

288 / 292 East Hastings Street, Vancouver BC

172 unit redevelopment

Dan Maxwell, VP Corporate Services and CFO
BC Housing
March 28, 2017





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



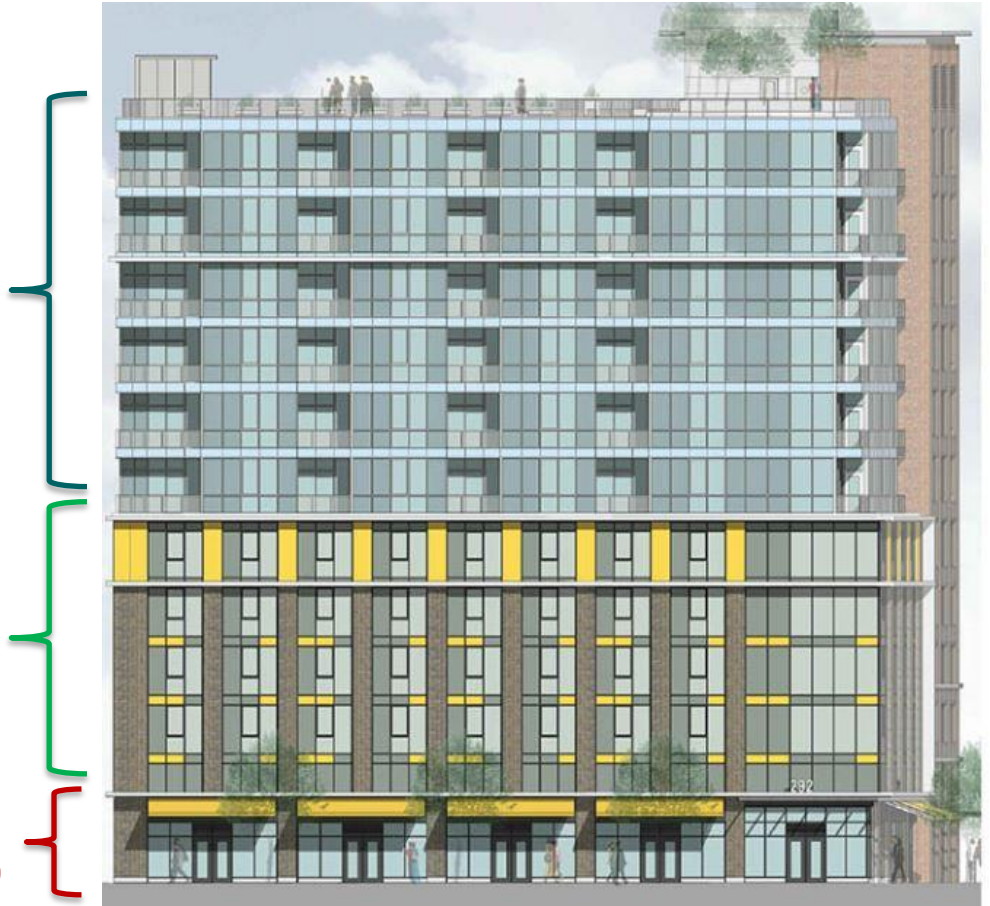
Ownership Structure

- 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

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



Financial Summary

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



Demolition – March 2016





Under Construction – March 2017





Questions

