



Minutes
Strata Leasehold Subcommittee (SLS)

Meeting Date: Wednesday, January 27, 2016, 7:00 – 9:10 pm

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

Attendees: Alain Catteau, Mats Tholin, Sharon Yandle, Richard Creed, Robert Renger, Lisa May, Paul Ham, Jim Woodward, Cory Lake, Richard Marchant, Jay Bancroft, Jerry Roy, Ralph Skinner, R. Hawrylko, Robert Boyd, Peer-Daniel Krause, George Stratis, Nathan Edelson

Regrets: Dennis McCann, Steve Jedreicich, Jan Chevarie, Panos Grames, John Sanders, Jim Taggart, Anne Kaye, Cal Towle, Joseph Skala, Sucha Gil, Jaki Chantler

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1) City of Vancouver/Province update

- The City of Vancouver (COV) is undergoing a change in management with the departures of the Head of Planning and the City Manager. Acting City Manager Sadhu Johnson met with RePlan delegates in November, where he stated his objective of getting the planning work for False Creek South back on track.
- As a result, the City has assigned a dedicated Project Manager to False Creek South to achieve forward momentum on existing issues. Christopher Baas will be starting in mid-February. We hope more focused activity can be expected with his assignment, including a council motion.
- In a recent meeting with Christopher Baas, RePlan members highlighted the urgency of the matter given the long period of time we have already spent on assuring our community members the City is working collaboratively and will be addressing the issues faced.
- The City has also established a *cross-department coordinating committee* of senior staff from the Housing, Planning, and Real Estate divisions. Other departments such as Parks, Engineering, Finance and Law will be brought into the project as the program moves forward.
- As meeting dates are finalized toward establishing a firm work plan, RePlan representatives will continue to urge that lease renewal be at the forefront of discussions. Especially urgent is the situation of three False Creek South housing co-ops whose lease expiry dates are close at hand.

Action Tasks:

- RePlan to invite Christopher to meet
- RePlan to inquire about the possibility of a public announcement on the assignment of a project manager
- RePlan to set a date for the next meeting with the Real Estate and Facilities Management (REFM) department

2) SLS Outreach update

- Presentations were made to most stratas between November 2015 and February 2016. Presentations have not been scheduled for Harbour Terrace and Mariner Point stratas only.
- Presentations were generally well received and the content was revised based on feedback from participants. The latest outreach presentation took place at Alder Bay Strata with a majority of owners attending. A lively discussion unfolded and good questions were raised.
- As a result our outreach process, our email database contains 647 subscribers.

Action Task:

- PD to invite commercial stratas to an upcoming presentation on February 11

3) SLS Fundraising update

- A small working group has been struck to monitor and oversee fundraising and administrative procedures. Herb Barbolet, Jerry Roy, Wendy Herdin and Dennis McCann are part of this team.
- Key feedback from all presentations was that we have to clarify the administrative procedures around funding. As a result, the administrative procedures have been further developed. (See Appendix 1: *Financial Oversight, Administrative Procedures & 2016 Budget.*)
- Dennis McCann (RePlan Treasurer) will be providing monthly updates as part of the RePlan and FCSNA minutes.
- While all stratas are supporting the provision of requesting funds via owners at this point in time, some have not clarified how the funds are going to be raised. The graph below provides an overview of the current fundraising status.

“Open” indicates the strata has not clarified how funds are going to be raised.

“Requested” indicates a motion/budget line item is/will be voted on at an upcoming meeting.

Strata	Presentation Status	2016 Funding Status
658 Leg-In-Boot Square-Strata	11-Feb	Requested via AGM in February
666 Leg-In-Boot Square VR551	11-Feb	Open
Market Hill Terrace-Strata VR588	Dec 8 / Feb 11	Requested via Special Levy at AGM
Creek Village-Strata VR466	02-Feb	Requested via AGM in April
Heather Point-Strata VR419	02-Feb	Requested via AGM in February
Marine Mews-Strata VR442	23-Nov	Open via SGM
Spruce Village-Strata VR514	23-Nov	Requested via AGM in February
Alder Bay Place-Strata VR691	11-Jan	Requested via AGM in February
Fountain Terrace-Strata	17-Nov	Contributed
Harbour Terrace-Strata VR1157	open	Open
The Lagoons-Strata VR 2096	18-Nov	Requested via AGM in April
Mariner Point Strata VR1343	open	Requested via SGM (April)
Stamps Landing VR909	February	Open

- At this point in time, lease renewal is not a priority for the commercial units in Leg in Boot Square given the high vacancy rates and difficulty of viably operating a business in the square. Participation in the process is, therefore, unlikely.
- Consistent with RePlan’s concern that affordable housing options continue to exist and, hopefully, expand, RePlan successfully applied for funds to investigate other options for governing housing on public lands. It has received a total of \$40,000, including \$30,000 from the Real Estate Foundation and \$10,000 from BC Housing, for a project on *New Governance Models for Housing on Public Land*.
- This funding is separate from projected expenses in the RePlan budget. Other supporters and partners in this project include SFU’s City Program, Vancity, the UBC School of Community and

Regional Planning, the City of Vancouver, and the Co-op Housing Federation of BC. (See next section below.)

