

E. PRHC has applied, pursuant to the Development Permit Application and with the consent of the Province, to alter, add to and change the uses of, the building now located on the Lands to enable construction of 96 units of affordable rental housing on the second through seventh floors and related amenities and services including a community garden, communal decks, a communal lounge and a bicycle storage area, with the existing uses of level one and the lower level by the Downtown Community Court and the City of Vancouver Police Department to remain unchanged (the "Redevelopment");

F. After consideration of the Development Permit Application by the City, the Redevelopment was conditionally approved subject to a number of conditions, including that, arrangements be made, to the satisfaction of the Director of Legal Services and the Managing Director of Social Development, for a housing agreement to be entered into in respect of the Lands and the Building for a term of 40 years, with a possible extension to 60 years, in order to meet the terms and conditions outlined in the Memorandum of Understanding, including the commitment of the City to contribute \$2,000,000 to the costs of the Redevelopment and the commitment of PRHC concerning specified tenancy and affordability criteria (as more particularly defined in Section 1.1, the "Affordable Housing Condition"); and

G. PRHC and the City are now entering into this Agreement to satisfy the Affordable Housing Condition.

NOW THEREFORE THIS AGREEMENT WITNESSES that for good and valuable consideration (the receipt and sufficiency of which the parties hereby acknowledge and agree to) PRHC and the City agree as follows in respect of the use of the Lands and the Building, pursuant to Section 219 of the *Land Title Act*:

1. Definitions. In this Agreement the following terms have the definitions now given:

- (a) **"Affordable Housing Condition"** means the terms and conditions outlined in this Agreement applicable to the Dwelling Units;
- (b) **"Agreement"** means this housing agreement and building use covenant, including the foregoing Recitals and Appendix A, as the same may be amended from time to time by mutual agreement of the parties;
- (c) **"BC Housing"** means the British Columbia Housing Management Commission, and includes its successors in function if any;
- (d) **"Blade Runners"** means the organization by that name jointly funded by the governments of British Columbia and Canada that provides job readiness skills, work place training and ongoing support to enable individuals to overcome barriers to employment and achieve long-term attachment to the workforce;
- (e) **"Building"** means the remand centre building and related structures on the Lands as of the reference date of this Agreement, which will be redeveloped as contemplated by the Development Permit, and includes any portion of such building or structures, but does not include temporary buildings or structures on the Lands during the period of, and required for the purposes of, any construction contemplated by the Development Permit;
- (f) **"Building Permit"** means any building permit issued by the City authorizing any part of the redevelopment contemplated by the Development Permit;
- (g) **"City Funding Contribution"** has the meaning ascribed to that term in Section 5;
- (h) **"City Personnel"** means any and all of the elected and appointed officials, and officers, employees, agents, nominees, delegates, permittees, contractors, subcontractors and volunteers of the City;
- (i) **"Development Permit"** means any development permit given by the City pursuant to the Development Permit Application, as the same may be amended from time to time;
- (j) **"Development Permit Application"** means development permit application number DE415419 made by PRHC to enable it to redevelop the Lands;
- (k) **"Director of Legal Services"** means the chief administrator from time to time of the Legal Services Department of the City and her/his successors in function and their respective nominees;

- (l) **"Director of Planning"** means the chief administrator from time to time of the Planning Department of the City and her/his successors in function and their respective nominees;
- (m) **"Dwelling Units"** means 96 self contained residential units, 82 of which will be studio units and the remaining 14 of which will be one-bedroom units, to be located on levels two through seven of the Building, as part of the Redevelopment, and **"Dwelling Unit"** means any one of them, and those terms include each and all dwelling units constructed in a replacement building on the Lands, in the event of the destruction of the Building or any of the original 96 Dwelling Units during the Term;
- (n) **"Effective Date of Agreement"** means the date as of which this Agreement is registered in the Lower Mainland Land title Office;
- (o) **"Effective Date of Termination"** has the meaning ascribed to that term in Section 8;
- (p) **"Housing Income Limits"**, formerly known as Core Need Income Threshold (or CNIT), means the housing income limits (or HILs) for Vancouver published by Canada Mortgage and Housing Corporation from time to time, which is the maximum gross household income an applicant may have in order to be eligible for subsidized housing in Vancouver;
- (q) **"Land Title Act"** means the *Land Title Act*, R.S.B.C. 1996, c. 250, and amendments thereto and re-enactments thereof;
- (r) **"Lands"** means the parcel described in Item 2 in the Form C attached hereto;
- (s) **"Lease"** means a lease of the Lands and the Building entered into by the Province (as representative of the Registered Owner) as lessor, to PRHC as lessee, registered in the Land Title Office in New Westminster under number CA_____;
- (t) **"Losses"** means all damages, losses, costs, expenses, actions, causes of action, claims, demands, builders liens, liabilities, expenses and indirect or consequential damages (including loss of use and damages arising out of delays);
- (u) **"Managing Director of Social Development"** means the chief administrator from time to time of the Social Development Department of the City and his/her successors in function and their respective nominees;
- (v) **"Memorandum of Understanding"** means the Memorandum of Understanding dated for reference April 18, 2011 entered into by and between BC Housing and the City, a copy of which is attached hereto as Appendix A;
- (w) **"Occupancy Permit"** means a permit issued by the City authorizing the use and occupation of the Dwelling units and related amenity spaces contemplated by the Development Permit;

