

Chu, Timothy GCPE:EX

From: Chu, Timothy GCPE:EX
Sent: August 16, 2021 12:48 PM
To: Butler, Liam GCPE:EX; XT:Michaud, Deneka GCPE:IN; XT:Borghese, Matt GCPE:IN
Cc: Schollen, Tasha GCPE:EX
Subject: RE: Little Mountain IN

Hey Deneka,

Can you share us the package of documents? I think MO is curious about it as well.

Cheers,

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From: Butler, Liam GCPE:EX <Liam.Butler@gov.bc.ca>
Sent: August 16, 2021 11:26 AM
To: XT:Michaud, Deneka GCPE:IN <dmichaud@bchousing.org>; Chu, Timothy GCPE:EX <Timothy.Chu@gov.bc.ca>; XT:Borghese, Matt GCPE:IN <mborghese@bchousing.org>
Cc: Schollen, Tasha GCPE:EX <Tasha.Schollen@gov.bc.ca>
Subject: RE: Little Mountain IN

Thanks, Deneka.

From: Deneka Michaud <dmichaud@bchousing.org>
Sent: August 16, 2021 11:17 AM
To: Chu, Timothy GCPE:EX <Timothy.Chu@gov.bc.ca>; XT:Borghese, Matt GCPE:IN <mborghese@bchousing.org>
Cc: Schollen, Tasha GCPE:EX <Tasha.Schollen@gov.bc.ca>; Butler, Liam GCPE:EX <Liam.Butler@gov.bc.ca>
Subject: RE: Little Mountain IN

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Thanks, Tim. I started the ball rolling on getting a quote from Holborn, so will still grab that. And I will let them know that we will not be announcing now after all.

Attached is the IN we did in December. It gives some background on the FOI process to date and some KMs. I will dig through the actual release document to see if anything stands out that we need to prepare for.

From: Chu, Timothy GCPE:EX <Timothy.Chu@gov.bc.ca>
Sent: August 16, 2021 10:21 AM
To: Deneka Michaud <dmichaud@bchousing.org>; Matthew Borghese <mborghese@bchousing.org>
Cc: Schollen, Tasha GCPE:EX <Tasha.Schollen@gov.bc.ca>; Liam Butler <Liam.Butler@gov.bc.ca>
Subject: Little Mountain IN

Hey folks,

I think Adam is going to give direction to you folks, if that hasn't happened already, that the MOU announcement should be held until further notice.

However, the documents release can continue to proceed. Are you folks able to draft an IN based on the contents of the documents? And do you folks have the documents so that we can dig through to assess what we think media will focus on?

Cheers,

Tim Chu | 朱銘天
Communications Director
Ministry of Attorney General and Responsible for Housing
250-886-3077

ISSUES NOTE

Attorney General and Minister Responsible for
Housing

Date: December 6, 2020

**Vancouver: Little Mountain
Contract & Sale FOI**

ISSUE SUMMARY: A recent decision from the Office of the Information and Privacy Commissioner (OIPC), has ordered BC Housing to supply a FOI applicant with the contract for the sale of the Little Mountain social housing site. The third party, Holborn, has filed a petition for judicial review of this decision, which means the matter is still not resolved. BC Housing did not appeal the decision of the OIPC, and will release the records once legally able to do so.

RECOMMENDED RESPONSES:

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FOI REQUEST TIMELINE:

- Apr. 10, 2018 – BC Housing received FOI request from retired MLA.
- Apr. 26, 2018 – BC Housing sent the requested records (i.e., the agreement) to Holborn for consultation.
- May 25, 2018 – BC Housing received a response from Holborn requesting redactions.
- Jun. 8, 2018 – BC Housing sent a Notice of Decision to Holborn. BC Housing agreed that a number of their requested redactions would apply and be redacted, but not all.
- Jul. 9, 2019 – BC Housing received notice that Holborn had requested that the Office of the Information & Privacy Commissioner (OIPC) review BC Housing's decision.
- Feb. 25, 2019 – A severed copy of the agreement was provided to the requestors. (The OIPC review process includes mediation between the affected parties. As part of mediation, the OIPC adjudicator requested that BC Housing release the records and information that is not in dispute between BC Housing and Holborn. Both BC Housing and Holborn agreed.)
- Nov. 29, 2019 – BC Housing received a Notice of Inquiry from the OIPC regarding the file.
- Sep. 23, 2020 – the OIPC ordered BC Housing to supply the FOI applicant with the contract for the sale of the Little Mountain social housing site to Holborn by Nov. 5.
- Nov. 2, 2020: BC Housing Privacy Office confirms that Holborn has filed a petition for judicial review of the OIPC's order

