

To: His Worship Mayor Harrison and Council
Date: September 20, 2023
Subject: Community Shelter Lease
BC Housing and the Provincial Rental Housing Corporation
341 - 361 Fraser Avenue

MOTION FOR CONSIDERATION:

THAT: The Mayor and Corporate Officer be authorized to execute a lease at 341 - 361 Fraser Avenue N.W. (legally described as a portion of Parcel A, Block B, Section 14, Township 20, Range 10, West of the 6th. Meridian, KDYD Plan 1523, and a portion of Lot A, Section 14, Township 20, Range 10, West of the 6th. Meridian, KDYD Plan 38914) with the Provincial Rental Housing Corporation, for the purpose of constructing and operating a community shelter, as attached to the staff report dated September 20, 2023, subsequent to undertaking the required public notice pursuant to Sections 26 and 94 of the Community Charter.

BACKGROUND:

The process of community shelter design and construction at 341 - 361 Fraser Avenue N.W. is underway, with the target being to try and ensure that the shelter is open in time for the winter.

B.C Housing and the Provincial Rental Housing Corporation have submitted a lease to the City to accommodate the proposed shelter. A summary of the lease is as follows:

- Requires a nominal payment (\$10.00) or \$1.00 annually. BC Housing has a fixed budget for the project, and any amounts not expended on rent can be re-invested in site improvements.
- Requires payment of any property taxes, which are likely to be assessed once the lease is assigned to the operator. The likely assessment as "supportive housing" will yield a low assessment value.
- Allows for BC Housing to apply for a permissive tax exemption (which Council may or may not approve).
- Allows for BC Housing to construct the shelter building (within 180 days of signing the lease or the lease becomes void).
- Allows for 180 days following substantial completion of the building for landscaping and other improvements to be completed (which is reasonable given that the building will be complete in early winter and landscaping may not be possible until Spring 2024).
- Requires BC Housing to address any Builder's Liens that occur.

- Limits the use of the lease for a shelter to eligible occupants, who are homeless or at risk of homelessness.
- Allows for BC Housing to have a third party (in this case CMHA) manage the lease and the shelter building.
- Requires BC Housing or the operator to maintain the building and the lease area.
- Requires BC Housing to maintain adequate insurance.
- Provides for replacement of the building if it lost to fire or other damage.
- Provides for indemnification of the City against risks associated with the shelter and the lease.
- Provides for a 10 year lease with a possible 5 year extension, which BC Housing must notify the City of the intent to extend at least 30 days prior to the end of the 10 year period.
- Provides that within the extension period, the lease may be terminated with 180 days notice by the City, so that if the land is needed at that time, it can be reclaimed in relatively short order.
- Provides that at the end of the lease, BC Housing must remove the building and terminate any municipal services.

The proposed shelter site at 341-361 Fraser Avenue N.W. currently straddles two parcels of land that the City owns. A leasehold subdivision plan has been prepared by BC Housing to legally describe the area of land to which the lease will apply. It describes a "Lease Area A" and a "Lease Area B," to avoid a subdivision and consolidation of the current two parcels. The "Easement Area C" and "Easement Area D" describe the portion of widened road right of way that will allow access to the shelter.

Should Council be satisfied with the document, then staff can work with BC Housing to prepare a final lease document for execution by the Mayor and Corporate Officer. Any disposition requires public notification in accordance with the Community Charter. Staff would ensure that any public notices are issued prior to execution of a lease with BC Housing.



Gary Buxton
Director of Planning & Community Services

Appendix 1: Draft lease with Provincial Rental Housing Corporation for 341 -361 Fraser Avenue N.W.