

Q - What can you tell us now about the sale of the Little Mountain property in Vancouver?

A Key Messages:

- The sale of the Little Mountain site to Holborn Properties completed in July 2013.
- Under the terms of the sales agreement with Holborn, over the development period the Province will receive proceeds comprised of cash and non-market housing of approximately \$300 million.
- Government is investing all of the net proceeds of the sale of the site into social housing projects across the province with 50% targeted for Vancouver.
- Holborn is required to provide 234 new social housing units on the Little Mountain site. Former residents of Little Mountain will have the first option to move back to a new subsidized housing unit as the social housing units are completed.

Background:

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- Little Mountain was sold to Holborn Properties in 2008 and is therefore outside the scope of the current Asset Sales process announced in Budget 2013.

s12

Harrison, Kerri FIN:EX

From: Dan Maxwell [DanMaxwell@bchousing.org]
Sent: Tuesday, July 2, 2013 4:34 PM
To: Harrison, Kerri FIN:EX
Subject: Little Mountain

Just confirming that the sale of Little mountain just completed and title was transferred to Holborn.

Dan Maxwell
Vice President, Corporate Services and
Chief Financial Officer
BC Housing
604 439 4756

Harrison, Kerri FIN:EX

From: Feulgen, Sabine FIN:EX
Sent: Tuesday, July 2, 2013 2:47 PM
To: Harrison, Kerri FIN:EX
Subject: Re: Little Mountain

Thanks.

Sabine Feulgen
Assistant Deputy Minister and Deputy Secretary to Treasury Board

Sabine.Feulgen@gov.bc.ca
f:250.356.5427

From: Harrison, Kerri FIN:EX
Sent: Tuesday, July 2, 2013 14:30 PM
To: Feulgen, Sabine FIN:EX
Subject: FW: Little Mountain

Confirmation re: accounting treatment.

Kerri Harrison

Executive Director
Treasury Board Staff
250-356-5900
Kerri.Harrison@gov.bc.ca

From: Dan Maxwell [<mailto:DanMaxwell@bchousing.org>]
Sent: Tuesday, July 2, 2013 2:29 PM
To: Harrison, Kerri FIN:EX
Cc: XT:Curry, Brian FIN:IN; XT:Iten, Jenn BCHM:IN
Subject: Re: Little Mountain

Kerri,

The sales price includes cash and housing units. We don't need to receive either to record the sale and the resulting gain. They are both recorded as receivables based upon the contractual commitment until such time as paid. There is really no difference between the cash portion and the housing portion as far as the receivable is concerned. The receivable is the asset we record at closing and later the receivable is replaced by cash and housing units on the balance sheet.

Hope this helps.

Dan Maxwell
Vice President, Corporate Services and
Chief Financial Officer
BC Housing

604 439 4756

Harrison, Kerri FIN:EX

From: Dan Maxwell [DanMaxwell@bchousing.org]
Sent: Wednesday, November 28, 2012 2:23 PM
To: Harrison, Kerri FIN:EX; Edwardson, Jamie GCPE:EX
Cc: Goggins, Nygil FIN:EX; XT:HLTH Ramsay, Shayne; Kathleen Vincent; XT:Rainboth, Sam
CSCD:IN; Fergus McCann
Subject: RE: little mountain follow up

All of the gain on sale from Little Mountain will be recorded when the sale completes next year.

In October 2012, we issued a press release saying "The BC Government is investing all of the net proceeds of sale of the site into social housing in the province, including more than \$300 million for more than 1,500 new housing units at 14 city owned sites in Vancouver. To date, six of these developments with over 550 new units have been completed, and eight other developments are under construction or in the planning stages."

Dan Maxwell, CA
Vice President of Corporate Services
and Chief Financial Officer
BC Housing
604 439 4756

From: Harrison, Kerri FIN:EX [mailto:Kerri.Harrison@gov.bc.ca]
Sent: November-28-12 2:11 PM
To: Edwardson, Jamie GCPE:EX; Dan Maxwell
Cc: Nygil Goggins
Subject: RE: little mountain follow up

Hi Jamie,
Dan will confirm but this level of detail is confidential until the sale has been completed.
Thanks

Kerri Harrison

Executive Director
Treasury Board Staff
250-356-5900
Kerri.Harrison@gov.bc.ca

From: Edwardson, Jamie GCPE:EX
Sent: Wednesday, November 28, 2012 2:04 PM
To: Harrison, Kerri FIN:EX; XT:Maxwell, Dan CAsE:IN
Cc: Goggins, Nygil FIN:EX
Subject: Re: little mountain follow up

And to be clear what she's looking for is the spending track - does the expense flow this year, next year, out years or a combo. Doesn't have to be specific, but a general sense is ok.