CONFIDENTIAL ADVICE TO MINISTER

BACKGROUND:

- Little Mountain was the first public housing development in Vancouver. It was built by the federal government and had 37 separate building structures that consisted of 224 units of apartment and row houses covering the 15.27-acre site.
- BC Housing entered into an agreement for the sale of Little Mountain to Holborn Properties in 2008. The residents were relocated, and the buildings demolished.
- In 2007, BC Housing and the City of Vancouver entered into a Memorandum of Understanding committing that 50 per cent of the proceeds from Little Mountain would be reinvested in affordable housing within Vancouver and 50 per cent elsewhere in the province. The sale completed in July 2013 and an estimated transaction value of \$300 million, including both cash and replacement value of the social housing units.
- The plan is to replace the 224 public housing units that were at Little Mountain with a total of 282 new social housing units including 10 units for the Musqueam Nation. There will also be a 69-space childcare facility, a neighbourhood house, plus a public plaza and park. As part of the City of Vancouver's rezoning, BC Housing is responsible for 234 of the social housing units. The remaining units will be owned by the City of Vancouver.
- There is currently no construction activity happening on site, however, construction on building AC at 5185 Main Street is anticipated to begin in early December 2020. This building will be owned by BC Housing through PRHC and will provide 62 affordable rental units of housing for seniors and families.
- The proceeds from the redevelopment of Little Mountain were reinvested through a partnership with eight municipalities across the province resulting in the construction of 30 new supportive housing developments, all of which are now open. This includes a partnership with the City of Vancouver to build 13 new supportive housing developments. The proceeds also went towards seventeen additional supportive housing developments in following communities, including: Abbotsford (2), Campbell River (2), Kelowna (3), Maple Ridge (1), Nanaimo (4), Surrey (2), and Victoria (3).

Chu, Timothy GCPE:EX

From: Chu, Timothy GCPE:EX
Sent: August 23, 2021 6:17 PM
To: Harder, Derrick AG:EX; Dowler, Thea AG:EX
Cc: Schollen, Tasha GCPE:EX; Cox, Michael GCPE:EX; Budd, Sarah GCPE:EX
Subject: 6:16pm AG media request

1 AG Media Request

- Dan Fumano, Postmedia –Little Mountain documents– **due tonight (preferably by 7pm)**

Reporter:

Dan Fumano
Vancouver Sun | The Province
604.345.2485 | dfumano@postmedia.com

Deadline: EOD Tuesday August 23, 2021

Request:

I'm writing a story today about Holborn Properties discontinuing their legal challenge seeking to prevent BC Housing from disclosing the Little Mountain sales contract in compliance with the OIPC order from last year — the Notice of Discontinuance is attached.

Sorry to reach out so late in the day, but can you please call me if you have 5 minutes at 604 345-2485?

I'm wondering what will happen next — do we have any idea of how quickly BC Housing will be able to provide those records to the FOI applicants?

Suggested response:--BCH to provide background:

- Now that the legal challenge has been discontinued, the documents will be made available through our privacy office.

Tim Chu | 朱銘天
Communications Director
Ministry of Attorney General and Responsible for Housing
250-886-3077

Thanks, sounds good.

