

Hirji, Keivan MNGD:EX

From: Woolley, Paul GCPE:EX
Sent: Wednesday, March 15, 2017 11:02 AM
To: Myers, Tobie A MNGD:EX
Cc: Diacu, Raz MNGD:EX; Hirji, Keivan MNGD:EX
Subject: FW: Updated KMs - Wall Financial / Jubille House
Attachments: KM_BCH_Jubilee House_Brenhill Development_March_15_2017.docx; KM_BCH_Wall Financial Housing Project_March_15_2017.docx

Updates - Keivan has hard copies.

From: Harbord, Darren GCPE:EX
Sent: Wednesday, March 15, 2017 10:59 AM
To: Woolley, Paul GCPE:EX
Cc: Ash, Christine GCPE:EX; Byers, Lindsay GCPE:EX
Subject: Updated KMs - Wall Financial / Jubille House

Updated bullets highlighted.

Darren Harbord
Government Communications and Public Engagement
Ministry of Natural Gas Development and
Responsible for Housing
250 952-0152 / 250 882-8518 (cell)

JUBILEE HOUSE – BRENHILL DEVELOPMENT

Topic: Numerous questions have been asked regarding the role of BC Housing in a land swap deal between the City of Vancouver and Brenhill Development. The transaction included construction of the new Jubilee House, which provides 162 units of affordable housing.

- This is another example of an innovative partnership between BC Housing, the City of Vancouver and the private sector to secure affordable rental housing in downtown Vancouver.
- BC Housing provided interim financing directly to the developer for the construction of the project in the form of a CMHC-insured mortgage. The loan has since been repaid.
- The 127 Society has a pre-paid lease with the City of Vancouver for the land.
- Low-income individuals and families now have access to 162 units of housing at below market rates.
- Now that the new Jubilee House at Richards Street is completed, Brenhill is building a private market condominium project at 508 Helmcken Street.
- Contrary to allegations made in Question Period, BC Housing has never had any involvement in this development.
- In the case of land exchanges, there is nothing to tender. BC Housing partnered with Brenhill because it owned land that was desirable for social housing.

March 15, 2017

s.13

March 15, 2017

Background:

In 2013, the City of Vancouver, Brenhill Development, 127 Housing Society and BC Housing established a partnership to build 162 new units of affordable rental housing to replace 87 units of obsolete housing at the aging Jubilee building located at 508 Helmcken St.

The 162 unit low-income housing units were constructed by Brenhill at 1099 Richards St.

The land and building are owned by the City of Vancouver and leased to 127 Housing Society for 60 years at below market rental rates.

As a result, all of 87 of the households at the old Helmcken site moved across the street into brand new units at 1099 Richards St. Another 20 of the units are allocated to previously homeless individuals from the Quality Inn transitional housing site operated by the City of Vancouver. The remaining 55 units are rented at below market rates.

BC Housing provided a \$40 million loan to construct the 162 new, below-market-rent units at the Richards Street site. The loan was secured by a mortgage on the Helmcken site. The \$36 million mortgage was for six months at government's borrowing rate.

During the construction, Brenhill asked BC Housing to extend the mortgage term on Helmcken for an additional six months and BC Housing agreed, with interest to be paid at market rates.

BC Housing has no further involvement in the project and 162 low-income individuals and families now have access to housing at below market rates.

Diacu, Raz MNGD:EX

From: Woolley, Paul GCPE:EX
Sent: Tuesday, March 14, 2017 8:54 AM
To: Myers, Tobie A MNGD:EX; Diacu, Raz MNGD:EX; Hirji, Keivan MNGD:EX
Subject: KM_BCH_Jubilee House_Brenhill Development_March_14_2017
Attachments: KM_BCH_Jubilee House_Brenhill Development_March_14_2017.docx

Update....

JUBILEE HOUSE – BRENHILL DEVELOPMENT

Topic: On July 6, 2016, the City of Vancouver, in partnership with the Province, announced the official opening of the new Jubilee House, which provides 162 units of housing. Media have been asking about BC Housing's role in helping to finance the project.

