



## BRIEFING NOTE FOR DECISION

**Date:** June 4, 2018

**Prepared For:** Honourable Selina Robinson, Minister of Municipal Affairs and Housing

**Title:** Regulations for Housing Needs Reports Legislation

**Issue:** Seeking approval to proceed with development of regulations to support the new Housing Needs Reports legislation.

### RECOMMENDED OPTION:

- **OPTION 1: Proceed now to develop regulations to support the Housing Needs Reports legislation.**

### BACKGROUND:

The Local Government Statutes (Housing Needs Reports) Amendment Act, 2018, S.B.C. 2018, c. 20 received Royal Assent on May 17, 2018. It amends the *Local Government Act* and *Vancouver Charter* to require local governments, at least every five years, to:

- collect information necessary to identify current and projected housing needs;
- use that information to prepare and publish online a report showing current and projected housing needs for at least the next five years; and
- consider the most recently collected information and report when amending community and regional plans.

The intent of the legislation is to strengthen the ability of local governments to understand what kinds of housing are most needed in their communities, and where. Housing needs reports will help ensure that local policies, plans, and development decisions that relate to housing are based on recent evidence and responsive to current and future needs.

The legislation provides regulation-making authorities for the Lieutenant Governor in Council to:

- exempt local governments and/or areas of local governments from the requirements;
- address the nature, level of detail and type of information that must be collected;
- prescribe the time periods for which the information must be collected;
- prescribe the format of housing needs reports;
- prescribe the type of housing units;
- prescribe when a previously exempt local government must receive a housing needs report;
- vary requirements according to different local governments or classes of local governments, areas, circumstances, matters or other things;
- prescribe criteria related to the transitional provisions; and
- bring legislation provisions into force by regulations.



## DISCUSSION:

Thoughtful development and implementation of regulations is essential to achieving the intent of the legislation, while responding to the different contexts and capacities of local governments across B.C. In particular, in determining the scope of information collected, the format of housing needs reports, any variations in requirements between local governments, and any exemptions, the regulations should aim to strike a good balance between ensuring robust housing needs reports and recognizing local government capacity and information challenges.

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Development of the regulations will also inform the creation of guidance material for local governments and help develop the parameters of the approved \$5M funding program intended to help local governments collect housing-related information and prepare housing needs reports.

## FINANCIAL IMPLICATIONS:

- None

**OPTION 1: Proceed now to develop regulations to support the Housing Needs Reports legislation.**

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# **RECOMMENDATION: Option 1**

**APPROVED** (recommended option) / NOT APPROVED

Honourable Selina Robinson

June 4, 2018

Date

## **PREPARED BY:**

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## **APPROVED BY:**

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Jacqueline Dawes, Deputy Minister

## **DATE APPROVED:**

June 4, 2018

June 4, 2018



## BRIEFING NOTE FOR INFORMATION

**Date:** June 8, 2018  
**Prepared For:** Honourable Selina Robinson, Minister of Municipal Affairs and Housing  
**Title:** Haisla Nation Housing  
**Issue:** s.13,s.16  
**Meeting With:** Chief Crystal Smith, Haisla Nation on June 13, 2018

### SUMMARY:

- The Haisla Nation would like to meet the Minister to discuss s.13,s.16  
s.13,s.16
- As part of *Budget 2018* and the *Homes for B.C.: A 30-Point Plan for Housing Affordability in British Columbia*, the Province announced that it will invest \$734 million over the next 10 years to build and provide 1,500 new units of housing including transition houses, safe homes, second-stage and independent rental housing.

### BACKGROUND:

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### DISCUSSION:

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**APPROVED BY:**

Shayne Ramsay, CEO  
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Jacqueline Dawes, Deputy Minister

**DATE APPROVED:**

\_\_\_\_\_  
June 7, 2018

\_\_\_\_\_  
June 8, 2018



## BRIEFING NOTE FOR DECISION

**Date:** June 19, 2018

**Prepared For:** Honourable Selina Robinson, Minister of Municipal Affairs and Housing

**Title:** Long-Term Residential Leaseholder Protection

**Issue:** Long-term residential leaseholders are not protected under legislation and have contracts with building owners governed by common law. Building costs are passed on to leaseholders, which is becoming an increasingly difficult issue as the buildings age.

