



**METRO VANCOUVER HOUSING CORPORATION (MVHC)  
BOARD OF DIRECTORS**

**REGULAR BOARD MEETING  
Friday, November 25, 2016  
9:00 A.M.**

**2<sup>nd</sup> Floor Boardroom, 4330 Kingsway, Burnaby, British Columbia**

[Membership and Votes](#)

**A G E N D A<sup>1</sup>**

**A. ADOPTION OF THE AGENDA**

**1. November 25, 2016 Regular Meeting Agenda**

That the MVHC Board adopt the agenda for its regular meeting scheduled for November 25, 2016 as circulated.

**B. ADOPTION OF THE MINUTES**

**1. October 28, 2016 Regular Meeting Minutes**

That the MVHC Board adopt the minutes for its regular meeting held October 28, 2016 as circulated.

**C. DELEGATIONS**

**D. INVITED PRESENTATIONS**

**E. CONSENT AGENDA**

*Note: Directors may adopt in one motion all recommendations appearing on the Consent Agenda or, prior to the vote, request an item be removed from the Consent Agenda for debate or discussion, voting in opposition to a recommendation, or declaring a conflict of interest with an item.*

**1. HOUSING COMMITTEE REPORTS**

**1.1 Early Payout of Heather Place Mortgage**

That the MVHC Board approve the use of MVHC reserves for the early payout of the mortgage on the Heather Place property, located at 706-774 West 13th Avenue, Vancouver BC, having a legal description of PID 7043881 and 7043899, Lots B and C, Block 438, District Lot 526, Plan 19390, in the amount of \$536,000 including interest

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<sup>1</sup> Note: Recommendation is shown under each item, where applicable.

to maturity Vancouver BC, having a legal description of PID 7043881 and 7043899, Lots B and C, Block 438, District Lot 526, Plan 19390, in the amount of \$536,000 including interest to maturity.

**F. ITEMS REMOVED FROM THE CONSENT AGENDA**

**G. REPORTS NOT INCLUDED IN CONSENT AGENDA**

**H. MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN**

**I. OTHER BUSINESS**

**J. BUSINESS ARISING FROM DELEGATIONS**

**K. RESOLUTION TO CLOSE MEETING**

*Note: The Board must state by resolution the basis under section 90 of the Community Charter on which the meeting is being closed. If a member wishes to add an item, the basis must be included below.*

That the MVHC Board close its regular meeting scheduled for November 25, 2016 pursuant to the *Community Charter* provisions, Section 90 (1) (e) as follows:

“90 (1) A part of a board meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:  
(e) the acquisition, disposition or expropriation of land or improvements, if the board or committee considers that disclosure could reasonably be expected to harm the interests of the regional district.”

**L. RISE AND REPORT (Items Released from Closed Meeting)**

**M. ADJOURNMENT/CONCLUSION**

That the MVHC Board adjourn/conclude its regular meeting of November 25, 2016.

**METRO VANCOUVER HOUSING CORPORATION  
BOARD OF DIRECTORS**

Minutes of the Regular Meeting of the Metro Vancouver Housing Corporation (MVHC) Board of Directors held at 9:12 a.m. on Friday, October 28, 2016 in the 2<sup>nd</sup> Floor Boardroom, 4330 Kingsway, Burnaby, British Columbia.

**MEMBERS PRESENT:**

Port Coquitlam, Chair, Director Greg Moore  
 Vancouver, Vice Chair, Director Raymond Louie  
 Anmore, Director John McEwen  
 Belcarra, Director Ralph Drew  
 Bowen Island, Director Maureen Nicholson  
 Burnaby, Director Sav Dhaliwal  
 Burnaby, Director Colleen Jordan  
 Coquitlam, Director Craig Hodge  
 Coquitlam, Director Richard Stewart  
 Delta, Director Lois Jackson  
 Electoral Area A, Director Maria Harris  
 Langley City, Director Rudy Storteboom  
 Langley Township, Director Charlie Fox  
 Langley Township, Director Bob Long  
 Lions Bay, Director Karl Buhr  
 Maple Ridge, Director Nicole Read  
 New Westminster, Director Jonathan Coté  
 North Vancouver City, Director Darrell Mussatto  
 North Vancouver District, Director Richard Walton

