



Minutes
Strata Leasehold Subcommittee (SLS)

Meeting Date: Wednesday, December 16, 2015, 7:00 – 9:00 pm

Location: Mariner Point Meeting Room, 1510 West 1st Avenue

Attendees: Robert Renger, Lisa May, Paul Ham, Jim Woodward, Cory Lake, Dennis McCann, Jerry Roy, Ralph Skinner, R. Hawrylko, Robert Boyd, Sucha Gil, Jaki Chantler, Peer-Daniel Krause, Mats Tholin, Sharon Yandle, Richard Creed, Nathan Edlelson (on Skype)

Regrets: Alain Catteau, Steve Jedreicich, Jan Chevarie, Panos Grames, Jim Taggart, Anne Kaye, Cal Towle, Richard Marchant, Jay Bancroft, Joseph Skala, George Stratis

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1. City of Vancouver (COV)/Province update

- **Changes to the Strata Property Act**

- Sharon Yandle and Nathan Edelson provided an update on meetings with COV.
- The City's Real Estate and Facilities Management Department researched and presented methodologies for the clarification of lease-end valuation. These were presented to RePlan in November 2015.
- The City favours a methodology from New South Wales for valuing leaseholders' lease end interests; RePlan does not support any changes to the Strata Property Act that would affect the value of individual properties (our response is reflected in Appendix 1).
- RePlan urges the department to consider the effects of any legislative/regulatory changes from the perspective of lease renewal.
- A meeting with the department will be set for January. The agenda will include:
 - Discussion of our letter to the Province (forthcoming)
 - Community Trust presentation
 - How to approach lease renewal (collectively with FCS leaseholders)
 - Renewing leases of co-ops with short-term leases

- **Council Motion**

- The RePlan City Liaison team (Sharon Yandle, Nathan Edelson, Richard Evans) met with acting City Manager Sadhu Johnson, Acting Manager of Planning Jane Pickering, and Manager of Real Estate Services Bill Aujla in late November.
- A theme of the meeting was the need to break through the departmental silos of the City's approach to False Creek South. This is necessary because determining the costs of lease renewal is tied to future land use in the area, which includes building heights, design, tenures and social policies, which all affect use.
- To comprehensively address FCS issues, COV council has to approve a report, which includes a work plan, principles, timeline, deadlines and resource allocation, directing staff to achieve the objectives outlined in the report. RePlan hopes this report and motion will be passed early in 2016.
- A council report may also include direction on where staff should work collaboratively with RePlan, such as undertaking public meetings, outreach and in-depth consultation.
- RePlan wants to have this well in progress during the term of the current council. We continue to pursue a collaborative approach with City staff and council. The report to council will constitute a commitment by COV to this approach. Without a clear council report by March 2016, we will need to revisit our strategy.

2. Revisiting *RePlan Principles for FCS

- Lisa May re-introduced RePlan's Principles, which underpin our approach to lease renewal and community development across tenure groups: strata, co-op and non-profit housing. While RePlan's strategy group is leading preliminary strategic discussions with City staff, each strata owner and co-op has a lease with COV.
- Lease renewal negotiations have yet to begin. RePlan/SLS/Co-op Committee believe our collective approach will optimize benefits for the entire community and, thereby, each leaseholder. It is therefore important to keep our principles in mind.

3. SLS Outreach Update

- Presentations were made to Fountain Terrace, the Lagoons, Marine Mews/Spruce Village, and Market Hill Terrace stratas.
- The latest outreach presentation took place at Market Hill strata where a lively discussion unfolded and good questions were raised.
- The audiences and contexts vary significantly from strata to strata. Some owners require less emphasis on the leasehold background and the current state, while others require more information to develop an understanding of the situation.
- Presentations were generally well-received and the content was revised based on the feedback of participants. A key feedback from all presentations was that we have to clarify the administrative procedures around funding.

Action Tasks:

- Peer-Daniel to continue outreach process with SLS members

4. RePlan/SLS information sharing

- RePlan and the FCSNA have merged their websites into a new one that has just been launched as the source for RePlan, SLS and co-op minutes: www.falsecreeksouth.org.
- We do not have a process in place for reviewing minutes of meetings with COV yet, but will bring this up at the next meeting with COV, likely in the new year.
- In the meantime, we are providing oral updates which will be summarized in committee meeting minutes.