### RECOMMENDED OPTION:

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### BACKGROUND:

Long-term residential leases have characteristics of both ownership and rental tenancy, and differ from land leases. The leaseholder purchase right to occupy a unit for the duration of the lease.

Most leasehold buildings were created in the early 1970s under 99-year contracts. They represent about 2,600 units in 20 buildings located in the West End of Vancouver, James Bay (Victoria), Richmond and Surrey.

Most of the leasehold buildings, if not all, appear to be owned by one Edmonton-based businesswoman under multiple subsidiary companies. She inherited the leasehold buildings from her father after his death in 1996. He owned several rental buildings and created the 99-year lease contracts at a time when new rental regulation policy was being introduced and conversions to freehold strata condominiums were limited.

A recent influx of letters from long-term residential leaseholders to their MLAs in Vancouver and Victoria, as well as the Ministry, has led to a review of their concerns and possible policy responses. This is not the first time these issues have been raised or the policy reviewed.

Long-term leaseholders are not protected under the *Strata Property Act* or the *Residential Tenancy Act*. They have private contracts with building owners, governed by common law and the courts.

Ongoing disputes between leaseholders and building owners are centered on fairness and transparency of costs to maintain the properties. Leaseholders want owners to bear some costs for capital repairs and share more information about needed repairs and contracted work. Building owners say that by contract all costs are passed on to the leaseholders and information shared is at their discretion. See Appendix 1: Conflict perspective – leaseholders and owners

Contracts for leasehold buildings are the same or similar. The leaseholder purchases tenancy for 99-years, or the remainder thereof, and agrees to pay maintenance and operating fees. The building owner retains ownership of the property, manages it and agrees to facilitate the maintenance of the property.

The contract language does not detail what constitutes reasonable costs charged to leaseholders and what rights they have to transparency in the financial operation of the building.



***Previous government consideration/action:***

In 2003 and 2006, Ministry and Canada Mortgage and Housing Corporation research about life and long-term leases identified ongoing issues through consultation and provided recommendations (legislation, representation, education).

Actions to date to address leasehold issues include:

1. Changes to the *Real Estate Development Marketing Act* requiring disclosure statements for the development of leasehold buildings.
2. Increased education for real estate agents on selling long-term leasehold property.
3. An informative government website relating the risks to potential buyers.

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**DISCUSSION:**

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**FINANCIAL IMPLICATIONS:**

- None



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**RECOMMENDATION:**

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**APPROVED (recommended option) / NOT APPROVED**

A handwritten signature in black ink, appearing to read "Selina Robinson".

Honourable Selina Robinson

July 26, 2018

Date



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### Appendices & Hyperlink: (3)

1. **Conflict Perspective – Leaseholders and Owners**
2. **Consultation Summaries**
3. <https://www2.gov.bc.ca/gov/content/housing-tenancy/buying-and-selling/long-term-residential-leases>

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Jacqueline Dawes, Deputy Minister

#### DATE APPROVED:

Trudy Rotgans OBO  
June 18, 2018

June 19, 2018



## Appendix 1: Conflict Perspective – Leaseholders and Owners

### • The leaseholders' perspective

- Leaseholders say the contracts are unfair because they do not clearly distinguish what costs can be passed on from building owners in regards to capital repairs and remediation, and there is no transparency for the charges.
- Leaseholders acknowledge that by contract they are obligated to pay operating expenses that include “all other expenses paid or payable by the Lessor in connection with the Building, the common property therein or the Lands” but dispute the interpretation of being charged for all improvements without input or access to building assessments or work quotes.
- Many leaseholders feel some capital costs should be borne by the building owners and request increased transparency of costs and repairs.
- Leaseholders say efforts to increase transparency under the lease through the courts have not been successful.
- In an ongoing court case, one leaseholder is objecting to the building owner’s attempts to charge its legal fees in a dispute with the leaseholders (over transparency of costs) back to the leaseholders as “operating costs.” In June, 2018, the owner sent all leaseholders in the building a bill to cover these costs amounting to over \$400,000.
- The leaseholders feel they should have legislated protection and rights for this form of tenancy. Many want increased transparency of costs, the ability to collect contingency funds and provide input to the building owners. Currently, only one building has a management board with such provisions—the building owner must consider the board’s advice but does not have to follow it.
- They are concerned that with the aging of the buildings the issues and hardships will worsen. Some cite the tripling of operating fees in recent years and special assessments in the tens of thousands of dollars.
- Such cost increases pose difficulties for leaseholders who may be on fixed incomes or who did not anticipate the possibility of such costs under the leasehold arrangement.

