

**RESORT MUNICIPALITY OF WHISTLER**

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STAFF REPORT TO COUNCIL

PRESENTED: January 25, 2022
FROM: Finance
SUBJECT: WHISTLER 2020 DEVELOPMENT CORPORATION ONLINE ACCOMMODATION PROVIDER – 2022 CONTRIBUTION AGREEMENT

REPORT: 22-009
FILE: 4350

RECOMMENDATION FROM THE CHIEF ADMINISTRATIVE OFFICER

That the recommendation of the General Manager of Corporate and Community Services be endorsed.

RECOMMENDATION(S)

That Council direct staff to execute the new 2022 Whistler 2020 Development Corporation OAP Contribution Agreement, attached as Appendix A to this Administrative Report No. 22-009.

PURPOSE OF REPORT

This report proposes to extend the period in which OAP revenue received by the Resort Municipality of Whistler (RMOW) from the Province can continue to support employee housing in the community. Specifically, the proposed 2022 Whistler 2020- Development Corporation (WDC) Online Accommodation Provider (OAP) Contribution Agreement (New Agreement) would continue to support the development of the two WDC-led employee housing buildings located at Lot 1 in Cheakamus Crossing Phase 2 for an additional 15 months.

☐ Information Report ☒ Administrative Report (Decision or Direction)

DISCUSSION

Background

On September 17, 2019, Council adopted Five-Year Financial Plan Bylaw No. 2244. This Plan included (among other things) the introduction of a new stream of payments from the RMOW to WDC. This payment stream was made possible following a decision by the Province of BC in 2018 that Municipal and Regional District Tax amounts collected from Online Accommodation Providers (OAP revenues) could, with Provincial approval, be used to support the development of new affordable housing projects.

In response to this opportunity, the RMOW sought, and was granted, permission to use its share (roughly half) of Whistler's OAP revenues to support Parcel A construction of the Cheakamus Crossing Phase 2 project. The 2019 WDC OAP Contribution Agreement (Agreement) was endorsed by Council on September 3, 2019 and was effective through December 31, 2021. The purpose of the payments

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was to support WDC's work on this project. The effective dates for the first agreement were chosen to align with the project schedule that existed at that time.

Since the Agreement was signed, more than \$1.1 million in MRDT OAP has been transferred from the RMOW to WDC to support this project work. Excellent progress on both site works and the employee restricted buildings has been made. WDC now expects that work on this project will continue through March, 2023. With that in mind, the staff are recommending the New Agreement which is identical in nearly all respects to the first Agreement but that alters Section 2.1(a), to adjust the final payment date to March 31, 2023.

Directing OAP revenue to support this Cheakamus Crossing project (known today as Lot 1) is believed to be a good use of these funds because:

- Employee Housing is a top priority for this Council; Council's stated wish is to provide support to the fullest extent possible to projects that bring new employee housing inventory to the community
- Taking advantage of the opportunity recently created by the Province to apply OAP revenue to housing, rather than against typical MRDT programs and projects, helps to advance the community's employee housing goals
- WDC's Lot 1 is the only in-progress employee housing project that the RMOW believes to be eligible to receive OAP revenue at this time

Alternatively, OAP revenues could be applied to any RMOW expenditures that meet the criteria defined in the MRDT [Designated Accommodation Area Tax Regulation](#) (i.e. tourism marketing, programs and projects).

The New Agreement is expected to result in an additional \$600,000 – 800,000 in funding toward this project. No other changes relative to the original agreement are contemplated at this time.

Analysis

Urgent delivery of employee housing is a top priority for this Council. There are several ways in which this priority takes shape, including work on guidelines to support the development of employee housing on private lands and the direct delivery of new units through subsidiary corporations. The latter approach has proven to be successful in recent years. The Whistler Housing Authority Ltd. delivered 315 bed units between 2017 and 2020. Another 100 accommodation units will be online upon successful completion of construction on Lot 1.

Lot 1 construction is already well-positioned to succeed, having secured access to debt funding from the RMOW ([Administrative Report 21-031](#)) and from the Royal Bank of Canada ([Administrative Report 21-120](#)). The broader project of which Lot 1 is one part ([Administrative Report 20-121](#)) includes the sale of market lots (Lot 4) that will generate meaningful amounts of money for the benefit of ongoing and future employee housing projects.

Applying OAP revenues to Lot 1 serves to reduce the amount by which this project must draw upon the Lot 4 proceeds for funding. This then leaves more of the market lot sale revenue in the Cheakamus Crossing Affordable Employee Housing reserve, from which it can serve to support any number and variety of future employee housing projects.

POLICY CONSIDERATIONS

Relevant Council Authority/Previous Decisions

[Administrative Report 19-070](#) describes the one-time transfer of \$200,000 from the Employee Housing Reserve to WDC for Parcel A under a Contribution Agreement dated April 2019.