Action Tasks:

- The Finance Task Group will develop a process for seeking individual donations from owners
- Members who have not initiated the funding request to their strata councils will contact Peer-Daniel
- Peer-Daniel to share the final draft of *Financial Oversight, Administrative Procedures & 2016 Budget*, including a clarification of the intent and volume of expenditures
- Peer-Daniel to regularly update the Finance Task Group on fundraising process in stratas

4) Discuss need for RePlan/SLS Working Groups

- RePlan's focus from the outset has been to seek ways to secure the continuation of False Creek South as a community success story. An important part of this work is to research different options for the way leasehold residences could be managed in the future. At present, COV leases land with housing co-ops, market and non-market rental and special needs residences, and 669 individual strata leaseholders. Since this arrangement has not always been the easiest to manage and comes with some considerable disadvantages for leaseholders and landlord, an alternative structure for the future may offer some benefits, not only for leaseholders in False Creek South, but for those in other areas of the city and province.
- RePlan successfully applied for funds to investigate other options for governing housing on public lands (describe on page 3 above).
- Background:
 - Many condominium, co-op and non-profit rental housing developments in the Lower Mainland are faced with the expiry of their land leases in the next 20 years. Issues associated with lease end include uncertainty of tenure, the inability to affordably obtain mortgages or finance urgent repairs, as well as declining property values in real terms. These issues already affect thousands of residents and housing providers.
 - Further, some of the housing stock requires reinvestment or redevelopment. A Community Land Trust may provide an opportunity to not only resolve existing problems, but also to leverage funding and develop more housing on publicly owned land that would satisfy the need for more affordable and/or workforce housing, while giving a voice to residents in stewarding the developments in their community.
- To explore how units in existing communities could be transferred into such an alternative governance model, RePlan will undertake a public speaker series in Metro Vancouver to raise awareness about the idea of alternative forms of land governance, with the primary focus on Community Land Trusts. This will be followed by stakeholder workshops for the leadership of housing organizations and representatives of relevant public and academic institutions. At each stage of this process, the results will be summarized and made available to government officials, financial institutions, housing organizations and the general public, through discussion papers via digital and print media.
- The next stage, to start in the fall, will explore what land governance mechanisms may be applicable and amenable to local residents in False Creek South.

SLS members agreed this project provides a vehicle for member participation in reviewing governance options for FCS. If anyone would like further information or to get involved in the process, please contact Peer-Daniel at krause.peerdaniel@gmail.com.

Find (and share) more information on the project here:

<http://www.falsecreeksouth.org/2016/01/replan-receives-grant-to-explore-the-potential-of-community-land-trusts/>

Action Task:

- PD to contact Dennis re: becoming the project liaison for the SLS committee – done .

5) One-page goal statement summary for leasehold strata owners

- In the short-term, resolving our uncertainty around lease end is the main priority for the SLS. To clarify our process and provide a guiding framework for internal accountability, it was suggested to develop a simple goal statement for internal and external audiences. Suggested components include:
 - Lease extension for 60 or 99 years
 - Prepayment options
 - Shared equity or other affordable payment options
 - Issues resolved by 2018
 - Fair compensation if the lease should not be renewed
 - Fair distribution of costs among beneficiaries of lease renewal
 - Who will negotiate? (RePlan, plus legal explanation of other models owners can use)
- It was said that in formulating our goals, the power imbalance between the City of Vancouver and RePlan has to be considered; understanding the needs of the City is very important and stating definite goals may be a disadvantage in the process; All Goals should be tied to the RePlan principles as basis of our work;

Action Tasks:

- Lisa to initiate an email Round Table discussion on these topics before the next SLS meeting
- Mats, with support from PD, to initiate drafting a statement based on the outcomes of the discussion

6) Next SLS meeting

The next meeting is set for Wednesday, **February 17, 2016** at the same location and time. Please send your regrets if you are not able to make it.

Appendix 1

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 secure 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 of 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, please contact the Treasurer of the False Creek South Neighbourhood Association (FCSNA): <http://falsecreeksouth.org/contact-2/>

1) How are funds used?

We need access to professional expertise in four main areas over the next three years: **Strategy, Legal, and 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 of Vancouver, 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 RePlan 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 <i>Strata Property Act</i> and our leases. RePlan has retained the services of Mike Walker with Miller Thomson on an as-needed basis.
Communications	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, surveys, educational workshops, printing, media and public relations. No consultant has been hired.
Planning Consultant and Assistant	Community planning assistance 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.