Pitt Meadows, Director John Becker  
 Port Moody, Director Mike Clay  
 Richmond, Director Malcolm Brodie  
 (arrived at 9:13 a.m.)  
 Richmond, Director Harold Steves  
 Surrey, Director Bruce Hayne  
 Surrey, Director Linda Hepner  
 Surrey, Director Mary Martin  
 Surrey, Director Barbara Steele  
 Surrey, Director Judy Villeneuve  
 Vancouver, Director Heather Deal  
 Vancouver, Director Kerry Jang  
 Vancouver, Director Geoff Meggs  
 Vancouver, Director Andrea Reimer  
 Vancouver, Director Gregor Robertson  
 Vancouver, Director Tim Stevenson  
 West Vancouver, Director Michael Smith  
 White Rock, Director Wayne Baldwin

**MEMBERS ABSENT:**

Burnaby, Director Derek Corrigan

Tsawwassen, Director Bryce Williams

**STAFF PRESENT:**

Carol Mason, Chief Administrative Officer  
 Janis Knaupp, Assistant to Regional Committees, Board and Information Services  
 Chris Plagnol, Corporate Officer

**A. ADOPTION OF THE AGENDA**

**1. October 28, 2016 Regular Meeting Agenda**

**It was MOVED and SECONDED**

That the MVHC Board adopt the revised agenda for its regular meeting scheduled for October 28, 2016 as circulated.

**CARRIED**

**B. ADOPTION OF THE MINUTES**

1. **June 10, 2016 Regular Meeting Minutes**
2. **October 21, 2016 Metro Vancouver Joint Board Budget Workshop Minutes**

**It was MOVED and SECONDED**

That the MVHC Board adopt the minutes for its regular meeting held June 10, 2016 and the minutes for the Metro Vancouver Joint Board Budget Workshop held October 21, 2016 as circulated.

**CARRIED**

9:13 a.m. Director Brodie arrived at the meeting.

**C. DELEGATIONS**

No items presented.

**D. INVITED PRESENTATIONS**

No items presented.

**E. CONSENT AGENDA**

**It was MOVED and SECONDED**

That the Board adopt the recommendations contained in the following items presented in the October 28, 2016 MVHC Board Consent Agenda:

- 1.1 Payout of Heather Place Mortgage
- 1.2 Prepayment of Section 27 CMHC Debentures
- 2.1 2017 MVHC Budget

**CARRIED**

The items and recommendations referred to above are as follows:

**1.1 Payout of Heather Place Mortgage**

Report dated September 26, 2016 from Don Littleford, Director, Regional Housing, seeking MVHC Board authorization to pay out the *Heather Place* mortgage prior to maturity.

*Recommendation:*

That the MVHC Board authorize staff to pay out the existing CMHC mortgage 10 437 671 / 033 for the *Heather Place* property at 706-774 West 13th Avenue, Vancouver BC, having a legal description of PID 7043881 and 7043899, Lots B and C, Block 438, District Lot 526, Plan 19390, estimated to be \$600,887 as of October 1, 2016, plus the interest that would be paid to maturity of \$14,721, for a total of \$615,608 subject to confirmation of eligible reserve use under the Umbrella Agreement from BC Housing.

*Adopted on Consent*

**1.2 Prepayment of Section 27 CMHC Debentures**

Report dated September 28, 2016 from Dean Rear, Financial Planning and Operations Director, Financial Services, seeking MVHC approval for the MVHC to prepay the CMHC Section 27 debenture loans through new financing arrangements without penalty under the Federal Government's *Loan Repayment Program*.