- This is another example of an innovative partnership between BC Housing, the City of Vancouver and the private sector to secure affordable rental housing in downtown Vancouver.
- BC Housing provided interim financing directly to the developer for the construction of the project in the form of a CMHC-insured mortgage. The loan has since been repaid.
- The 127 Society has a pre-paid lease with the City of Vancouver for the land.
- BC Housing has no further involvement in the project and 162 low-income individuals and families now have access to housing at below market rates.
- Now that the new Jubilee House at Richards Street is completed, Brenhill is building a private market condominium project at 508 Helmcken Street.
- Contrary to allegations made in Question Period, BC Housing has never had any involvement in this development.

March 14, 2017

Background:

In 2011, the City of Vancouver, Brenhill Development, 127 Housing Society and BC Housing established a partnership to build 162 new units of affordable rental housing to replace 87 units of obsolete housing at the aging Jubilee building located at 508 Helmcken St.

The 162 unit low-income housing units at the new Jubilee House were constructed by Brenhill at 1099 Richards St.

The units are owned by the City of Vancouver and leased to the 127 Housing Society for 60 years at below market rental rates.

As a result, all of 87 of the households at the old Helmcken site moved across the street into brand new units at 1099 Richards St. Another 20 of the units are allocated to previously homeless individuals from the Quality Inn transitional housing site operated by the City of Vancouver. The remaining 55 units are rented at below market rates.

BC Housing provided a \$40 million loan to construct the 162 new, below market rent units at the Richards St. site. The loan was secured by a mortgage that has since been repaid.

BC Housing has no further involvement in the project and 162 low-income individuals and families now have access to housing at below market rates.

Now that the Richards St. project is completed, Brenhill is building a private market condominium project at 508 Helmcken St. BC Housing has never had any involvement in this development.

Diacu, Raz MNGD:EX

From: Woolley, Paul GCPE:EX
Sent: Monday, March 13, 2017 10:12 AM
To: Myers, Tobie A MNGD:EX
Cc: Diacu, Raz MNGD:EX; Hirji, Keivan MNGD:EX
Subject: FW: KM_BCH_Jubilee House_March_13_2017.docx
Attachments: KM_BCH_Jubilee House_March_13_2017.docx

For review

From: Harbord, Darren GCPE:EX
Sent: Monday, March 13, 2017 10:07 AM
To: Woolley, Paul GCPE:EX
Cc: Ash, Christine GCPE:EX; Byers, Lindsay GCPE:EX
Subject: KM_BCH_Jubilee House_March_13_2017.docx

Paul, here's our KM on Jubilee House.

JUBILEE HOUSE

Topic: On July 6, 2016, the City of Vancouver, in partnership with the Province, announced the official opening of the new Jubilee House, which provides 162 units of housing. Media have been asking about BC Housing's role in helping to finance the project.

- This project is the result of a unique partnership between the public and private sector to address the need for affordable and supportive housing in Downtown Vancouver.
- BC Housing provided interim financing directly to the developer for the construction of the project in the form of a CMHC-insured mortgage.
- The 127 Society has a pre-paid lease with the City of Vancouver for the land.

March 13, 2017

Background:

The New Jubilee house is located at 1099 Richards Street, across the street from the original Jubilee House, which opened in 1986 at 508 Helmcken Street. Replacing the original Jubilee House, the building offers a mix of 116 studios and 46 one-bedroom homes.

The project is part of a land exchange agreement signed in January 2013 between the City of Vancouver and Brenhill Developments Limited.

As part of the agreement, which was signed in January 2013, Brenhill committed to building 162 social and affordable housing units (New Jubilee House) on its land at 1099 Richards Street and to transfer ownership to the City upon completion. In exchange, the City gave land at 508 Helmcken Street (the site of the original Jubilee House) to Brenhill.

The City invested \$30.6 million to the project through Community Amenity Contributions and the land exchange agreement with Brenhill Developments Ltd.

The Government of B.C. provided \$39 million in interim construction financing for the project.

ISSUES NOTE Ministry of Natural Gas Development & Housing Date: March 14, 2017 Minister: Hon. Rich Coleman	New Jubilee House and Brenhill Development
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ISSUE SUMMARY: Numerous questions have been asked regarding the role of BC Housing in a land swap deal between the City of Vancouver and Brenhill Development. The transaction involved relocating 87 existing and obsolete units of social housing operated by the 127 Society from a city-owned site (508 Helmcken) across the street to a Brenhill owned site at 1099 Richards. In return for the land swap, Brenhill would redevelop 162 new social housing units and return them to the City, free and clear as part of the developer's required community amenity contribution (CAC) on the Richards site. Brenhill's market redevelopment on Helmcken was subject to a successful rezoning process and development has yet to begin.