2) **How is *RePlan administering its funds?**

*RePlan is a committee of the FCSNA, which is a registered society under the *Society Act* of BC. The FCSNA treasurer keeps the financial records, including books of account, necessary to comply with the *Society 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 FCSNA delegates, 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/>).

*RePlan is taking a community-wide approach in its work. Should expenses arise that are only attributable to a specific tenure, these will be listed separately and paid by that tenure group alone.

3) **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.

4) **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>

5) **Who is held accountable?**

The FCSNA treasurer, by nature of the position, is responsible for the financial integrity of both the FCSNA and *RePlan. The False Creek Neighbourhood Association and *RePlan Strategy and Steering Committee have accountability roles to play regarding the way financial resources are utilized.

*RePlan 2016 Budget

RePlan Committee of the False Creek South Neighbourhood Association

Expense Categories	Budget \$
Strategy Consultant	\$50,400.00
Planning Consultant	\$37,220.00
Planning Assistant	\$25,200.00
Legal Advice	\$75,000.00
Communications	\$50,000.00
Total 2016 Budget Expenses	\$237,820.00
Revenue Sources (1)	Budget \$
Alder Bay Housing Co-op (94 units) (2)	\$13,031.22
Creekview Housing Co-op (104 units) (3)	\$15,207.52
False Creek Housing Co-op (170 units) (4)	\$15,067.10
Greater Vancouver Floating Homes Co-op (55 units) (5)	\$7,324.65
Marina Housing Co-op (63 units) (6)	\$9,363.69
Twin Rainbows Housing Co-op (86 units)	\$17,082.18
VR552 Leg-In-Boot Square (18 units)	\$3,575.34
VR551 Leg-In-Boot Square (36 units)	\$7,150.68
VR514 Spruce Village (36 units)	\$7,150.68
VR466 Creek Village (56 units)	\$11,123.28
VR419 Heather Point (48 units) (7)	\$4,534.24
VR442 Mariner Mews (50 units)	\$9,931.50
VR588 Market Hill (30 units) (8)	\$4,958.90
VR909 Stamp's Landing (3 units)	\$595.89
VR691 Alder Bay Place (47 units)	\$9,335.61
VR1112 Fountain Way (55 units)	\$10,924.65
VR1157 Harbour Terrace (58 units)	\$11,520.54
VR2096 Lagoons (89 units)	\$17,678.07
VR1343 Mariner's Point (143 units)	\$28,404.09
Vancity Grant	\$25,000.00
FCSNA Grant	\$2,000.00
2015 Surplus	\$525.01
Other Sources	\$6,335.16
Total 2016 Revenue Budget	\$237,820.00

Notes:	
(1) Enclave budgets based on \$198.63 per unit less prior year contributions	
Prior years' contribution credits:	
(2) Alder Bay Housing Co-op - 2015	\$4,700.00
(2) Alder Bay Housing Co-op - 2013	\$940.00
(3) Creekview Housing Co-op - 2015	\$5,450.00
(4) False Creek Housing Co-op - 2015	\$17,000.00
(4) False Creek Housing Co-op - 2012	\$1,700.00
(5) Greater Vancouver Floating Homes Co-op - 2015	\$2,500.00
(5) Greater Vancouver Floating Homes Co-op - 2013	\$1,100.00
(6) Marina Housing Co-op - 2015	\$3,150.00
(7) VR419 Heather Point - 2013	\$5,000.00
(8) VR588 Market Hill - 2013	\$1,000.00
Total Prior Years' Contributions	\$42,540.00

Strata Fundraising Considerations

6) 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 expenses are of benefit to strata owners. The strata corporation can raise the funds in one of two ways:

- 1) A line item in the budget presented by the strata council to the Annual General Meeting (AGM). Since the lease renewal process will take between two to three years, funds to *RePlan are expected to 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** (*Strata Property Act* Article 103: Budget requirements).
- 2) The strata corporation may also raise money from the owners by means of a special levy, in which case the levy must be approved by a resolution passed by a **3/4 vote** at an annual or special general meeting (*Strata Property Act* Article 108: Special Levy)

As is the case with all expenses, funds for *RePlan must be charged by the unit entitlement in a strata (SPA Article 99: Calculating strata fees). Should the strata seek to establish another form of division of expenses for a special levy, it would have to be approved by a resolution passed by a unanimous vote at an annual or special general meeting (SPA Article 100).

Further information on budgeting and strata fees can be found on the BC Government's website:

<http://www2.gov.bc.ca/gov/content/housing-tenancy/strata-housing/operating-a-strata/finances-and-insurance/budgeting-and-strata-fees>