*Recommendation:*

That the MVHC Board approves MVHC to apply to the Canada Mortgage Housing Corporation (CMHC) to prepay the Section 27 debentures and to obtain financing through GVRD, contingent on approval by the GVRD Board.

*Adopted on Consent*

**2.1 2017 MVHC Budget**

Report dated October 21, 2016 from Phil Trotsuk, Chief Financial Officer, seeking MVHC Board approval of the 2017 Revenue and Expenditure Budget, Capital Expenditures and Application of Reserves.

*Recommendation:*

That the MVHC Board approve the 2017 Revenue and Expenditure Budget, Capital Expenditures and Application of Reserves, as shown in the following schedules:

A1	Revenue and Expenditure Summary
A4	Application of Reserves
B16	2017 Revenue and Expenditure Budget
B17	2017 Capital Expenditures

*Adopted on Consent*

**F. ITEMS REMOVED FROM THE CONSENT AGENDA**

No items presented.

**G. REPORTS NOT INCLUDED IN CONSENT AGENDA**

No items presented.

**H. MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN**

No items presented.

**I. OTHER BUSINESS**

No items presented.

**J. BUSINESS ARISING FROM DELEGATIONS**

No items presented.

**K. RESOLUTION TO CLOSE MEETING**

**It was MOVED and SECONDED**

That the MVHC Board close its regular meeting scheduled for October 28, 2016 pursuant to the *Community Charter* provisions, Section 90 (1) (g) as follows:

“90 (1) A part of a board meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:  
(g) litigation or potential litigation affecting the regional district.”

**CARRIED**

**L. RISE AND REPORT (Items Released from Closed Meeting)**

No items presented.

**M. ADJOURNMENT/CONCLUSION**

**It was MOVED and SECONDED**

That the MVHC Board adjourn its regular meeting of October 28, 2016.

**CARRIED**

(Time: 9:13 a.m.)

CERTIFIED CORRECT

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Chris Plagnol, Corporate Officer

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Greg Moore, Chair

To: Housing Committee

From: Dean Rear, Director, Financial Planning and Operations

Date: November 8, 2016

Meeting Date: November 9, 2016

Subject: **Early Payout of the Heather Place Mortgage**

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### **RECOMMENDATION**

That the MVHC Board approve the use of MVHC reserves for the early payout of the mortgage on the Heather Place property, located at 706-774 West 13th Avenue, Vancouver BC, having a legal description of PID 7043881 and 7043899, Lots B and C, Block 438, District Lot 526, Plan 19390, in the amount of \$536,000 including interest to maturity.

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### **PURPOSE**

To seek MVHC board approval to use MVHC reserves for the early payout of the existing mortgage on the Heather Place property.

### **BACKGROUND**

On October 28, 2016, the MVHC Board approved the use of 2016 operating surpluses for the early payout of the CMHC mortgage on Heather Place. As these surpluses are from properties within the "*Umbrella Agreement with BC Housing*", direct approval from BC Housing is required to use such surpluses. BC Housing has since denied granting MVHC the necessary authority to use these surpluses.

The Heather Place project, Phase 1, to construct 67 units of rental housing, will start construction following the final approvals by the City of Vancouver. Part of the final approvals involves legal agreements, drafted by the City, which embody various terms and conditions required in granting the development approval. The City of Vancouver also, as part of this approval, requires these legal agreements to be registered as a charge against title to the Heather Place property in the first priority position. As the mortgage is registered in first priority position against title to the property, it must either be discharged through the mortgage maturity, be moved to a lower priority position charge against title or paid out early in order to meet the approval requirements of the City of Vancouver.

In October, the Housing Committee and MVHC Board were presented with a report on the alternative courses of action. As the City of Vancouver, consistent with all development requiring registered charges, is unwilling to register its charges in a lower position than the CMHC mortgage and waiting until mortgage maturity results in undesirable delays in the development, early payout of the mortgage was agreed appropriate.

This report will address alternative funding options for the early payout of the CMHC mortgage on the Heather Place property.

