

Memorandum of Understanding
between
BC Housing Management Commission (BC Housing) and
the City of Vancouver (the City)
regarding
the redevelopment of Little Mountain
dated for reference June 8, 2007

Introduction

On February 16, 2007, BC Housing, through the Provincial Rental Housing Corporation (PRHC), became the sole owner of Little Mountain. BC Housing wants to redevelop Little Mountain and would like the City to consider rezoning the site. This Memorandum of Understanding sets out the general objectives of BC Housing and the City with respect to the redevelopment.

Site

Little Mountain occupies 15.26 acres (664,725 sq. ft.) located east of Queen Elizabeth Park between 37th and 33rd Avenues, and between Ontario and Main Streets, with an address of 5299 Main St. It consists of a single parcel legally described as Parcel C (Reference Plan 3508) of District Lots 637 and 638 Group 1 New Westminster District PID: 002-546-787 (the Site).

Existing Social Housing

Little Mountain consists of 224 units of social housing (40 1-bedroom units, 92 2-bedroom units, 92 3-bedroom units). The total floor space is 178,136 sq. ft. The units were built in 1954 under Section 79 of the National Housing Act. BC Housing owns and manages the units. Approximately 197 units are currently occupied. All tenants must be in core-need and are charged rent geared to income.

Current Zoning

The Site is zoned RM-3A. RM-3A allows a maximum Floor Space Ratio (FSR) of 1.45 and a maximum height of 10.7 metres. The existing development has an FSR of 0.27. The zoning schedule for RM-3A is set out in the City's Zoning and Development By-law (By-law No. 3575).

The current RM-3A zoning provides for a base FSR of 1.0 and the potential to increase the FSR if parking is provided underground, site coverage is less than 50% and if site size exceeds 837 m² (9,000) sq. ft. Given the large consolidated ownership of the site, a density of 1.5 FSR should be achievable with good site planning and urban design. Depending on the dedications for street and lanes required to provide access to the redevelopment, a total floor space in the range of 800,000 sq. ft. to 900,000 sq. ft. should be possible under the current RM-3A zoning.

Riley Park/South Cambie Community Vision

On November 1, 2005, City Council approved the Riley Park/South Cambie Community Vision (RP/SC Vision). Little Mountain is within the RP/SC Vision area and many of the vision's directions are relevant to any future redevelopment of the Site. In addition, Little Mountain is one of several large sites for which specific Directions were considered (31.1, 31.2, 31.3 and 31.4):

- Direction 31.1 recommends that the number and mix of social housing units be maintained in any redevelopment of the site, that relocation assistance be provided to the tenants and that existing tenants have priority for the replacement social housing units.
- Direction 31.2 recommends that a mix of uses be considered, including retail and commercial uses along Main St. and limited institutional uses such as a seniors centre or childcare, subject to analysis of traffic, parking and other impacts.
- Direction 31.3 rejected any development higher than 4 storeys. Development over 4 storeys is not to be considered when additional planning occurs for the site.
- Direction 31.4 recommends that the northeast quadrant in the block bounded by 37th, Main, 33rd and Ontario that consists of properties not owned by BC Housing be included in any planning and rezoning of Little Mountain.

Redevelopment Potential

Little Mountain's buildings and infrastructure are obsolete, and the Site is underdeveloped. The City and BC Housing believe that a substantial increase in density and number of units can be accommodated, and that redevelopment of the Site should be considered. A comprehensive redevelopment may allow densities to be achieved that are greater than those allowed under the current zoning.

The City and BC Housing believe that redevelopment options that include buildings taller than 4 storeys should be considered as 4-storeys over the whole site may be suboptimal in terms of design, may limit the Site's potential to create a higher density liveable environment, and limit the capacity of the redevelopment to provide amenities to serve the new development and the surrounding neighbourhood. Both the City and BC Housing acknowledge that buildings taller than 4 storeys contradict the RP/SC Vision, but believe that buildings taller than 4 storeys in the Site's redevelopment should be considered.

