

**Memorandum of Understanding  
between  
BC Housing Management Commission (BC Housing) and  
the City of Abbotsford (the City)  
regarding the development of City-owned sites for social and  
supportive housing.**

**1. Introduction**

This Memorandum of Understanding sets out the proposed partnership between BC Housing and the City for the design, approvals, and preconstruction work required on the City's two (2) proposed sites (the Sites), with the intent that construction of the individual social and supportive housing (the Buildings) will proceed in 2009.

The City is the owner of the Sites and also responsible for regulating development in the city, including development of the Buildings. The City's ownership and regulatory roles are separate and independent, and, where relevant to this Memorandum of Understanding, are specifically identified. This MOU will form the basis of understanding related to the partnership between BC Housing and the City in developing the Buildings.

**2. Policy Context**

In September 2004 the Premier's Task Force on Homelessness, Mental Illness and Addictions was created "to develop innovative strategies to help people with addictions and mental illness move from temporary shelters to long-term, stable housing where their needs can be better met".

In October 2006, the Province of BC announced its comprehensive housing strategy, Housing Matters BC, which has as two of its six priorities that:

- "the homeless have access to stable housing with integrated support services, and
- BC's most vulnerable citizens receive priority for assistance".

**3. Housing Priorities**

According to the March 11<sup>th</sup> Fraser Valley Regional Homeless Count there are an estimated 235 homeless individuals living on the street or in shelters on any given night in the City of Abbotsford. Many of the homeless and those at risk of homelessness suffer from mental illness and/or substance abuse issues, and need safe, secure and affordable housing plus support services.

Abbotsford also has a considerable number of 'at-risk' of homelessness. In 2006 over 40% of all renters in Abbotsford spend more than 30% of their income on shelter and are considered 'at-risk' of homelessness. In addition as of August 2008 there are 130 households on the waiting list for subsidized housing. Families represent over half of those waiting for housing

The Buildings to be developed on the Sites will all be social and supportive housing that will accommodate the homeless and those at risk of homelessness. One building

will provide transitional second-stage housing and target women and children currently homeless or at risk of being homeless and requiring a supportive housing environment.

#### **4. Building Program**

The Apartment buildings will generally consist of a unit mix consistent with the requirements of the non-profit service providers, complete with a kitchen and bathroom. The Apartment buildings will range in size from 30+/- units to 50+/- units. They will include amenity spaces and administration offices. Residential and/or non-residential uses (commercial, retail and social services) may occupy the ground floors.

The buildings will provide a range of environments to accommodate the continuum of need including alcohol and drug free to low barrier environments.

For the apartment buildings, one third to one half of the units (the Supported Units) in each Building will be occupied by tenants (the Supported Tenants) connected to and referred by non-profit providers of social and health services to the mentally ill and/or addicted.

#### **5. Sustainability**

The Province is committed to achieving higher environmental standards, and BC Housing intends that all the apartment buildings be designed to be Green House Gas neutral and to achieve LEED® Gold certification or equivalent, as BC Housing may determine. 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 as regulator of development. The City's Development Services Department Group will work with BC Housing and the consultant teams to optimize the apartment buildings' sustainability as BC Housing may consider financially justifiable.

#### **6. Commercial, Including Non-Accessory Parking, and Retail Uses**

Commercial and/or retail uses may be required on the ground floor of some of the Projects because of their location in a shopping district or on a major arterial route. If so imposed by the City, the City as owner of the Sites will then be required to pay the cost of building the commercial and/or retail space including a proportionate share of the base building cost and the cost of the parking required for the commercial and/or retail space. (The commercial and retail space will be sub-leased to the City for the term of the lease for a nominal prepaid rent, and the City will operate the commercial and retail space as a financial investment.) The City will pay its portion of any shared expenses for operating the Projects that include commercial and/or retail space, but otherwise the residential and unrelated non-residential uses and spaces will be operated independently.

The City's Development Services Development will assign a project manager to work with the architects for the Projects that include commercial space on the design and specifications for the space, and City's approval, through this Department, of the design and specifications for the commercial space in a Project will be required prior to commencement of construction.

## **7. Parking**

Parking will be provided in accordance with the City's Zoning By-law. Recognising the parking requirements for proposed supportive housing are fewer than for a standard multi-family housing zone, variances may be necessary. Shared public and accessory parking may be considered to serve both the needs of the Buildings and public parking spaces.