- (x) "Operator" means The Bloom Group Community Services Society (formerly known as the St. James Community Service Society), unless the parties agree otherwise;
- (y) "Operator Agreement" has the meaning ascribed to that term in Section 7;
- (z) "Option to Purchase Lease" means an option to purchase lease agreement entered into by PRHC, the City and the Province (as representative of the Registered Owner), pursuant to which the City has the option to acquire PRHC's leasehold interest in the Lands and the Building in specified circumstances, registered in the Land Title Office in New Westminster under number CA_____;
- (aa) "PRHC" means the Provincial Rental Housing Corporation, and includes its successors in function if any;
- (bb) "Prime Rate" means at any time, the per annum rate of interest published by the main branch in Vancouver of the Bank of Montreal, or its successor at such time, as its reference rate for setting rates of interest on loans of Canadian dollars to customers in Canada and referred to by such bank as its "prime rate", provided, however, that if such bank publishes more than one such reference rate at any time, the Prime Rate will be the highest thereof, and provided, further, that, if a court holds that this definition of Prime Rate is vague, uncertain or otherwise defective, then the Prime Rate will be three percent (3%) greater than the per annum rate of interest established by the Bank of Canada as the rate payable on overnight loans by Schedule I Canadian Chartered Banks;
- (cc) "Province" means Her Majesty The Queen in Right of the Province of British Columbia as represented by the Minister of Technology, Innovation and Citizens' Services or his successor in function;
- (dd) "Redevelopment" has the meaning ascribed to that term in Recital C;
- (ee) "Registered Owner" means the registered owner of the Lands, which as of the reference date hereof is British Columbia Buildings Corporation, and includes any and all of its respective assigns and successors as registered owner of the Lands or any part thereof;
- (ff) "Rental Housing" means a dwelling unit which shall not be occupied by the owner of the same, but which is made available by such owner to members of the general public, at arms length, for use as rental accommodation on a month-to-month or longer basis in accordance with this Agreement, reasonably prudent landlord-tenant practices applicable to residential rental accommodation and any and all laws applicable thereto, including, without limitation, residential tenancy and human rights legislation in British Columbia;
- (gg) "Term" means the term of this Agreement being 40 years from the Effective Date of Agreement, subject to extension pursuant to Section 17; and

- (hh) “**Vancouver Charter**” means the *Vancouver Charter S.B.C. 1953, c. 55*, as amended or replaced from time to time.

2. Restrictions on Use. PRHC covenants and agrees with the City in respect of the use of the Lands and the Building that it will, throughout the Term, construct and operate, or cause to be constructed and operated, the Building and the Dwelling Units in accordance with the Development Permit, any Building Permit and the requirements of this Agreement, and that:

- (a) the Lands and the Building will not be used in any way that is inconsistent with the terms of this Agreement;
- (b) all Dwelling Units will be used only for the purpose of providing Rental Housing;
- (c) not less than 25% of the Dwelling Units (or not less than 24 of the 96 Dwelling Units) will be rented at the shelter component of income assistance rate (\$375 monthly welfare rate as of the reference date of this Agreement);
- (d) not less than 37 of the Dwelling Units will be tenanted and managed with input from Blade Runners, the target tenants for which Dwelling Units will be at-risk street involved primarily Aboriginal youth, unless otherwise first agreed to in writing by the City;
- (e) all of the Dwelling Units will be rented at rates that are affordable for persons with incomes at or below the Housing Income Limits;
- (f) it will establish an income testing protocol for prospective tenants to ensure that all Dwelling Units are available to low and moderate income households;
- (g) other than as contemplated by the Option to Purchase Lease, it will not suffer, cause or permit, any of its interest in the Lands and the Building pursuant to the Lease to be assigned, transferred, sublet or otherwise altered or surrendered, other than:
 - (i) in the case of Dwelling Units, the renting of such to tenants as contemplated by this Agreement; and
 - (ii) in the case of meeting rooms, the renting of such to social service providing organizations,

without the prior consent of the City;