From: Grieve, Chandler GCPE:EX
Sent: July 19, 2019 2:34 PM
To: Kilpatrick, Melanie GCPE:EX <Melanie.Kilpatrick@gov.bc.ca>
Cc: Robb, Katie GCPE:EX <Katie.Robb@gov.bc.ca>; D'souza, Pamela GCPE:EX <Pamela.Dsouza@gov.bc.ca>; Harbord, Darren GCPE:EX <Darren.Harbord@gov.bc.ca>
Subject: RE: Little Mountain Responses - Vancouver Sun

I'll share our land sales media request response when we draft one on Monday

From: Kilpatrick, Melanie GCPE:EX
Sent: July 19, 2019 2:33 PM
To: Grieve, Chandler GCPE:EX <Chandler.Grieve@gov.bc.ca>
Cc: Robb, Katie GCPE:EX <Katie.Robb@gov.bc.ca>; D'souza, Pamela GCPE:EX <Pamela.Dsouza@gov.bc.ca>; Harbord, Darren GCPE:EX <Darren.Harbord@gov.bc.ca>
Subject: Little Mountain Responses - Vancouver Sun

Hi Chandler,

Passing on the recent responses to Vancouver Sun in regards to Little Mountain.

Little Mountain – BC Housing Response – July 12

Interim financing for the construction of the 234 non-market housing units was negotiated as part of the original sales contract. Interim construction financing is a loan that the developer must repay to BC Housing. In this case, the developer will also transfer the completed units to BC Housing. Holborn agreed to pay \$334 million for the purchase of the Little Mountain property. Payment will be through a combination of cash and the development of 234 non-market housing units.

Little Mountain – Minister Statement – July 10

"When the BC Liberals sold the Little Mountain site they took away government's control over this property and we are now dealing with a private land owner. The old government gave away the opportunity we had to use this land to build more affordable housing for people. This is what happens when you get rid of community assets like land – the community suffers. It is immensely frustrating to see people who have been hurt because of this choice the BC Liberals made, but I am encouraged to hear that additional urgently-needed social housing projects are finally expected to break ground early in the new year.

Our government understands that we are in a housing crisis and we will continue to invest in the mix of affordable housing that people need, in Vancouver and across the province."

In response to the development approvals question:

"Communities across BC have experienced challenges in the development approvals process, which has slowed the delivery of the housing. Ministry staff are wrapping up intensive stakeholder consultations on improvements to the development approval process so we can help deliver more homes for people. I

look forward to reviewing these ideas as we help develop a better, more efficient, and more effective development approval process.”

Little Mountain – BC Housing Response – July 12

Former Housing Minister Rich Coleman said there is a sunset clause in the purchase agreement with Holborn. ie, if the construction of the promised social housing isn't completed by a certain date, then the deal to buy the property could be rescinded. Coleman thought the date was in 2021. Are you able to confirm this for me?

The “sunset date” is December 31, 2031, which is the date that Holborn must pay any remaining balance of the purchase price to BC Housing, over and above their obligation to deliver 234 non-market housing units. There is no provision to rescind the sale.

Is BC Housing's 2018/19 annual report out yet? I'd like to see what the balance owing is now for Little Mountain. (At the end of fiscal 2017/18 it was \$239 million).

As of March 31, 2019, the net present value of the remaining expected future payments from Holborn for Little Mountain was \$233 million.

You told me last fall that Holborn will pay to build the 234 social housing units. But I understand BC Housing is loaning the money for this construction to Holborn, at the same terms as you provide to non-profit agencies. Is this accurate and, if so, why offer this lower interest-rate to a for-profit developer?

BC Housing is providing interim construction financing to Holborn for the construction of the non-market housing units. We charge all partners, both non- or for-profit, the same interest rate for interim construction financing for affordable housing projects. The rate is our cost of borrowing through the Province.

Last year, Rich Coleman told me the government/BC Housing pays for the social housing after Holborn builds it, although BC Housing denied that was true. I now see in the sales agreement (which was obtained through an FOI) that it appears government (via BC Housing) will be paying for those social housing units: "The transferor (Holborn) agrees to sell and PRHC (Provincial Rental Housing Corp/BC Housing) agrees to purchase the Non-market housing on the closing dates for the purchase price." Note to MO – BC Housing cannot find this section of the FOI. We've asked the reporter to provide us this section.

The contract clearly states that a portion of the purchase price is to be paid to BC Housing in the form of 234 non-market housing units (*see below).