[Administrative Report 19-113](#) describes the initial rationale for ongoing OAP transfers and contains a copy of that agreement.

[Cheakamus Crossing Affordable Employee Housing Reserve Fund Bylaw 2307, 2021](#) describes the nature and intent of this reserve, to which all net proceeds from Lot 4 are destined.

[Administrative Report 20-121](#) shared the original Parcel A project plan and preliminary approach to project financing which included OAP revenues.

[Administrative Report 21-120](#) includes details of the RBC Construction mortgage now registered against the Parcel A lands.

[Administrative Report 21-031](#) details the Credit Line agreement between the RMOW and WDC in support of Parcel A.

Corporate Plan

The RMOW Corporate Plan is updated annually and articulates strategic direction for the organization. Employee Housing is one of three Council Focus Areas, and is clearly supported by this recommendation. The Corporate Goals of 1) Accountability, transparency, and community engagement and 2) Corporate financial health have informed the scope (change of date only) of the recommended amendment.

Council Focus Areas

☒ Community Balance

*Effectively **balance resort and community needs** through deliberate planning, partnerships and investment*

☐ Climate Action

*Provide leadership to **accelerate climate action and environmental performance** across the community*

☒ Housing

*Advance strategic and innovative initiatives to enable and **deliver additional employee housing***

☐ Not Applicable

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Community Vision and Official Community Plan

The Official Community Plan (OCP) is the RMOW's most important guiding document that sets the community vision and long-term community direction. This initiative is designed to support a specific employee housing project and is in substantial alignment with the OCP in a myriad of ways.

In the OCP are three Goals, one Objective, and 13 different Policies that refer to Affordable or Employee Housing. This fact speaks to the paramount importance of Employee Housing initiatives, and by extension the importance of housing-supportive funding like that proposed in this RMOW-WDC New Agreement.

In addition to the Goals, Objective and Policies noted above, the recommended resolution is also consistent with the OCP Vision Characteristic (Community/Quality of Life) as well as the aligned SLRD Regional Growth Strategies of:

- *Support a Range of Affordable Housing*
- *Achieve a Sustainable Economy (by housing workforce locally)*
- *Create Healthy and Safe Communities*

BUDGET CONSIDERATIONS

According to Provincial regulations, the MRDT received by the RMOW from the Province can be used for a variety of tourist-facing operations and projects. MRDT spending plans for the coming year are always outlined, in advance, in cooperation between the RMOW and Destination BC. Beginning in 2018, the acceptable uses for a specific subset of this funding (the amount that originates with online accommodation providers) was expanded to include affordable housing initiatives. The decision to allocate those funds to housing rather than typical MRDT initiatives is up to each municipality, in each year. Each municipality reflects its intended spending in the MRDT Tactical Plan, which is submitted to the Province for approval in November of each year.

There are many things that MRDT funding could support aside from the WDC employee restricted housing initiative. In opting to direct this funding to WDC Lot 1 construction, a decision is necessarily made that other MRDT-eligible initiatives will be funded from other sources (including from general municipal tax) or may not proceed at all.

This proposed New Agreement is consistent with the 2022-2026 Five Year Financial Plan considered by Council at the January 11, 2022 Regular Meeting of Council.

LIL'WAT NATION & SQUAMISH NATION CONSIDERATIONS

The RMOW is committed to working with the Lil'wat People, known in their language as *L'il'wat7úl* and the Squamish People, known in their language as the *Skwxwú7mesh Úxwumixw* to: create an enduring relationship; establish collaborative processes for Crown land planning; achieve mutual objectives; and enable participation in Whistler's resort economy. This section identifies areas where RMOW activities intersect with these relationships.

No considerations are identified at this time.

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COMMUNITY ENGAGEMENT

Level of community engagement commitment for this project:

☒ Inform ☐ Consult ☐ Involve ☐ Collaborate ☐ Empower

REFERENCES

Appendix A – 2022 Whistler 2020 Development Corporation OAP Contribution Agreement

SUMMARY

The proposed New Agreement between RMOW and WDC would provide another 15 months, and potentially as much as \$800,000 of additional funding to the Lot 1 employee housing project, relative to what the 2019 Agreement encompassed. The ultimate result would be the OAP funds increase the Cheakamus Crossing Affordable Employee Housing Reserve at the conclusion of the Lot 1 development project. Alternatively, the funds could be used for other tourism-facing 'programs and projects' and augment the RMOW budget. Staff have recommended the option of OAP funds flowing to the WDC to align with the 2022-2026 Five Year Financial Plan considered by Council at the January 11, 2022 Regular Meeting of Council.

SIGN-OFFS

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