Thanks,

Jamie Edwardson
Director, Communication
Ministry of Finance | Province of British Columbia

Harrison, Kerri FIN:EX

From: Feulgen, Sabine FIN:EX
Sent: Tuesday, July 2, 2013 11:51 AM
To: Harrison, Kerri FIN:EX
Subject: RE: DRAFT - Little Mountain Info Bulletin (date of release TBD)

Sounds good. Thanks Kerri.

Sabine

phone: 250.356.5427
email: Sabine.Feulgen@gov.bc.ca

From: Harrison, Kerri FIN:EX
Sent: Tuesday, July 2, 2013 11:42 AM
To: Feulgen, Sabine FIN:EX
Subject: RE: DRAFT - Little Mountain Info Bulletin (date of release TBD)

Hi Sabine,

I can confirm with accounting treatment with BC Housing
based on my understanding you are correct.

s22

However

s12

Kerri Harrison

Executive Director
Treasury Board Staff
250-356-5900
Kerri.Harrison@gov.bc.ca

From: Feulgen, Sabine FIN:EX
Sent: Tuesday, July 2, 2013 10:59 AM
To: Harrison, Kerri FIN:EX; Dube, Jonathan FIN:EX
Subject: FW: DRAFT - Little Mountain Info Bulletin (date of release TBD)
Importance: High

Hi Kerri, Jon

Quick question. The sale includes cash and a commitment to build housing units for the province as I read it. So the net gain is based on cash proceeds and the value of an asset to be built in the future as part of a contractual obligation. So while the assets won't be on our books until some future date we are able to recognize the value today because it pertains to a contractual agreement?

Sabine

phone: 250.356.5427
email: Sabine.Feulgen@gov.bc.ca

From: Edwardson, Jamie GCPE:EX
Sent: Tuesday, July 2, 2013 10:19 AM
To: Milburn, Peter R FIN:EX; Feulgen, Sabine FIN:EX
Cc: Stewart, Janet GCPE:EX
Subject: FW: DRAFT - Little Mountain Info Bulletin (date of release TBD)
Importance: High

DRAFT material - release date TBD.

s13

Harrison, Kerri FIN:EX

From: Dan Maxwell [DanMaxwell@bchousing.org]
Sent: Wednesday, November 21, 2012 7:59 AM
To: Goggins, Nygil FIN:EX
Cc: Harrison, Kerri FIN:EX; XT:HLTH Ramsay, Shayne
Subject: RE: Little Mountain Amendment

Nygil,

We are able to report details as required to comply with law.

s13

s13

Dan Maxwell, CA
Vice President of Corporate Services
and Chief Financial Officer
BC Housing
604 439 4756

From: Goggins, Nygil FIN:EX [<mailto:Nygil.Goggins@gov.bc.ca>]
Sent: November-21-12 7:53 AM
To: Dan Maxwell
Cc: Harrison, Kerri FIN:EX
Subject: RE: Little Mountain Amendment

Dan,

Thanks for this. I have advised that details are confidential until the deal closes. Is this something that is negotiable with the proponent? Some of our exec were under the impression that we should be able to disclose the value based no experience with other projects.

As before, I will work to ensure that the sale value is not communicated in our quarterly reports.

Nygil

From: Dan Maxwell [<mailto:DanMaxwell@bchousing.org>]
Sent: Friday, November 16, 2012 3:15 PM
To: Goggins, Nygil FIN:EX
Cc: XT:HLTH Ramsay, Shayne; Vasey, Jeff OHCS:EX; XT:Curry, Brian FIN:IN; XT:Iten, Jennifer FIN:IN
Subject: Little Mountain Amendment

Nygil,

Could you please advise your colleagues that we successfully concluded negotiations last night on the amendments to the Little Mountain purchase and sale agreement.

s13, s17

s12

All terms of the sale remain confidential until the completion date so the information above should be kept on a need-to-know basis.

Dan Maxwell, CA
Vice President of Corporate Services
and Chief Financial Officer
BC Housing
604 439 4756

Harrison, Kerri FIN:EX

From: Goggins, Nygil FIN:EX
Sent: Friday, November 16, 2012 3:50 PM
To: Harrison, Kerri FIN:EX
Cc: Feulgen, Sabine FIN:EX
Subject: Fw: Little Mountain Amendment

FYI - negotiations concluded on Little Mountain.

I have not yet reviewed the terms.

From: Dan Maxwell [<mailto:DanMaxwell@bchousing.org>]
Sent: Friday, November 16, 2012 03:15 PM
To: Goggins, Nygil FIN:EX
Cc: XT:HLTH Ramsay, Shayne; Vasey, Jeff OHCS:EX; XT:Curry, Brian FIN:IN; XT:Iten, Jennifer FIN:IN
Subject: Little Mountain Amendment

Nygil,

s13, s17

s12

All terms of the sale remain confidential until the completion date so the information above should be kept on a need-to-know basis.