## **8. Eligible Tenants**

Only households or individuals in core-need (having to pay more than 30% of their gross household income to rent a studio unit in the private market) will be eligible to move into the Buildings. Priority is to be given to households living in Abbotsford who are homeless, at risk of homelessness, or living in a downtown Shelter.

## **9. Rents**

Tenants on income assistance will pay a rent equal to the shelter allowance of income assistance. All other tenants will pay 30% of their gross household income for rent or the market rent of the unit whichever is less.

## **10. Building Operation**

Each Building will be operated by a non-profit housing society (the Sponsor) who will manage the building and the tenants (selection, tenant agreements, rent collection, eviction, etc.). For each building one or more non-profit provider of social or health services (the Service Provider) will be selected to support the Supported Tenants who are living with a mental illness, substance abuse, other illness or disability or any other problem that puts them at risk of homelessness. Only persons referred by and supported by the Service Provider will be eligible to move into a Supported Unit. The Sponsor and the Service Provider for a building may or may not be the same non-profit organization.

## **11. Selection of Sponsors**

BC Housing is undertaking a Request for Proposals to select the Sponsors. The Sponsors will be selected by BC Housing in partnership with the City of Abbotsford. The Sponsors will be expected to make a submission with a complete design build team. Once the Sponsors are selected they will take on the role of developers of the buildings including providing direction on building designs and programs, as well as assuming responsibility for the on-going management of the development team, including architects and builders. Each Sponsor will identify their representative who will participate in the development process. The Sponsors will provide a complete team to design and build the housing. The contractors will provide management services through the design development process, including costing advice and recommendations regarding construction efficiencies ('value engineering'), and will assist in ensuring that construction of the buildings can commence as soon as possible.

## **12. Sponsor and Service Provider Co-ordination**

BC Housing is developing a collaborative process and structure which will involve all providers of supportive housing in the Province in the development and co-ordination of client centred and community based supportive housing and associated services. The intent is to ensure the effective use of resources; a collective approach to wait lists, tenant selection and case management; the sharing of information, research, education and training; and a sector capacity to address common issues and concerns.

The Sponsors and Service Providers selected for the buildings will work collaboratively with BC Housing to develop and define the building and operational programs for all the Buildings with the intent to develop a co-ordinated and collaborative response to the needs of the homeless and those at risk of homelessness that the Buildings will serve.

## **13. Operational Staffing**

Funding will be provided to the Sponsors for 24 hours a day and 7 days a week staffing for each of the buildings. These positions will be employees of the Sponsor and they will manage the buildings and the residents in their capacity as tenants and not as clients of services. Their role will include connecting the tenants to services but they will not provide services to the tenants themselves.

## **14. Support Services**

Most of the services the tenants need, including the Supported Tenants, will be provided by community based non-profit service providers, including the Service Providers. These services will include education, training, job placement and other social services. The tenants will access these services either by going to the locations where the services are delivered or through outreach to the tenants in their homes.

The services provided on site will support the tenants to maximize their independence and their social integration, and may include assistance with basic life skills (budgeting, banking and housekeeping); help with personal crises; medication management; assistance with appointments; links to social, vocational and health services; training and education planning; and community participation.

## **15. Design and Program Development Funding**

BC Housing will pay all the costs to design the Buildings through to issuance of the Development and Building Permits for each building. These costs include the fees for the architects and their sub-consultants, permit fees, legal costs, survey and engineering costs, quantity surveying, etc.

## **16. Municipal Approvals**

Notwithstanding this Memorandum of Understanding, both BC Housing and the City of Abbotsford recognize that the City of Abbotsford retains the unfettered right to

approve or refuse the applications for OCP Amendment, rezoning or development permits or development variance permits for parking and other items for both new developments. The selected sponsors will undertake applications for the OCP Amendment, rezoning and development permits and variances for each proposed project.

The City will designate a City employee to ensure that the approval process through all City departments is expedited on a fast track basis. The individual will be responsible for facilitating the resolution of any issues within City Hall with regard to the approval process.