Redevelopment Objectives

The City and BC Housing believe that the redevelopment of Little Mountain is an opportunity to:

- create a high quality, higher density, socially inclusive and environmentally sustainable community that will be an asset within the larger Riley Park neighbourhood;
- provide a range of housing options for Vancouver's growing and changing population; and
- generate funds that can be used by BC Housing to develop social, including supportive, housing in the city and in the rest of the province.

Replacement of Existing Social Housing

Whether the Site is rezoned or not, BC Housing will replace the existing 224 units of social housing on site of which at least 184 will be suitable for families with children. BC Housing will relocate the tenants during the redevelopment, and the tenants relocated due to the redevelopment will have priority for moving into the new social housing units that are appropriate to the size of their households. BC Housing will consult with the current tenants regarding the replacement social housing and the tenants' relocation while the site is being redeveloped.

Housing Mix

The City would normally apply its 20% affordable (social) housing requirement to a project of the size of Little Mountain. As BC Housing will be reinvesting all the proceeds from the redevelopment of Little Mountain in the development of social housing in city and the province, the City agrees to accept the 224 units of replacement housing as the social housing requirement for Little Mountain.

Demolition of Existing Buildings

The existing tenants will be relocated and the resulting vacant units will not be re-rented. As buildings become vacant, there is an increased risk of fire and vandalism. The City and BC Housing believe that the existing buildings should be demolished as soon as they become vacant. The City will provide demolition permits in advance of a Development Permit.

Selection of Developer

BC Housing wishes to partner with an experienced real estate developer who would lead the redevelopment of Little Mountain. BC Housing will be undertaking a Request for Proposals (RFP) to obtain a suitable development partner (the Developer). This Memorandum of Understanding will be provided to prospective developers.

The City will make itself available to meet with the prospective developers individually or collectively as BC Housing may request. Any information that the City may provide to any one prospective developer will be relayed to BC Housing who will ensure that information all prospective developers should have access to is made available to them.

Development Cost Levies

The City will reinvest all of the Development Cost Levies generated by the redevelopment of the Site into the development of the public amenities to serve the site and to address any service gaps in the immediate neighbourhood.

Investment of Sale Proceeds

BC Housing will invest all of the net proceeds from the sale of the Site (after the existing social housing is replaced on site) into the development of social housing

throughout the province. Half the net proceeds (after the existing social housing is replaced) will be invested in the City of Vancouver. The City of Vancouver will make sites available for nominal 60 year leases to BC Housing for the development of social housing in the city that will be funded from the net proceeds.

Schedule

Execution of Memorandum of Understanding	July 2007
Report to Council	July 2007
BC Housing Request for Proposals	Sept 2007
Selection of Developer	Fall 2007
Initiation of Planning Process	Fall 2007

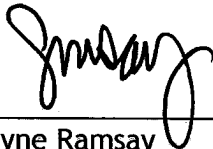
Conclusion

Upon execution of this Memorandum of Understanding by the City and BC Housing, it will be forwarded to Vancouver City Council and BC Housing's Executive Committee for approval.

No legal rights or obligations will arise or be created by the execution of this Memorandum of Understanding or by its approval by Vancouver City Council or by BC Housing's Executive Committee. Approval of this Memorandum of Understanding does not limit or compromise Vancouver City Council's ability or obligation to maintain an open mind at any Public Hearing at which a rezoning application for the Site is considered.

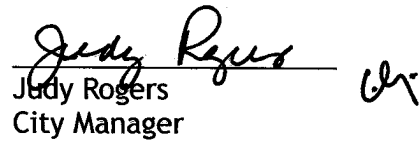
For BC Housing

For the City of Vancouver



Shayne Ramsay
Chief Executive Officer

July 17, 2007
Date



Judy Rogers
City Manager

July 16, 2007
Date