- (h) it will not agree to any amendment to the Lease terms without the prior written consent and approval of the City;
- (i) it will keep and maintain the Building, the Dwelling Units and all parts thereof in good repair and in a safe, clean, neat and tidy condition. If the Building or any part thereof is damaged, PRHC will promptly restore and repair it, or cause it to be restored and repaired, whenever and as often as damage occurs, to at

least as good a state and condition as existed before such damage occurred; and

- (j) it will insure the Building, the Dwelling Units and all parts thereof to the full replacement cost against perils normally insured against in Vancouver by reasonable and prudent owners of similar buildings and lands; provided, however, that in lieu of the foregoing insurance requirements, the City acknowledges that, for so long as PRHC is the lessee of the Lands and Building, PRHC may self-insure part or all of the risks described in this paragraph (j), subject always to such self-insurance being on at least equivalent terms and conditions to that described immediately above in this paragraph (j).

3. Occupancy Restriction on the Lands. PRHC covenants and agrees with the City in respect of the use of the Lands and the Building, that:

- (a) it will not suffer or permit the occupation or use of any of the Dwelling Units or any part of any thereof until such time as an Occupancy Permit has been issued for each and every one of the Dwelling Units and all of the related amenity space contemplated by the Development Permit;
- (b) the City will be under no obligation to issue any Occupancy Permit permitting the use and occupation of any of the Dwelling Units or any part of any thereof until such time as the Redevelopment contemplated by the Development Permit has been completed and all other City preconditions to the issuance of any such Occupancy Permit have been met to the City's satisfaction; and
- (c) without limiting the general scope of this Section 3, PRHC does hereby waive, remise and release absolutely any and all claims against the City and City Personnel for any Losses that may derive from the withholding of an Occupancy Permit until there is compliance with the provisions of Section 3(b).

4. Record Keeping. PRHC will keep, or cause to be kept, accurate records pertaining to the use and occupancy of the Building and the Dwelling Units, such records to be to the satisfaction of the City. At the request of the City, from time to time, PRHC will make, or cause to be made, such records available for inspection and copying by the City. The City will comply with PRHC's statutory obligations with respect to privacy of such information.

5. City Funding Contribution. The City agrees to contribute \$2,000,000 to PRHC's costs to complete the Redevelopment (the "City Funding Contribution"), which sum will be payable upon issuance of the final Occupancy Permit.

6. PRHC's Funding Contribution. PRHC will contribute, or cause to be contributed by BC Housing, all funds required to complete the Redevelopment, other than the City Funding Contribution, and will arrange financing and accept the risk of capital cost overruns. PRHC will also provide, or cause to be provided, any operating subsidies and capital grants required to ensure that, throughout the Term, the management of the Lands, Building and Dwelling Units by the Operator pursuant to the Operator Agreement remains financially viable and that PRHC's covenants and agreements herein continue to be strictly met and complied with.

7. Operator Agreement. PRHC will enter into an operator/operating agreement with the Operator (the “Operator Agreement”) prior to issuance of the final Occupancy Permit, pursuant to which Operator Agreement, without limitation:

- (a) the Operator will covenant and agree not to use or allow the Lands and the Building to be used in any manner which would constitute a breach of PRHC’s obligations and agreements herein or in the Lease;
- (b) the Operator will covenant and agree to use all operating surpluses, after agreed reserves are set aside, to enhance affordability in the Building and/or to create new affordable housing elsewhere in Vancouver;
- (c) the Operator will covenant and agree to manage and operate the Dwelling Units according to specified performance standards, including conditions to ensure the intended affordability and income targets are achieved, and PRHC will assume responsibility to monitor the Operator’s achievement of those standards on an ongoing basis;
- (d) the Operator will covenant and agree to provide annual reports to the City containing such particulars as the City may request, to enable the City to monitor compliance with the terms and conditions of this Agreement and the Operator Agreement;
- (e) the Operator will covenant and agree to allow the City to conduct such inspections of the Building and of the records of the Operator as the City may request, upon reasonable advance notice, in order to enable the City to audit the Operator’s performance under the Operator Agreement;
- (f) the Operator and PRHC will agree that the Operator Agreement will automatically terminate in the event that the City becomes the lessee of the Building, unless the City and the Operator then otherwise agree; and
- (g) such other terms and conditions as the City may reasonably request.