### **17. Funding for Construction, Operations and Services**

The BC Housing/City social and supportive housing partnership assumes that the Province and its other partners (the Federal Government, corporate and private donors, non-profit housing and service providers) will provide funding to build and operate the Buildings in 2009/2010. The funding will cover the cost to build the Buildings, and for the subsidies to operate the buildings and provide the non-clinical support services for the homeless and those at risk of homelessness e.g. the mentally ill and those suffering from addiction.

### **18. Leases**

The City as owner of the Sites will lease the Sites to the Sponsors for 60 years for a nominal prepaid rent. The lease for a Building will commence once the Building Permit has been issued, the construction financing is in place, and the contract to build the Building has been executed. The leases will require the Sponsors to maintain and repair the Buildings; pay all utilities, insurance, fees and taxes with the exception of City property taxes. As part of the lease the City will include an affordable housing covenant.

### **19. Property Taxes**

The City as owner of the Sites will, as a term of the lease, exempt each Building from City property taxes for the term of the lease as long as the Building continues to provide transitional supportive housing, operated on a not-for-profit basis, for the homeless and those at risk of homelessness, and as long as BC Housing continues to provide operating subsidies to the Building.

### **20. Access to the Sites**

Subject to the existing tenancies, the City as owner of the Sites will grant licenses to BC Housing and to the Sponsors, once the Sponsors have been selected, that will allow BC Housing and the Sponsors to have access to the Sites in advance of the commencement of the lease for the purpose of surveys, demolition, and construction mobilization.

## **21. Hazardous Materials**

If any buildings or structures exist on the land the City will undertake environmental assessments of the buildings on the Sites to determine if there are any hazardous materials e.g. asbestos that need to be removed. The City will pay the costs to remove any hazardous materials. The environmental assessment reports will be provided to the Sponsor and the recommendations incorporated into the demolition contracts which will be subject to the review and approval of the City as owner of the Sites. The City may decide to identify an alternative site if there are substantial costs associated with remediation.

## **22. Demolition**

The Sponsor will be responsible for demolishing and removing any existing improvements or structures including any hazardous materials in the buildings and any foundations located on the Sites. BC Housing will pay all costs for the demolition of any improvements located on the Sites and the removal of all debris, with the exception of any costs to remove hazardous materials.

## **23. Soils**

The City as owner of the Sites will be responsible for the costs of remediation any soil contamination on the Sites as required by the approving authorities for the development of the Buildings. In event of soil contamination, the City will pay all reasonable costs to remediate the site.

ESA reports, if applicable, will be provided to the Sponsor and the recommendations incorporated into the excavation contracts. The contracts for excavation of the Sites will be subject to the review and approval of the City as owner of the Sites. BC Housing and the Sponsor will work with the City to minimize the cost of remediation any soil contamination, including allowing for on-site remediation. The City may decide to identify an alternative site if the costs of remediation are excessive.

## **24. Underpinning Agreements**

The Buildings may require agreements with neighbouring property owners to allow underpinning of shoring required for excavation. The contractors selected for the Building will determine the extent of the shoring requirements. The contractor will be responsible for negotiating the agreements with the neighbouring property owners and will have the required agreements in place by the time the Building Permit is issued. BC Housing will pay all costs associated with securing the agreements. Any legal agreements will require the approval of the City's solicitors.

## **25. Development Permit Process**

BC Housing, the City as owner and regulator, the Sponsors and the consultant teams will work co-operatively to identify and address issues with the intent that the OCP and Rezoning requirements, Development and Building Permit applications can be expeditiously processed. The intention is for Development and Building Permits to be

approved and issued for the Buildings so that the Buildings can be under construction by 2009. All parties recognize that good communication, prompt responses, and complete documentation will be essential to achieve this schedule.

The Design Build team on behalf of the Sponsors will be the applicant for the OCP Amendment, Rezoning and Development and Building Permits required for the Buildings.

## 26. Operations Management Plan

Once a Sponsor and Service Provider(s) have been selected for a Building, they will develop a building and management program for review by the City as regulator of development and by the surrounding community that may be impacted by a Building. An Operations Management Plan (OMP) may be required for each Building as a condition of Development Permit approval. A separate OMP may be required for any lessee located in a Building.