RECOMMENDED RESPONSES:

- **The land swap was an innovative and complex partnership to preserve and redevelop social housing in the city of Vancouver. The developer traded the land on Richards and re-built the social housing at that location in return for access to a preferred city-owned location to build a market/luxury development.**
- **BC Housing did not subsidize the for-profit development. BC Housing provided low interest financing of \$39 million for the developer to construct the New Jubilee House and a brief period of transition following the construction during which time the non-profit society could fully tenant the building and be financially viable.**
- **Now that the Richards Street project is completed, Brenhill is building a private market condominium project at 508 Helmcken. Contrary to allegations made in Question Period, BC Housing has never had any involvement in this development.**
- **BC Housing, under the Community Partnerships Initiative, can provide interim construction financing to both non profits and private market developers for the construction of affordable housing, which could include new construction and the purchase of existing buildings to preserve affordability. Interim financing may be approved up to 100% of the construction cost to complete the affordable housing project.**

KEY FACTS AND BACKGROUND:

- In 2011, an innovative partnership between the City of Vancouver, Brenhill Development, and 127 Housing Society for the redevelopment of an affordable housing project was conceived. BC Housing was requested to partner to build 162 units of social/affordable rental housing to replace the aging Jubilee House, made up of 87 obsolete units.
- In the Spring of 2013, BC Housing confirmed to the City that they would partner with Brenhill and 127 Society under the Community Partnerships Initiative, to assist in the financing of the project.
- The transaction involved a land swap between the City and Brenhill for the sites at 508 Helmcken Street (City-owned) and 1099 Richards Street (Brenhill-owned). It meant Brenhill would trade their land and build a brand new non-market project containing 162 units. The land would be owned by the City and leased for 60 years to 127 Society.

- The land at 508 Helmcken Street (site of the original Jubilee House) is being developed by Brenhill into luxury condominiums, including 200 market condos and 119 secured market rental units.
- BC Housing required Brenhill to secure the \$39m loan to build the social/affordable housing by registering the loan against Brenhill's entitlement to the land at 508 Helmcken. This is a prudent and customary lending practice in the public interest.
- The condition of the lease between the City and 127 Society required a payment from the 127 Society of up to \$10.2 million dollars. This is not part of the \$39m construction loan. Until the lease between the 127 Society and the City was finalized, the land exchange between Brenhill and the City could not take place.
- After the new Jubilee House was completed, there was a the six-month period on the outstanding loan, which required Brenhill to make repayments with interest, This allowed tenants from the old Jubilee House, to move into the new units which would then facilitate meeting the requirements of the City Lease. This in turn facilitated the land exchange.
- This six month period also allowed the 127 Society to create the cash flow to debt service the loan from BC Housing for the City Lease.
- This six-month period also allowed Brenhill to complete any identified construction deficiencies, and resolve any warranty items at the New Jubilee House.
- All 87 households at the old site have moved across the street into brand new units at the New Jubilee House at 1099 Richards Street. Another 20 of the units are allocated to previously homeless individuals from the Quality Inn transitional housing site operated by the City of Vancouver. The remaining 55 units are rented at below market rates.
- BC Housing's \$39m low interest loan to Brenhill enabled the developer to cost effectively complete the construction of this building, and secure the affordability of the units.
- The BC Housing construction loan of \$39.1 million was fully repaid as of February 28, 2017, and the mortgage discharged against 508 Helmcken St, Vancouver.
- BC Housing has entered into a CPI Operating Agreement with the 127 Society at the New Jubilee House for 162 low-income rental units for individuals and families at below market rates.
- Brenhill Developments Limited handed over the New Jubilee House affordable housing project to the City in July 2016. The City has entered into a 60-year lease and operating agreement on the property with 127 Society.

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- Now that the new Jubilee House at Richards Street is completed, Brenhill is building a private market condominium project at 508 Helmcken Street.
- Contrary to allegations made in Question Period, BC Housing has never had any involvement in this development.
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