8. Termination and Refund of City Contribution. This Agreement may be terminated by notice in writing upon the occurrence of any of the following, which notice will be effective as of the date as of which such notice is deemed to have been given pursuant to Section 12 below (the “Effective Date of Termination”):

- (a) by the City:
 - (i) if PRHC fails to materially perform the provisions of this Agreement that are the responsibility of PRHC, and such failure continues for 30 days following notice by the City identifying such failure in reasonable detail and requiring PRHC to cure such failure, or in the case of a failure which cannot with due diligence be cured within the period of 30 days aforesaid, if PRHC does not commence the rectification of such failure within the said 30 day notice period and thereafter does not promptly and diligently and continuously proceed to cure such failure;

- (ii) if the Province or the Registered Owner files an application to subdivide the Lands and the Building by strata plan or air space subdivision plan without the City's prior written consent;
- (iii) if the Lease is terminated within 40 years of the Effective Date; and
- (iv) if the Province or the Registered Owner sells or otherwise transfers all or any part of its interest in the Lands and Building other than as is contemplated by the Option to Purchase Lease or this Agreement, and the same results in the loss of any of the City's material rights or PRHC's material obligations in the Option to Purchase Lease or this Agreement; and

(b) by PRHC at any time and for any reason,

and in any such case, effective as of the Effective Date of Termination, or if the parties agree to terminate this Agreement by mutual consent, then effective as of the agreed date of termination, if the same occurs within 40 years of the Effective Date of Agreement, and unless the City becomes the lessee of the Lands and the Building in the place and stead of PRHC pursuant to the Option to Lease and the Dwelling Units continue to be occupied as contemplated by this Agreement, a refund of a portion of the City Funding Contribution that has by then be paid by the City to PRHC, will thereupon be repayable by PRHC to the City, which payment shall be made in full and without set off within 30 days of the Effective Date of Termination or the agreed date of termination, as applicable, calculated as follows:

Amount of City Funding Contribution paid	X	number of days elapsed since Effective Date of Agreement	=	amount repayable
		14,600 (number of days in 40 years)		

Whenever any amount(s) of money owing under this Agreement by PRHC to the City are not paid when payable, such amount(s) will be considered to be in arrears and will bear interest at the rate of five percent (5%) above the Prime Rate per annum, calculated and compounded monthly not in advance, from the date payable until paid in full together with all such accrued interest.

If this Agreement is so terminated, the City will execute a discharge of the Section 219 Covenant in this Agreement, provided that:

- (a) any refund of the City Funding Contribution payable pursuant to this Agreement has been paid in full;
- (b) the City will have no obligation to execute such discharge until a written request therefor from the Province or PRHC has been received by the City, which request will include the form of discharge in registrable form;
- (c) the cost of preparation of such discharge and the cost of registration of the same in the Land Title Office will be paid by the Province or PRHC; and
- (d) the City will have a reasonable time within which to execute such discharge

and return same to the Province or PRHC, as applicable, for registration.

9. Security for PRHC's Financial Obligations. To secure PRHC's financial obligations hereunder, PRHC has granted the City the Option to Purchase Lease, which Option to Purchase Lease will be registered against title to PRHC's leasehold interest in the Lands concurrently with this Agreement, with priority granted as set forth therein.

10. Enforcement. This Agreement may be enforced by mandatory and prohibitory orders of the court. In any action to enforce this Agreement if the City is entitled to court costs, it shall be entitled to court costs on a solicitor and own client basis.

11. Release and Indemnity. PRHC hereby releases, and agrees to indemnify and save harmless, the City and all City Personnel for and from any cost, claim, demand, complaint, judgment or order for any Losses suffered, incurred or experienced by any person or entity, including, without limitation, PRHC, the City and any/all City Personnel, in connection with, that arises out of, or that would not have been incurred "but for", this Agreement. This indemnity will survive release or discharge of the Section 219 Covenant given hereby.