Any OMP that may be required will be designed for each Building's specific program and neighbourhood context, but all will have the following in common:

- a Community Advisory Committee with representation from the nearby residents, businesses and institutions as well as representatives from the Sponsor and Service Providers, the funders of the Building and Service Providers, the local Police Department, and the City as owner, with a mandate to monitor the operations of the Building, identify and discuss issues, and make recommendations to the Sponsor and the Building funders;
- a dispute resolution process to resolve issues between neighbours, funders and sponsors that will include, as a final step in the appeal process, a show cause hearing to determine if the Sponsor's business license should be terminated;
- a 24 hour, 7 day a week, contact number for the Sponsor which neighbours and others can access if they wish to report concerns regarding the Building or activities in the neighbourhood; and
- a description of the building program, staffing model, the tenant profile and the Service Providers accessing the Supported Units in the Building. In the case of social service centres, the description of the program will include the hours of operation, the schedule of services and programs, and the profile of the clients of each service and program.

Where an OMP is required, it will be a condition of the Development Permit that the OMP be finalized and approved by the City as regulator prior to issuance of an occupancy permit.

## 27. Public Consultation

BC Housing and the City will work together jointly in delivery of any and all media releases and public information.

If this Memorandum of Understanding and the proposed City/Province partnership are approved by Council, the Building proposals will be processed in accordance with the City's Development and Building Permit processes.

BC Housing or The Sponsor will present the proposed Building for consideration at a public information meeting where the public will be able to speak to any issues or concerns they may have.

Neighbourhood and community responses as a result of the Public Information meeting will be received by the City and forwarded, with recommendations, to the Sponsor and BC Housing for consideration in development of the Buildings. BC Housing's website will provide information regarding the Buildings (design, program, etc.), and questions and answers which will be updated throughout the process.

## 28. Schedule

|   | <u>ESTIMATED<br/>DATE</u> |
|---|---------------------------|
| Site recommendations & MOU to Council;                                  | Aug 25, 2008              |
| MOU to City & BC Housing for signature                                  | Sept 29, 2008             |
| RFPs issued for Sponsors, Service Providers and contractors on website; | Oct 10, 2008              |
| Public Information Session;   | Oct 16, 2008              |
| RFP closes;   | Nov 20, 2008              |
| RFP evaluation meeting;   | Nov 27, 2009              |
| Selection of Sponsors, Service Providers and contractors for the Sites; | Dec 17, 2009              |
| Voluntary Public Consultation;  | Feb 16, 2009              |
| OCP , Rezoning and Development Permit Application Submissions;          | Mar 15, 2009              |
| Formal OCP Public Consultation;   | April 1, 2009             |
| Executive Committee Approval in Principle;                              | April 15, 2009            |
| Public Hearing  | June 15, 2009             |
| Approval of Funding to build and operate the Buildings;                 | June 15, 2009             |
| Council adoption of OCP and Zoning Bylaw amendments                     | June 30, 2009             |
| Council approval of Building lease terms, etc.;                         | July 15, 2009             |
| Approval of Building Permits;   | Aug 15, 2009              |
| Commencement of Construction for Buildings;                             | Sept 15, 2009             |
| Completion of Buildings;  | Oct 15, 2010              |

Please note that this schedule may be adjusted following a carefully developed City of Abbotsford internal schedule.

## 29. Site Summary

The total number of units in each Building is approximate only and is likely to change through the design development process. It is expected that some of the units will be occupied by tenants supported by providers of services to persons with a mental illness, addiction problem, street youth, and others in need of support. One third to one half of the units in either Building may be occupied by Supported Tenants. One of the Buildings may be developed as a low barrier model in which most or all of the tenants are supported by Service Providers. The other building will provide housing for women and children at risk of homelessness.

**30. Execution of MOU**

Once this Memorandum of Understanding has been approved by the City of Abbotsford Council, it will be presented to BC Housing and to the City of Abbotsford Mayor for signature. No legal rights or obligation shall be created or arise until BC Housing's Executive Committee and City Council have approved this Memorandum of Understanding and all legal documentation and financial obligations required to implement this Memorandum of Understanding and which will replace this Memorandum of Understanding has been fully executed on terms and conditions satisfactory to the solicitors for BC Housing and the City.

For the Province of British Columbia

For the City of Abbotsford

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September 29, 2008

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September 29, 2008

## Schedule A

### The Sites

- 1.) *2323 Emerson Street*
- 2.) *3106 Clearbrook Road*