Action Tasks:

- PD/Lisa to upload previous minutes of RePlan meetings to website (six months)
- PD to recirculate the [subscribe page](#) to SLS delegates
- PD to ask FCSNA to prepare a note to inform strata owners about the new website and reach out to community members to sign up for our newsletter database: <http://falsecreeksouth.org/subscribe/>

5. Revised budget based on SLS feedback

- Dennis McCann, member of the SLS and delegate to Fountain Terrace, was elected as treasurer of the FCSNA on December 3, 2015. In this role, he also oversees RePlan's budget. (Dennis has a background in accounting.)
- Jerry Roy and Dennis presented the final revision to the 2016 RePlan budget.
- The budget was reduced by 53% from its original estimates and did not include any potential revenue for 2016 from other sources such as the COV, VanCity and foundation grants.
- A package detailing RePlan administrative procedures to ensure accountability was prepared and is included in Appendix 2. A similar package will be used to communicate the process for fund management and fundraising to owners.
- Dennis reported that Fountain Terrace was the first strata to approve funding for RePlan's 2016 budget at its recent AGM.

Action Tasks:

- All representatives to provide feedback to Peer-Daniel on the draft administrative procedures (Appendix 2)
- PD to update the document with biographies of current consultants
- PD/all delegates to continue conversations about including an ask in the budget

6. Including names in SLS minutes; information from the Privacy Commissioner's office

The Office of the Privacy Commissioner was contacted for input on *including SLS member names in minutes for distribution to strata councils, owners and on the RePlan website*. The Privacy Commissioner has not yet been asked to make a ruling on the issue, as people volunteering to work on community groups have consented to having their names included.

Nevertheless, no email addresses will be circulated with meeting minutes to protect privacy. It was also agreed that SLS will accommodate individual requests to not include names in minutes.

7. Next SLS meeting

As member of the SLS, please indicate which date and time would work for our next meeting:

<http://doodle.com/poll/butfyh2wnhmedh9p>

8. Attachments

8.1. Appendix 1: Response to the Real Estate Department on Changes to the Strata Property Act

From: Sharon Yandle [mailto:sharonyandle@gmail.com]

Sent: December 11, 2015 1:46 PM

To: Bill Aujla

Cc: Evans, Jerry; Hamilton, Greg; cc: Peer-Daniel Krause; Sharon Yandle; Jerry Roy; Richard Evans; Wendy Herdin; Jim Woodward; Lisa May; Anne Kaye; Kathryn Woodward

Subject: Note from *RePlan

Bill,

First, thanks for the meetings you arranged with our *RePlan representatives. We especially appreciate the tenor of these meetings and the time and attention you're giving to the leasehold issue.

Last time you had outlined for us four valuation methodologies regarding lease end and invited us to consider them and to inform you of any other that we might present in the course of our research. We've certainly been looking into these and other issues extensively since we last met.

As you know, *RePlan's central focus is in lease renewal under conditions that are affordable to existing residents and others who would like to live near their jobs in the Central Area. Thus our focus is not in lease termination *per se*. Having said that, we understand that if the leases as they presently exist were to be renewed, that is, as separate individual leases with the City, all the conditions must remain the same except for the term and cost of the lease for that term. If any other leasehold structure is to be created, the City would have to terminate each individual lease.

However, we believe that lease termination and a new lease structure needs to be a simultaneous action and the old and new systems seamlessly integrated. In other words, our interest in considering lease termination is *only* in order to facilitate lease continuation. The two are and ought to be inseparable.

We are looking forward to resuming our meetings with you at the first opportunity. At our next meeting we will certainly want to explore some of the details of our concerns and engage the discussion with you. Given the time of year that meeting will no doubt be in January. We'll be in touch regarding proposed dates.

Thanks,

Sharon

Financial Oversight, Administrative Procedures & 2016 Budget

**RePlan Committee of the False Creek South Neighbourhood Association*

We are asking all stratas and co-ops on leased land for modest financial support to help cover important legal and administrative costs used to securing our long-term future in False Creek South in the understanding that the costs for an enclave to carry their own lease renewal negotiations would be prohibitive.

Owners and co-op members have contributed in the past and are continuing to do so. We are also approaching institutional funders, as well as providing many hours of volunteer services. In addition to (1) an outline how funds are used and administered, this document provides (2) a detailed budget for *RePlan’s anticipated work, including an overview of how much funding is needed from each enclave.

For more information contact the Treasurer of the False Creek South Neighbourhood Association (FCSNA): <http://falsecreeksouth.org/contact-2/>

How are funds used?

We need access to professional expertise in four main areas over the next three years: **Strategy, Legal, Communications and Planning Support**. Having these contract resources in place on an ongoing basis is very important to organize and advise on our activities, provide access to the City and move the process forward.