12. Notices. All notices, demands or requests of any kind which one party may be required or permitted to give to the other in connection with this Agreement, shall be in writing and shall be given by registered mail or personal delivery, addressed as follows:

(a) If to the City:

City of Vancouver
453 West 12th Avenue
Vancouver, British Columbia
V5Y 1V4

Attention: City Clerk, with concurrent copies to the attention of the
Managing Director of Social Development and the Director of Legal
Services;

(b) If to PRHC:

Provincial Rental Housing Corporation
1701 - 4430 Kingsway
Burnaby, British Columbia
V5H 4G7
Attention: General Manager of Real Estate Services

and any such notice, demand or request will be deemed given:

(c) if made by registered mail, on the earlier of the day receipt is acknowledged by the addressee or the third (3rd) day after it was mailed, except when there is a postal service disruption during such period, in which case delivery will be deemed to be completed upon actual delivery of the notice, demand or request; and

(d) if personally delivered, on the date when delivered,

or to such other address in Canada as any party may specify in writing to the other parties in the manner described above.

13. Agreement Runs With the Lands. The covenants and agreements set forth herein on the part of PRHC shall be covenants the burden of which shall run with and shall bind its interest in the Lands and shall attach thereto and run with each and every part into which the same may be subdivided or consolidated.

14. Enurement. This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

15. Severability. All the obligations and covenants contained in this Agreement are severable, so that if any one or more of the obligations or covenants are held by or declared by a court of competent jurisdiction to be void or unenforceable, the balance of the obligations and covenants will remain and be binding.

16. Vancouver Charter. Nothing contained or implied herein will derogate from the obligations of PRHC under any other agreement with the City or, if the City so elects, prejudice or affect the City's rights, powers, duties or obligations in the exercise of its functions pursuant to the *Vancouver Charter* and the rights, powers, duties and obligations of the City under all public and private statutes, by-laws, orders and regulations, which may be, if the City so elects, as fully and effectively exercised in relation to the Lands and PRHC's interest therein as if this Agreement had not been executed and delivered by PRHC and the City.

17. Waiver. PRHC acknowledges and agrees that no failure on the part of the City to exercise and no delay in exercising any right under this Agreement will operate as a waiver thereof nor will any single or partial exercise by the City of any right under this Agreement preclude any other or future exercise thereof or the exercise of any other right. The remedies herein provided will be cumulative and not exclusive of any other remedies provided by law and all remedies stipulated for the City herein will be deemed to be in addition to and not, except as herein expressly stated, restrictive of the remedies of the City at law or in equity.

18. Perfection of Intention. PRHC shall, after execution hereof, do or cause to be done at its own cost and expense all things and acts necessary to ensure that this Agreement is registered on title to the Lands as a charge against its leasehold interest in the Lands with priority over all other encumbrances except the Lease and those in favour of the City.

19. Further Assurances. Each party shall execute such further and other documents and instruments and do such further and other acts as may be necessary to implement and carry out the provisions and intent of this Agreement.

20. Extension of Agreement. Provided that PRHC is not in default of any of its obligations and/or agreements in this Agreement, and provided further that the Operator is not in default of any of its obligations and/or agreements in the Operator Agreement:

- (a) as of the expiration of the Term, the parties hereto may mutually agree in writing to extend the Term by up to an additional 10 years, thereby bringing the maximum total length of this Agreement to 50 years; and

- (b) as of the expiration of the Term as so previously extended, the parties hereto may mutually agree in writing to further extend the Term as so previously extended, by up to a further 10 years, thereby bringing the maximum total length of this Agreement to 60 years.

21. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable in British Columbia. Any reference to a statute is to the statute and its regulations in force on the date the Form C General Instrument - Part 1 is fully executed and to subsequent amendments to or replacements of the statute or regulations.

22. Number. Words importing the singular number only will include the plural and vice versa, words importing the masculine gender will include the feminine and neuter genders and vice versa, and words importing persons will include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa.

