

Appendix 4

Memorandum of Understanding

MEMORANDUM OF UNDERSTANDING
BC Housing Management Commission and the City of Surrey
Responding to Homelessness
March 31, 2008

1. Introduction and Purpose

On October 12th, 2007, Premier Campbell announced that the Province of British Columbia through the BC Housing Management Commission (*BC Housing*) would be funding the design, approvals, and other pre-construction work required for the development of supportive housing in several cities in the province. This memorandum sets out the proposed partnership between the City of Surrey and BC Housing to undertake this work with a view to securing construction starts for developments in the City of Surrey in 2008, on lands at 13775/95 - 70 Avenue and 13670 - 94A Avenue (the "Provincial Partnership Project"). It also includes the subsequent provision of additional supportive housing units on other sites in the City of Surrey.

2. Policy Context and Responding to Need

In 2004 the *Premier's Task Force on Homelessness, Mental Illness and Addictions* was created and in 2006 the Province announced its comprehensive housing strategy, *Housing Matters BC*. In 2007 BC Housing announced the expansion of the *Emergency Shelter Program and Supports* including Outreach services.

The province has contributed capital and operating funding to projects in Surrey that include "Hyland House" - 36 shelter beds, 20 transitional housing units and support services, and the acquisition of several other developments which include shelter and supportive housing developments. These developments report a high demand for their accommodation and support services.

Surrey has the second largest homeless population in Metro Vancouver. The Greater Vancouver Homeless Count conducted in March 2005 found 371 homeless people in Surrey, which is generally considered to be an under-representation of the actual number of homeless people. The 2001 census data identified 4,085 renter households in Surrey as being at-risk of homelessness (classified by CMHC as "in need and paying at least half of their income on housing" or INALH). Of Surrey's INALH renter households, 51% are families, 34% are non-family/non-seniors, and 15% are seniors.

Addressing homelessness and housing affordability issues is a priority as they are directly related to the social sustainability of the community. Surrey's Plan for the Social Well-Being of Surrey Residents, adopted by Council in February 2006, identifies key housing gaps that include an estimated need for additional: shelter beds

(125-150 beds); transitional and supportive housing units (500 units); and housing for low income families and singles (5,000 units).

The City of Surrey Crime Reduction Strategy, released in February 2007, also identifies housing as key component of the strategy and includes recommendations for: the establishment of a sobering centre; transitional and supportive housing; and homeless outreach workers.

The City of Surrey is proactively responding to the issue of homelessness. In September 2007, it committed its Affordable Housing Reserve Fund of over \$9 million to establish the Surrey Homelessness and Housing Fund. The City has also proposed to use City-owned land for the creation of affordable and supportive housing for people living in Surrey who are homeless or at-risk of homelessness.

3. Housing Priorities

Within this context, the City of Surrey and the Province of British Columbia through BC Housing will, in partnership with non-profit housing providers, facilitate the development of new housing developments and the acquisition and renovation of some existing housing stock in Surrey to accommodate the homeless and those at risk of homelessness who are living on Surrey's streets, in its shelters and in other at-risk circumstances.

4. The Projects

13670 – 94A Avenue the "Provincial Partnership Project Site"

Subject to Surrey Council approval, the City of Surrey will make available an approximately 2438 m² site to be developed with:

- a sobering centre (20 spaces);
- outreach addictions and mental health clinic;
- stabilization and transitional living residence (24-30 units); and
- supportive housing units (35-40 units).

Priority will be given to people who live in Surrey and require drug and alcohol treatment and rehabilitation and/or are homeless or at-risk of homelessness. The services and housing will be available to both men and women.

A non-profit Sponsor for the housing component of this project will be selected through an Expression of Interest that will be administered by BC Housing.

The City of Surrey has undertaken the soil assessment for the site and no further testing or remediation is required. The soils assessment reports will be provided to the Sponsor.

13775/95 - 70 Avenue

The City of Surrey will make available a site at 13775/95 - 70 Avenue for a new social housing project for single women with dependent children, who live in Surrey, and are at-risk of homelessness and/or in core housing need. The project will comprise approximately 36 self-contained supportive housing units. The building will have at-

grade parking with three storeys of housing above. It will include a community kitchen, space for meetings, community social events and resident support services, group laundry, and an outdoor play area and patio. An in-house Community Development Coordinator will assist residents to stabilize their lives and develop stronger financial, work and social skills.

The City of Surrey has undertaken the soil assessment for the site and no further testing is required. The soils assessment reports will be provided to the Sponsor.

The YWCA Vancouver has been selected as the Sponsor for this project conditional upon the submission of a satisfactory operating proposal to BC Housing and the execution of a lease satisfactory to the City of Surrey and BC Housing.

5. Eligible Tenants

Each project will target a specific homeless or at-risk population group or groups. Eligible tenants for the housing units at 13775 - 95 70 Avenue will be single mothers with dependent children who are homeless or in core housing need (having to pay more than 30% of their income to rent in the private market). Eligible tenants for the Provincial Partnership Project at 13670 - 94A Avenue will be people who are receiving addictions treatment services, as well as low-income singles that are homeless, at-risk of homelessness, or living in a shelter or SRO. Priority for both projects will be given to people living in Surrey. Any further agreements will incorporate provisions that this housing is for people living in Surrey who meet the other eligibility criteria.