### **CMHC MORTGAGE ON HEATHER PLACE**

The principal of the CMHC mortgage on Heather Place, due to mature January 1, 2018, has a balance of approximately \$523,000 and has interest of approximately \$13,000 due through maturity. The early payout would be approximately \$536,000 including the balance of the principal and interest owing to maturity. There is no early payout penalty, however, the total interest owing will be paid early..

### **EARLY PAYOUT FUNDING OPTIONS**

The options for funding the early payout of the CMHC Mortgage on Heather Place are as follows:

1. Use of MVHC Reserves – Upon approval of the MVHC Board, the MVHC Reserves can be “borrowed” from and repaid from existing cash flows. The projected 2016 balance for these reserves is \$2.7 million and is sufficient for the purpose proposed. The total of \$536,000 which would be drawn from the reserves would be repaid back through cashflow generated from the Heather Place project. As the funding would be from MVHC sources, there would be no security registered on title, thus ensuring that the terms for the development permit proposed by the City of Vancouver can be met.
2. GVRD Internal Financing – The GVRD can provide MVHC with financing under its general corporate powers, under subsection 176(1)(c) of the *Local Government Act*, in that it “provides assistance for the purpose of benefiting the community or any aspect of the community”. The form of security would be a mortgage for the Heather Place property registered on title with the Land Titles Office in a position secondary to the charge required by the City of Vancouver as described above. This option would require additional approval by the GVRD Board and potentially add to the delays.

As this early payout is part of the development of Heather Place, the use of MVHC Reserves is the most expedient and cost effective way to pay out the existing mortgage and meet the requirements for the development permit set by the City of Vancouver. The amount borrowed from the reserves will be repaid as part of the overall financing of the project.

### **ALTERNATIVES**

1. That the MVHC Board approve the use of MVHC reserves for the early payout of the mortgage on the Heather Place property, located at 706-774 West 13th Avenue, Vancouver BC, having a legal description of PID 7043881 and 7043899, Lots B and C, Block 438, District Lot 526, Plan 19390, in the amount of \$536,000 including interest to maturity.
2. That the MVHC Board direct staff to request \$536,000 in financing from the GVRD for the early payout of the mortgage on the Heather Place property, located at 706-774 West 13th Avenue, Vancouver BC, having a legal description of PID 7043881 and 7043899, Lots B and C, Block 438, District Lot 526, Plan 19390.
3. That the MVHC Board receive the report titled “Early Payout of the Heather Place Mortgage” dated November 8th, 2016 and provide alternate direction.



**FINANCIAL IMPLICATIONS**

If Alternative one is approved, the \$536,000 will be funded from the existing MVHC reserves as part of the requirements of the re-development of Heather Place. This amount will be part of the overall financing of the project. This is the most expedient and financially effective way of meeting the requirements of the City of Vancouver. There are no additional costs related to mortgage payout and title registration.

Should alternate two be approved, a request will be made through the GVRD to provide the necessary funding for the early payout. If approved by the GVRD Board, an agreement will be drawn up between the GVRD and MVHC for the repayment of the financing. Financing through the GVRD will require formal repayment terms whereas the use of MVHC sources would merely be a component of the re-development financing. This alternative will result in the additional step of GVRD Board approval which may result in unfavourable delays.

Any delays in the commencement of the Heather Place Building A re-development extends the amount of time that the property continues to operate with reduced rental revenue from the vacant building to be redeveloped, approximately \$30,000/month, and ultimately delays the additional rental revenue expected from the new building upon completion.

Should alternative three be approved and alternate direction provided, the resulting financial impacts would have to be determined.

**SUMMARY / CONCLUSION**

To proceed with the Heather Place re-development, certain legal agreements required by the City of Vancouver must be registered in first priority position against the Heather Place property which requires that the existing CMHC mortgage on the property be repaid early.

As recommended under alternative one, funding from MVHC Reserves is the most expedient and cost effective way to pay out the existing mortgage and meet the requirements for the development permit set by the City of Vancouver.

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