### • The owner's perspective

- Building owners interpret the contract as stipulating that all capital and maintenance costs are to be passed on to the leaseholders.
- When these disputes have gone to court, rulings often uphold this interpretation of the contracts. Ministry staff are not aware of any court disputes in which the contract was not upheld.
- The leasehold buildings are now in their 40s and require more maintenance and substantive repairs and renewal.
- The owners see their contractual obligation as ensuring the buildings are in good condition and managed well.



- They point out that it is the leaseholders that benefit directly from the increases in resale value, comfort and operating cost savings that repairs and improvements bring.
- Building owners say they do not make any money on leasehold properties after the initial sale for the duration of the lease. Since the buildings do not generate any ongoing income, other than the management fee, proper maintenance and repair depends on being able to bill the leaseholders for all work done.
- Building owners acknowledge disputes with leaseholders and multiple requests for information are a problem.
- The building owners appear to provide advance notice of impending costs. They also make additional information available for inspection by the leaseholders in their offices, but object to the cost of distributing more detailed information to every leaseholder as well as to what they see as second-guessing of their asset management decisions.



## Appendix 2: Consultation Summaries

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### 2. *Residential Tenancy Act (RTA) and Strata Property Act:*

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The RTA does not apply to any tenancies longer than 20 years.

There are other tenancies outside these acts and not covered by specific legislation: Student housing, float homes, life leases, supportive housing and transition houses.

There is legislation created to govern unique forms of tenure like residential leases, such as the *Manufactured Home Park Tenancy Act*.

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### 4. Leaseholder:

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there are at least two organized groups of leaseholders trying to raise awareness about the issues and lobby government through letters and a petition. s.13

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## BRIEFING NOTE FOR INFORMATION

**Date:** June 29, 2018

**Prepared For:** Honourable Selina Robinson, Minister of Municipal Affairs and Housing

**Title:** Woodwynn Farms

**Issue:** BC Housing has purchased Woodwynn Farms; sale will be a matter of public record as of July 11, 2018

**Meeting With:** Adam Olsen, MLA, and Green Caucus Staff on July 3, 2018.

### SUMMARY:

- **The Province has purchased Woodwynn Farms; BC Housing will work with the District of Central Saanich to develop a long-term plan for operating this agricultural property and to identify a vision for the future.**
- **We appreciate the agricultural and historic importance of this farm to the surrounding community and will operate it in compliance with its' Agricultural Land Reserve (ALR) designation and associate land use bylaws.**

### BACKGROUND:

The origins of Woodwynn Farm date back to pioneer Angus MacPhail of the Hudson's Bay Company, who built a cabin there in 1854. In recent years, Woodwynn Farms has operated as a therapeutic community for the homeless on the 193-acre non-certified organic farm. Participants were offered an opportunity to change their lives through work and education programs based on responsibility, dignity, independence and the principles of peer-to-peer help. Program funding came from donations and revenue from produce sales.

#### Chronology of events

On June 30, 2014, the District of Central Saanich filed a Notice of Civil Claim against the Creating Homefulness Society with the Supreme Court of British Columbia, with subsequent Response to Civil Claim, Counterclaim, and Response to Counterclaim filed. The initial Notice was filed for violation of the District's Land Use Bylaw, contravention of the District's building bylaw and BC Building Code, and lack of thistle management. BC Housing will work with the District to resolve these issues.

In April 2017, the Creating Homefulness Society requested funding from BC Housing for the cost of operations and infrastructure upgrades such as electrical, septic, and roofing. BC Housing informally expressed willingness to provide a capital grant to construct tiny houses and refurbish existing farmhouses.

On November 9, 2017, the Agricultural Land Commission (ALC) denied the Creating Homefulness Society's proposal to construct housing on two acres of the property. The 193-acre property is designated for agricultural use which limits activities deemed non-agricultural.

Without the approval for additional housing, the Society had difficulty achieving their program and financial objectives, and was unable to continue with the program.