6. Programming and Support Services

Tenants of the projects will be connected and referred by government or non-profit providers of social and health services. Programming and support services will be in place at the time of occupancy for each project. Support services are intended to be integrated and client-centred consistent with the direction of both the City of Surrey's Crime Reduction Strategy and Plan for the Social Well-Being of Surrey Residents and BC Housing's Emergency Shelter Program.

7. Building Program

New construction projects for individuals will generally consist of self contained studio units complete with a bathroom and basic kitchen. Units for families with children will contain separate bedrooms. The buildings will include common amenity and administration spaces to support the provision of services to residents. Where existing buildings are to remain for use, they will be upgraded to ensure that they meet the requirements of the BC Building Code and are safe, secure and energy efficient.

8. Sustainability

The Province of British Columbia is committed to sustainability. Accordingly, all new affordable housing funded by BC Housing will be carbon neutral and achieve LEED Gold Certification or equivalent as BC Housing may determine. Any existing building purchased to preserve or create supportive housing will be renovated to optimize its

energy efficiency. BC Housing's commitment to minimize Green House Gas emissions and to achieve LEED® Gold certification or equivalent is their initiative and is not a requirement of the City of Surrey.

9. Parking

Relaxation of parking requirements will be determined for each specific project and will be based on the needs of the residents to be housed in the project, number of support staff, and location of the site relative to transit services, all subject to Council approval. Parking for any other uses included in the projects will be provided in addition to the requirements for the social and supportive housing components.

10. Design, Program Development and Approvals Funding

BC Housing will pay all costs to design the projects through to the issuance of Development and Building Permits for each project. These costs will include all consultant fees and related disbursements.

11. Capital and Operating Funding

During the pre-construction and construction phase, BC Housing will arrange for capital funding for the projects. All appropriate project-related costs are included in the capital budget. Operating costs will also be arranged by BC Housing and the non-profit society (Sponsor). Contributors of funding to cover operating costs may include BC Housing and/or other funding partners.

12. Leases

City of Surrey will lease both the "Provincial Partnership Project" site and the site at 13775/95 70 Avenue to non-profit Sponsors, for a period of 60 years, for a consideration of \$10, but subject to the City of Surrey being satisfied as to the credibility of the non-profit Sponsor and the terms and conditions of the lease, acting reasonably. Included in the Lease is the right of the Provincial Rental Housing Corporation (PRHC) to assume the obligations of the non-profit Sponsor in the event of a default. In the case of a default, BC Housing, through the PRHC, will assign the remainder of the lease to another non-profit Sponsor for a consideration of \$10, subject to the City of Surrey being satisfied as to credibility of the non-profit sponsor, acting reasonably.

13. Development Cost Charges and Municipal Permit and Fees

The City of Surrey will waive or otherwise meet the following municipal fees and charges for the projects:

- Development Application Fee
- Engineering Processing Fee - Servicing Agreement
- Engineering Rates – Building Permit Review
- Balance of Building Permit Fee
- Surrey Development Cost Charges
- Damage Deposit

- NCP Amenity Contributions

14. Municipal Approvals

Applications for rezoning and development permit approval and any applications for variances to accommodate the projects **will** be undertaken by the selected Sponsor, all of which approvals are subject to City Council approval and are at the absolute discretion of City Council.

The City will appoint a City employee to ensure that the approval process for the projects through all City departments is expedited in a timely fashion. The individual will be responsible for facilitating the resolution of any issues that arise during the City's review and approval of the projects.

The City of Surrey will permit BC Housing, the non-profit Sponsor and Consultants to access the Provincial Partnership Project and YWCA Project sites in advance of the commencement of the lease for the purpose of due diligence and surveys, on condition that the sites are returned to the condition they were in prior to the due diligence and surveys. Demolition (if applicable), and construction mobilization will require an agreement with the City of Surrey that complies with the *Community Charter* and *Local Government Act*.

15. Property Taxes

The non-profit Sponsor for each project may choose each year to make application for a tax exemption for the respective project. Each year Council will review such application and decide whether an exemption will be granted for the project and if granted, whether it will be a partial or full exemption.

16. Soil Conditions

The City of Surrey has contracted an environmental consultant to review the Provincial Partnership Project Site at 13775/95 - 70 Avenue for soil contamination. The report that was the product of this contract indicates that there is no soil contamination on either site. The report will be made available to the selected Sponsor for each site. Despite the above, in the event that soil contamination is discovered, the City reserves the right to withdraw the site from further consideration or to remove any hazardous materials and remediate the site at its cost.

17. Consultants and Legal Counsel

BC Housing will contract with and pay for a team of consultants to undertake all necessary design, project management, construction review and administration and legal work for each project. BC Housing has selected the project managers to coordinate this work. Architects and related sub-consultants will be selected by the non-profit Sponsor(s) for the YWCA project. BC Housing has selected the architects and sub-consultants for the Provincial Partnership project.

18. Public Consultation

Public consultation will occur for the projects consistent with the City of Surrey's established policies and practices in relation to applications for rezoning and development permit approval.

19. Communications

BC Housing and the City of Surrey will make a joint announcement regarding this Memorandum of Understanding. The wording and format of this announcement must be agreeable to both parties before it is released.

For: BC Housing

For: the City of Surrey