23. Headings. The division of this Agreement into Articles and Sections and the insertion of headings are for the convenience of reference only and will not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article or other portion hereof and include any agreement or instrument supplemental or ancillary hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

24. PRHC's Representations and Warranties. PRHC represents and warrants to and covenants and agrees with the City that:

- (a) it has the full and complete power, authority and capacity to enter into, execute and deliver this Agreement and to bind all of PRHC's interests in the title to the Lands with the interests in land created hereby;
- (b) upon execution and delivery of this Agreement and registration thereof, the interests in land created hereby will encumber all of PRHC's interests in the title to the Lands;
- (c) this Agreement will be fully and completely binding upon PRHC in accordance with its terms and PRHC will perform all of its obligations under this Agreement in accordance with its terms; and
- (d) the foregoing representations, warranties, covenants and agreement will have force and effect notwithstanding any knowledge on the part of the City whether actual or constructive concerning the status of either PRHC, the Province or the Registered Owner with regard to the Lands or any other matter whatsoever.

IN WITNESS WHEREOF the parties have executed this Agreement on Form C which is a part hereof.

Memorandum of Understanding

between

the BC Housing Management Commission (BC Housing) and

the City of Vancouver (the City) regarding

the renovation and operation of the Remand Centre, 211 Gore Avenue, for affordable rental housing and dated for reference April 18, 2011

Introduction

The City and BC Housing have as a shared priority the development of affordable rental housing units to supplement the single room occupancy hotels in the City's downtown and to provide housing for low and moderate income households. The City and BC Housing have entered into a series of partnerships for the development and operation of social and supportive housing, for example, the October 29, 2007, Memorandum of Understanding between BC Housing and the City. These partnerships provide the context for the proposed renovation and operation of the Remand Centre for affordable rental housing.

The Remand Centre

The Remand Centre, located at 211 Gore Avenue, is a former jail owned by the Province of BC. It is no longer in operation as a jail and the interior, with the exception of the ground floor, has been stripped of demising walls and fixtures and it is now vacant and ready for reuse. It has a site area of 59,600 sq. ft. and a gross floor area of approximately 63,000 sq. ft. The only current occupant is the ground floor Community Court located at the corner of Gore and Cordova.

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister of Citizens' Services, as owner of the Remand Centre, will lease the residential portion of the building to the Provincial Rental Housing Corporation (PRHC). PRHC will sublease to the selected non-profit housing society (the Operator). The term of the lease will be 40 years, with an opportunity to renew for up to 60 years through two 10-year extensions.

The renovation and operation of the Remand Centre will result in 95 self-contained dwelling units on floors 2-7 which have a gross floor area of approximately 61,103 sq. ft. and a net floor area of approximately 39,673 sq. ft. Eighty-one studio and fourteen one-bedroom units will be created. The ground floor will continue to accommodate the Community Court.

In addition to the new housing units, the scope of work includes adapting the existing gymnasium to a multipurpose space that would be available to the community on a rental basis. Other ancillary uses include the provision of a community garden in the existing courtyard, communal decks on the residential floors, a communal lounge area and a bicycle storage facility. Approximately 2,440 sq. ft. of interior amenity space and 661 sq. ft. of exterior amenity will be incorporated into the project. The development of the residential units will not constrain or preclude alternative uses of the ground floor.

Zoning

The site is in the Downtown Eastside Oppenheimer District Official Development Plan area (DEOD), and within Sub-Area 3 of the DEOD (Powell Street / Japanese Village). The zoning allows a maximum Floor Space Ratio (FSR) of 2.5, and a maximum height of 35 ft. The building is non-conforming in terms of allowable height but conforms in terms of FSR. The zoning allows residential uses, with a preference for self-contained units, and requires housing for low income households occupy at least 20% of the FSR above a base FSR of 1.0. The intent is for the proposed renovation and operation of the Remand Centre to be approvable within the current zoning.

Tenant Mix and Affordability

The project will include 95 one-bedroom and studio affordable rental units. 37 units, 39 % of the total, will be operated by the *Blade Runners* who provide life skills and training and supports to at-risk, street-involved, primarily Aboriginal youth.

It is anticipated the affordable rental units will create an opportunity for some individuals currently living in Single Room Occupancy (SRO) hotels to relocate to this project. By creating this flow from the SRO stock, more street and sheltered homeless will be able to benefit from the support services available in the SRO buildings.

The intent of this project is to maximize the affordability of the rental units being provided. 100% of the units will be affordable for persons with incomes at or below the CMHC Core Need Income Threshold (CNIT). Based on City and Provincial contributions, 24 of the units will rent at \$375/month, the shelter component of welfare. The remaining 71 units will have rents below CNIT. The 1 BR rent levels are anticipated to range from \$544/month to \$738/month. The studio unit rent levels are anticipated to range from \$375/month to \$631/month. The operator will be provided with flexibility to raise rents on these 71 units in order to meet ongoing financial obligations as there will be no ongoing subsidy. Any project surplus, after adequate operating reserve and replacement reserve costs are accounted for, will be used to enhance affordability in the project and/or to create new affordable housing in the City of Vancouver.

