



Corporate Report

NO: R184

COUNCIL DATE: September 11, 2006

REGULAR COUNCIL

TO: Mayor & Council DATE: August 31, 2006
FROM: General Manager, Engineering FILE: 0930-30/085
SUBJECT: Assignment of an Existing Non-Profit Housing Prepaid Lease
of City-owned Lands at 17445 - 57 Avenue

RECOMMENDATION

The Engineering Department recommends that Council approve the assignment of a prepaid lease presently held by LTD Homes Society (LTD) (registered under BL136320 dated April 21, 1997) to the Affordable Housing Charitable Association (Affordable HCA).

BACKGROUND

In July 1994 Council approved a 60 year lease to Columbia Housing Advisory Association (Columbia) for the development of an affordable housing project under the BC Housing Management Commission's (BC Housing) social housing proposal call at the time. Council approval was granted on the understanding that the site would be rezoned from RF (Single Family Residential Zone) to RM-30 (Multiple Residential 30 Zone) to allow for the development of 61 housing units. This approval was contained within Council Resolution 942478. Columbia was unable to commence work on the project. Therefore, Council Report S898 considered on November 25, 1996 authorized the amendment of the 1994 Council Resolution (942478) and approved that the lease to Columbia be amended and that LTD would take the place of Columbia for a prepaid 60 year lease of City land. The 61 unit housing project was subsequently completed, and the land lease with LTD commenced on January 6, 1997 and ends on January 6, 2057.

DISCUSSION

On January 18, 2006, staff of BC Housing advised the City that it had invited a request for proposals for the leasehold management of all of LTD's 11 buildings located in the Lower Mainland. All of these 11 projects are funded through BC Housing's non-profit housing program. Of the 11 leased housing projects, four are located in Surrey. One of these projects is located upon City of Surrey owned lands and held under a 60 year prepaid lease, with the lease being registered in favour of LTD.

On February 1, 2006, City staff responded to the January 18, 2006 notification letter from BC Housing requesting that they not commit to any assignment of the existing City lease until such time as the matter had first been reviewed and approved by City Council.

The City is now in receipt of a letter dated August 10, 2006 from BC Housing (copy attached). This letter advises the City that BC Housing has now completed its evaluation of proposals and recommends that Affordable HCA take over the operation of nine of the 11 LTD properties, including the site located at 17445 - 57 Avenue in Surrey.

Affordable HCA and its related societies have been in existence, providing low income housing in BC for 24 years. Should Council approve of the recommendation, then pursuant to the Community Charter, a notice of the proposed lease amendment will be published in the local paper.

CONCLUSION

BC Housing staff recommend the assignment of the lease to Affordable HCA, subject of course to the City granting its approval for the assignment of the lease. BC Housing states in their August 10, 2006 letter, "They have every confidence that Affordable Housing has the capability of managing this housing complex and, in fact, nine of LTD's 11 projects will be transferred to the Affordable Housing Association." City staff concur with this recommendation.

Paul Ham, P.Eng.
General Manager, Engineering

PH/WP/mpr/brb:rd

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Appendices

- I. Aerial Photo showing 17445 - 57 Avenue
- II. BC Housing's August 10, 2006 letter