I understand there was a sunset clause in the sales deal orchestrated by the Liberals, which potentially allows the sale to be rescinded if Holborn doesn't get the social housing built by a certain time, possibly by 2021. Since Holborn still owes the province \$240 million for the land, is this an option — kill this deal and find a new buyer?

There is no option to collapse the sale.

*Page 55 of the contract of purchase and sale:

*Page 58

Update on non-market housing:

234 non-market housing units are completed, in municipal approvals or in development on the Little Mountain site. This includes:

- 53 units: completed in 2014.
- 62 units: the project is in the development permit approval stage with the city.
- 70 units: the project is in design stage and will be submitted for a development permit by the end of this year.
- 49 units: this project is in early concept development.

The Province, in partnership with the City of Vancouver, has also opened 46 temporary modular housing units on the site in October 2018. In addition, 48 non-market units are in the preliminary design stage and will be submitted for a development permit in the next couple of months and will be owned and operated by the City of Vancouver.

Let me know if you need anything else.

Cheers,

Melanie Kilpatrick | Media Relations
Ministry of Municipal Affairs and Housing
P: 778-698-9176 | C: 250-920-6388

<p>CONFIDENTIAL ISSUES NOTE</p> <p>Ministry of Municipal Affairs and Housing Date: Nov. 10, 2020 Minister Responsible:</p>	<p>Little Mountain</p>
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ADVICE AND RECOMMENDED RESPONSE:

- **I understand the community's concern. It's immensely frustrating that there hasn't been more progress at the site.**
- **I understand a building permit has been issued for the next phase of social housing, so I'm hopeful construction will start soon.**
- **BC Housing continues to work closely with the City and the developer throughout this process.**
- **We will continue to invest in the mix of affordable housing that people need, in Vancouver and across the province.**

If asked about FOI regarding Little Mountain contract:

- **It would be inappropriate for me to comment as this matter is currently before the court.**

KEY FACTS:

On Sept. 23, 2020, the Office of the Information and Privacy Commissioner ordered BC Housing to supply an FOI applicant with the contract for the sale of the Little Mountain social housing site to Holborn Properties (developer) by Nov. 5, 2020. Holborn appealed the order and the matter is currently before BC Supreme Court.

The Little Mountain redevelopment in Vancouver has experienced significant delays. Since work began on the site in fall 2009, only one new building – a 53-unit project for seniors – has been completed.

The Province, in partnership with the City of Vancouver, also opened 46 temporary supportive housing units on the site in October 2018.

As of Nov. 10, 2020, there is no construction activity happening on site; however, construction on a 63-unit project for families and seniors (city-owned building) is anticipated to begin in early 2021.

Background:

Little Mountain was the first public housing development in Vancouver. It was built by the federal government and had 37 separate building structures which consisted of 224 units of apartment and row houses covering the 15.27-acre site.

BC Housing entered into an agreement for the sale of Little Mountain to Holborn Properties in 2008. The residents were relocated, and the buildings demolished.

In 2007, BC Housing and the City of Vancouver entered into an MOU committing that 50% of the proceeds from Little Mountain would be reinvested in affordable housing within Vancouver and 50% elsewhere in the province. The sale completed in July 2013, with an estimated transaction value of \$300 million, including both cash and replacement value of the social housing units.

The plan is to replace the 224 public housing units that were at Little Mountain with a total of 282 new social housing units including 10 units for the Musqueam Nation. The site will also include 1,400 units of market housing, a 69-space child-care facility, a neighbourhood house, a public plaza and park. As part of the City of Vancouver's rezoning, BC Housing is responsible for 234 of the social housing units. The remaining units will be owned by the City of Vancouver.

The proceeds from the redevelopment were reinvested through a partnership with eight municipalities across the province resulting in the construction of 30 new supportive housing developments, including 13 developments in Vancouver. All of the new supportive housing developments are open and supporting people in need across the province.

Media Interest: Local media have consistently followed the development of this project. Latest article: <https://vancouversun.com/news/local-news/little-mountain-developer-is-fighting-taxes-and-transparency-but-still-not-building-social-housing>

Communications:	Darren Harbord	250 882-8518
Program:	BC Housing	