Before
Wall Financial Corporation owned
288 East Hastings Street

After
PRHC and Wall Financial Owned
288 East Hasting Street

288 East Hastings Redevelopment
Overview

- Partnership between BC Housing and Wall Financial Corporation to redevelop site
- Three components:
  - Commercial (6,000 sq ft)
  - Non-market housing (104 units)
  - Market Rental housing (68 units)
- PRHC acquired site and owns throughout construction
- BC Housing to lend $39.5M for construction financing
Ownership Structure
- Completed Building

Wall Financial Corporation
Rental Component (68 units)
Floors 6 – 11

Provincial Rental Housing Corp.
Non-Market Component (104 units)
Floors 2 – 5

Provincial Rental Housing Corp.
Commercial Component (6,000 sq.ft.)
Letter of Intent – August 2015

• Wall would sell the property to PRHC (BC Housing’s land holding corporation) for cost plus holding costs
• BC Housing would finance the costs of the project ($39.5M)
• PRHC and Wall would enter into a Development Agreement for development of the site
Redevelopment Plan

• Development Agreement in place between BC Housing and Wall
• Redevelopment based on requirements of the DTES Local Area Development Plan
  • 60% social housing, 40% market housing
• Housing Agreement registered by the City of Vancouver stipulating rent levels:
  • Non-market component - income assistance rates (35 units @ $375 per month) and RGI based on Housing Income Limits (69 units up to $800 per month).
  • Market component rents based on the City of Vancouver’s Development Cost Levy (DCL) Bylaw – Studio:$1,242 per month; 1 Bed: $1,561 per month; 2 Bed: $1,972 per month
Timeline

- BC Housing approved Letter of Intent - August 2015
- Letter of Intent and Contract of Purchase and Sale signed - October 2015
- PRHC completed purchase of the site – March 1, 2016
- Demolition of existing building started - March 2016
- Construction commenced - May 2016
- Anticipated construction completion – February 2018
Development Agreement – February 2016

- Wall responsible for municipal approvals, design development and construction of the project
- Wall responsible for plans and specifications for development, capital budget and procurement of consultants and contractors
- Wall contracted as the Construction and Development Manager
- Wall would enter Cost Overrun Agreement to “cap” cost of the Commercial component and Non-market housing components, limiting the risk to PRHC and BC Housing
Development Agreement – February 2016

• Purchase price for the Rental Component based on a market rent appraisal
  • Any profit between cost of Rental component and purchase price will be shared equally between BC Housing and Wall; BC Housing to use any profit share to reduce cost of Non-market and/or Commercial components (conservative estimate $718K)
• Financing provided by BC Housing to PRHC at typical interest rate for affordable housing projects
• Roles and responsibilities of each party outlined, including dispute resolutions
## Financial Information – Capital Budget

<table>
<thead>
<tr>
<th>Estimated Gross Capital Budget</th>
<th>Market Rental</th>
<th>Non Market</th>
<th>Commercial</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Cost</td>
<td>$3,148,460</td>
<td>$2,516,360</td>
<td>$355,180</td>
<td>$6,020,000</td>
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<tr>
<td>Soft Cost</td>
<td>$3,193,412</td>
<td>$2,599,337</td>
<td>$363,201</td>
<td>$6,155,950</td>
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<tr>
<td>Hard Costs</td>
<td>$13,194,894</td>
<td>$10,764,904</td>
<td>$1,670,752</td>
<td>$25,630,550</td>
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<tr>
<td>Contingency</td>
<td>$906,098</td>
<td>$724,185</td>
<td>$102,218</td>
<td>$1,732,500</td>
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<tr>
<td>Total Project Costs</td>
<td>$20,442,863</td>
<td>$16,604,786</td>
<td>$2,491,351</td>
<td>$39,539,000</td>
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</tbody>
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## Financial Summary

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>(Cost/unit)</th>
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</thead>
<tbody>
<tr>
<td>Total Project Cost</td>
<td>$39,539,000</td>
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<tr>
<td>Sale of Market Units to Wall</td>
<td>21,161,354</td>
<td>$311,196</td>
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<tr>
<td>Net Cost of Non-market and commercial space</td>
<td>$18,377,646</td>
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<td>City of Vancouver Grant</td>
<td>1,040,000</td>
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<td>Take-out Financing</td>
<td>4,003,055</td>
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<td>Cost to BC Housing (PIAH grant)</td>
<td>$13,334,591</td>
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<tr>
<td>Exclude commercial space</td>
<td>2,491,351</td>
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<tr>
<td>Cost of non-market units</td>
<td>$10,843,240</td>
<td>$104,262</td>
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</table>
Demolition – March 2016
Questions