On December 13, 2017, the District of Saanich posted 'No Occupancy' orders on trailers due to safety concerns and lack of proper plumbing and heating.

On January 23, 2018, Minister Judy Darcy and staff from the Ministry of Municipal Affairs and Housing and Ministry of Agriculture met with the Creating Homefulness Society to discuss this issue.



In February 2018, media reported Richard LeBlanc filed an affidavit with the B.C. Supreme Court asking for an extension on the foreclosure action for the property. On March 6, 2018, a foreclosure hearing took place.

The sale of the property to BC Housing will allow the debt to be paid and foreclosure to be avoided.

#### **DISCUSSION:**

BC Housing has purchased Woodwynn Farms at 7779 West Saanich Road, Saanichton. The second subject removal date was June 22, 2018, and completion is scheduled for July 11, 2018.

A capital budget of \$6,908,530 was approved to purchase the site from the Provincial Investment in Affordable Housing fund. This includes \$5,800,000 for the purchase of the land; and renovations, fees, and soft costs of \$1,108,530.

The purchase provides the opportunity to explore partnerships with the municipality and local community-based organizations for the agricultural use of this property for therapeutic community purposes.

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#### **MAINTENANCE PLANS:**

There are outstanding issues on the property including non-compliant land use, some buildings without appropriate permits, and ongoing thistle management that need to be resolved. BC Housing will work with the District to bring the property back into compliance.

BC Housing has already taken action on several issues including cutting thistles and requesting that the Creating Homefulness Society remove the recreation vehicles from the property.

In the short term (1 year), BC Housing will use a farm manager to directly oversee the farm.

#### **ALC DECISION:**

The property remains in the ALR, and is zoned A-1 in the District's Land Use Bylaws. BC Housing will comply with the Land Use Bylaws and not permit additional housing on the property.

The ALC is an administrative tribunal and makes independent land use decisions within the ALR.

Any questions about specific applications or decisions should be addressed to the ALC.

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#### **DATE APPROVED:**

June 28, 2018

June 28, 2018





## BRIEFING NOTE FOR INFORMATION

**Date:** June 26, 2018

**Prepared For:** Honourable Selina Robinson, Minister of Municipal Affairs and Housing

**Title:** Vancouver Rent Bank

**Issue:** To determine how the Province may be able to assist with the Network of Inner City Community Services Society's long-term goals

**Meeting With:** Caitlin Quinn, Manager of Lending Programs, Vancouver Rent Bank on July 3, 2018.

### SUMMARY:

- **Vancouver Rent Bank (VRB) is operated through the Network of Inner City Community Services Society (NICCSS).**
- **They are wanting to meet to determine how the Province might assist them in achieving some of their long-term goals.**
- **BC Housing has never formally funded VRB.**

### BACKGROUND:

NICCSS is a consortium of community based organizations, resident groups and consumer groups who work together in the coordination and delivery of services to children and families and individuals. Their programs are all focused towards Vancouver's inner-city population, addressing gaps in existing social services for residents in these neighbourhoods.

The range of services that they provide include early childhood development, youth and family support, seniors' support and social enterprise projects. Their programs frequently involve a number of community organizations working collaboratively together to address issues affecting the community on many levels.

VRB is a short-term funding source that is available to families and individuals that live in the City of Vancouver, who are at risk of eviction or at risk of essential utility disconnection due to a temporary shortage of funds.

VRB can provide a security deposit if current housing is deemed unsafe or unsustainable. In addition, they provide low income individuals with the tools to better manage their limited financial resources.

### DISCUSSION:

VRB included a stats sheet (Attachment 1) with their request that included recent University of BC research results that reflect 29 percent of the VRB's loan recipients identify as Indigenous. It is possible that VRB is hoping to qualify for funding through the recent Indigenous Housing Fund that would support the work they do in the inner city.

During external stakeholder discussions which focused on priorities for the Homelessness Action Plan external stakeholders have highlighted the role rent banks can play in preventing homelessness.

### Attachments: (1)

1. Vancouver Rent Bank Statistics Sheet



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**DATE APPROVED:**

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June 26, 2018

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June 26, 2018



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## **Attachment #1: Vancouver Rent Bank Statistics Sheet**

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