Dan Maxwell, CA
Vice President of Corporate Services
and Chief Financial Officer
BC Housing
604 439 4756

Harrison, Kerri FIN:EX

From: Epp, Don FIN:EX
Sent: Friday, November 2, 2012 2:17 PM
To: Harrison, Kerri FIN:EX
Subject: Little Mountain

BCHMC has revised the PRHC forecast to show the Little Mountain sale as occurring next year (2013/14).

Don Epp

Executive Director
Treasury Board Staff
Phone: (250) 387-9008

ADVICE TO MINISTER

CONFIDENTIAL ISSUES NOTE

Ministry of Energy, Mines and Natural Gas
and Minister Responsible for Housing
Date: Nov. 28/2012

Minister Responsible: Hon. Rich Coleman

Little Mountain – Provincial Budget Deficit Reference

KEY FACTS REGARDING THE ISSUE:

- The provincial Second Quarterly financial report released today has referenced the Little Mountain redevelopment as a contributing factor to the growth of the deficit: "The projected deficit for 2012-13 is \$1.47 billion, a \$328-million increase from the First Quarterly Report due primarily to the change in the completion date of the sale of the Little Mountain property."
- Previous forecasts targeted the sale for completion in 2012/13. The proponent, Holborn Properties, continues with the rezoning process with the City of Vancouver. Completion will take place once the rezoning process is complete.
- The Contract of Purchase and Sale between BC Housing/Provincial Rental Housing Corporation and Holborn contains a clause maintaining confidentiality of the sale price until rezoning is complete and ownership of the property is transferred.
- In comments to reporters today following release of the quarterly report, the Minister of Finance has stated the sale price remains confidential.
- The B.C. government, the City of Vancouver and Holborn Properties reached an agreement last month to allow up to 50 units to be built at on site before the completion of the rezoning process.
- As a result of this agreement, the four households still living on the site will be able to remain in their current units and then move directly into the newly constructed homes. These units will be the first housing to be built on the site, and is the first step towards the creation of 234 social housing units on the property.

ADVICE AND RECOMMENDED RESPONSE:

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Communications Contact: Seumas Gordon
Program Area Contact: Shayne Ramsay
File Location:

604-439-4789
604-439-4712

Ringma, Shalegh FIN:EX

From: Feulgen, Sabine FIN:EX
Sent: Wednesday, November 28, 2012 2:01 PM
To: Harrison, Kerri FIN:EX
Subject: Re: Q2

Thanks.

Sabine Feulgen

Treasury Board Staff
Ministry of Finance

Phone: 250.356.5427
Email: Sabine.Feulgen@gov.bc.ca

From: Harrison, Kerri FIN:EX
Sent: Wednesday, November 28, 2012 01:45 PM
To: Feulgen, Sabine FIN:EX
Subject: FW: Q2

s12

Kerri Harrison
Executive Director
Treasury Board Staff
250-356-5900
Kerri.Harrison@gov.bc.ca

From: Harrison, Kerri FIN:EX
Sent: Wednesday, November 28, 2012 1:03 PM
To: Feulgen, Sabine FIN:EX
Subject: FW: Q2

FYI

Kerri Harrison
Executive Director

Treasury Board Staff
250-356-5900
Kerri.Harrison@gov.bc.ca

From: Dan Maxwell [<mailto:DanMaxwell@bchousing.org>]
Sent: Wednesday, November 28, 2012 12:55 PM
To: Harrison, Kerri FIN:EX
Cc: Goggins, Nygil FIN:EX
Subject: RE: Q2

Kerri,

You're right we did review this messaging ... I reviewed it as well as others here.

s13

Dan Maxwell, CA
Vice President of Corporate Services
and Chief Financial Officer
BC Housing
604 439 4756

From: Harrison, Kerri FIN:EX [<mailto:Kerri.Harrison@gov.bc.ca>]
Sent: November-28-12 12:50 PM
To: Dan Maxwell
Cc: Nygil Goggins
Subject: Q2

Hi Dan

Attached is the Q&A on Little Mountain as discussed. The minister did advise the media that the terms of the agreement were confidential and Finance Communications staff provided a copy of the New Release issued by the ministry on Oct 25th.
Kind Regards,

Kerri Harrison

Executive Director
Treasury Board Staff
250-356-5900
Kerri.Harrison@gov.bc.ca

From: Goggins, Nygil FIN:EX
Sent: Friday, November 23, 2012 12:30 PM
To: Harrison, Kerri FIN:EX
Subject: RE: Q2- Q&A's

Hi Kerri,

With suggested changes. BC Housing has reviewed and proposed the language for the 3rd bullet. Let me know if anything else is required.