BC Housing will establish an income testing protocol for prospective tenants to ensure that the units are available to low and moderate income households. Prospective tenants will be required to provide proof of income to be verified at the time of application for tenancy only. Priority placement will be given to core-need households.

Operator

The renovated Remand Centre will be operated by a non-profit housing society. The Operator will be selected by BC Housing, in consultation with the City of Vancouver and will be the landlord of all the units, including the *Blade Runner* units. The non-profit housing provider selected to operate the project will enter into an Operator Agreement with BC Housing. The Performance Standards in that agreement will include conditions to ensure the intended affordability and income targets are achieved. BC Housing will monitor the Operator's achievement of the Performance Standards on an ongoing basis. BC Housing will provide audited statements for the project at the City's request.

City Contribution

The City will contribute up to a maximum of \$2 million towards the cost of renovating the building. The City will provide half of this funding within one month of the issuance of the Building Permit for the renovations. The remaining funds will be provided when the Occupancy Permit has been issued. Advance of these funds will be dependent on the City's interests in the project being evidenced in legal agreements in form, contents and with registration to the satisfaction of the City's Director of Legal Services. Such legal agreements will include a Housing Agreement and an agreement to secure repayment of the City's financial contribution in specified circumstances, to be entered into between the City and the Remand Centre owner, with such priorities as the parties may agree.

Housing Agreement

The Housing Agreement will require that the residential component of the Remand Centre be operated as non-profit housing and provide 95 affordable rental units for 40 years, the term of the PRHC lease agreement with HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister of Citizens' Services. The Housing Agreement will also require the units to be rented to low and moderate income households with priority placement given to core need households.

Security for City Financing

In the event that use of the Remand Centre changes, at any time during the 40 year term of the lease/sublease, to something other than the low cost housing contemplated by this MOU, the Province will be obligated to repay a portion of the City's contribution. The amount to be repaid will reduce annually on a straight line basis, provided that no material change of use occurs. In other words, at each anniversary, the Province's repayment obligation would reduce by 2.5%. If there is a material change in use prior to the 40th anniversary, the then remaining secured portion of the City's \$2 million contribution will be repayable in full on demand.

Provincial Contribution

The Province of BC, through the PRHC, will provide the portion of the building intended for this development; floors 2 through 7 and the ancillary common areas, by way of a nominal pre-paid 40-year lease with an opportunity to renew for up to 60 years, through two 10-year extensions. The Province of BC, through BC Housing will also arrange for funding and financing of all costs to renovate the Remand Centre, net of the City's contribution. In addition, BC Housing accepts all capital cost and operating cost overrun risk. BC Housing will provide sufficient funding so the Operator can manage the building without an operating subsidy, but BC Housing agrees to provide any operating subsidy required to ensure project viability.

Project Surpluses

BC Housing will work with the Operator to ensure that any project surplus, after adequate operating reserve and replacement reserve costs are accounted for, is used to enhance affordability in the project and/or to create new affordable housing in the City of Vancouver.

Timing

The proposed timing for completion of this project is as set out in Appendix A attached.

Legal Rights or Obligations

Once this Memorandum of Understanding has been signed, it will be presented to Vancouver City Council and to BC Housing's Executive Committee for approval. No legal rights or obligations shall be created or arise until all legal documentation has been fully executed on terms and conditions satisfactory to the solicitors for the City and BC Housing and approved and registered as required and agreed by the parties.

For BC Housing

For the City

Shayne Ramsey

Dr. Penny Ballem

Date:

Date:

Appendix A; Schedule

- Approval by BC Housing Executive Committee - May 11, 2011
- Approval by City Council - May 3, 2011
- Issuance of Development Permit - November 2011
- Issuance of Building Permit - May 2012
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END OF DOCUMENT

Memorandum of Understanding

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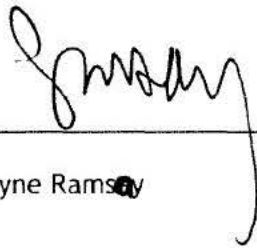
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For BC Housing



Shayne Ramsay

Date: MAY 17 2011

For the City



per

Dr. Penny Ballem

Date: MAY 20 2011

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