Strategy	Nathan Edelson has been *RePlan’s strategic advisor since 2011. We expect his services to be essential moving forward. His responsibilities are to maintain relationships with City staff, Politicians and funders to ensure that our Principles are reflected in municipal decision-making.
Legal	We need legal advice to inform our strategy in negotiations with the City for fair lease renewal terms, interpreting the language in our leases and understanding the relationship between the Strata Property Act and our leases. RePlan has retained the services of Mike Walker with Miller Thomson on an as-needed basis.
Communi- cations	We need communication expertise and distribution channels to inform leasehold residents, friends of False Creek South, and other interested external parties about the process and its objectives. Hence, funding is needed for website maintenance, community engagement, public events, survey, educational workshops, printing, media & public relations. No consultant has been hired.
Planning Support	Community planning support is needed for the purposes of general coordination and liaison, grant- and other project proposals, planning research and meeting minutes. Peer-Daniel Krause has been working with *RePlan since 2013 and continues to carry the vital role of coordinating and maintaining the activities of *RePlan and its volunteers. The 2016 budget includes contingency funding for a second position if the need arises.

How is *RePlan administering its funds?

*RePlan is a committee of the FCSNA, which is a registered society under the Societies Act of BC. The Treasurer of the FCSNA keeps the financial records, including books of account, necessary to comply with the Societies Act and renders financial statements to the members and others when required. The FCSNA treasurer also administers funds dedicated to the work of *RePlan in a separate register.

The treasurer provides budget updates to the delegates of the FCSNA, which are also distributed via the minutes of the association. In addition, the treasurer will provide monthly reports on *RePlan-related expenses. These will be separated by enclave and expense area (Consultants, Communications, Legal) and will be made available via the *RePlan minutes. All minutes are available on the website (<http://falsecreeksouth.org/news-minutes/>).

How are funds received, approved, and dispensed?

To **receive** funds, cheques should be issued and mailed to the

*False Creek South Neighbourhood Association
Attn. of Dennis McCann/Treasurer
1318 Cartwright Street
Vancouver, BC V6H 3R8*

As a committee of the FCSNA, *RePlan maintains relative autonomy over the spending of funds sourced independently from the Association. Expenses are **approved** by consensus of (a) the FCSNA/RePlan treasurer, (b) the FCSNA president and (c) the Chair of the *RePlan committee in consultation with the *RePlan Strategy and Steering Committee. The treasurer dispenses funds to consultants upon receipt of related invoices detailing tasks and hours worked.

How is the work of *RePlan consultants managed?

The Strategy and Steering Committee is *RePlan's strategic decision-making body. It is made up of volunteers with demonstrated skills and experience who agree to commit time to attend meetings on a regular basis. A consensus-based process for decision-making is used by this group, which oversees all our consultants' work.

Find out how we are organized through our Organizational Chart:

<http://falsecreeksouth.org/wp-content/uploads/2015/08/2-RePlan-Organizational-Structure.pdf>

Who is held accountable?

The FCSNA Treasurer, by nature of the position, is responsible for the financial integrity of both the FCSNA and *RePlan. Likewise, both, as well as *RePlan's committees have accountability roles to play as to how the financial resources are utilized.

*RePlan 2016 Budget

RePlan Committee of the False Creek South Neighbourhood Association

DESCRIPTION	APPROVED BUDGET DEC. 07 2015
Strategy	\$ 69,300
Planning	\$ 67,200
Legal	\$ 75,000
Communications	\$ 50,000
Land Valuation	\$ -
Misc – Loan	\$ 10,000
Total Expenses	\$ 271,500
Other Revenue - VanCity	\$ 25,000
Revenue Shortfall	\$ 246,500
Per Door Contribution (1241)	\$198.63/year \$16.55/mo.

Notes:

Per door contributions towards revenue shortfall does not take into consideration anticipated contributions from other sources such as expressed additional support in 2016 from VanCity, City of Vancouver, & Foundation Grants. If other funding is raised, the portion of enclave contributions will decrease proportionally.

Strata Fundraising Considerations

**RePlan Committee of the False Creek South Neighbourhood Association*

How can the Strata Corporation raise the funds?

The Strata Property Act permits a strata corporation to spend money for common expenses for "any purpose" relating to the common property. This is not restricted to the physical building if the strata council believes the expense to be of benefit to strata owners. As is the case with all expenses, funds for *RePlan must be charged by unit entitlement in a strata.

The strata council can raise the money through a line item in the budget presented by the strata council to the Annual General Meeting, since this is expected the lease renewal process will take between two to three years and that there will be a recurring annual expenditure over this period. The expenditure each year must be voted on and passed at each AGM by a simple majority vote. If a special resolution is voted on at a Special General Meeting rather than at an AGM it would require a 75% majority.

What if one building does not vote in favour of providing funding to *RePlan?

It is in the interest of each owner to support the initiative as the costs of negotiating an individual lease renewal are prohibitive on a per household basis.

All co-ops and some stratas have contributed financially in the past.

Fountain Terrace passed a line item reflecting the 2016 *RePlan funding needs at its 2015 AGM and other stratas have initiated conversations within their buildings.

It could be very divisive if any one enclave does not contribute to the effort. We are working with the delegates of each building to ensure that every owner knows of the ongoing work and is aware of the budget and the importance of collaboration.