



REPORT | ADMINISTRATIVE REPORT TO COUNCIL

PRESENTED: April 6, 2021
FROM: Corporate and Community Services
SUBJECT: CHEAKAMUS CROSSING AFFORDABLE EMPLOYEE HOUSING RESERVE FUND BYLAW

REPORT: 21-032
FILE: 1878

COMMENT/RECOMMENDATION FROM THE CHIEF ADMINISTRATIVE OFFICER

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

RECOMMENDATION

That Council consider giving first, second and third readings to the “Cheakamus Crossing Affordable Employee Housing Reserve Fund Bylaw No. 2307, 2021”.

REFERENCES

Cheakamus Crossing Affordable Employee Housing Reserve Fund Bylaw No. 1878, 2008 – not attached.

PURPOSE OF REPORT

This Report is to replace the “Cheakamus Crossing Affordable Employee Housing Reserve Fund Bylaw No. 1878, 2008” in order to achieve alignment between the bylaw and the other documents governing the Community Land Bank Lands (“the Lands”). The Reserve will capture net profits generated by projects on the Lands, and hold these proceeds until they can be utilized in future employee housing projects. The new bylaw expands the scope of the included lands for the Reserve bylaw to match those outlined in the CLB Agreement.

DISCUSSION

Cheakamus Crossing Affordable Employee Housing Reserve Fund Bylaw No. 1878, 2008 was established to capture the profits from the Olympic Athletes’ Village development (“OAV”) in Cheakamus Crossing. This profit capture is one of several critical pieces that ensure compliance with the terms of the Community Land Bank Agreement, and the Bare Trust and Agency Agreement (“the Agreements”). Under the Agreements, access to title on Community Land Bank Lands (“the Lands”) would be granted to the RMOW from the Province under specific circumstances. One of these circumstances is the establishment of an Affordable Employee Housing Reserve Fund (“the Fund”) to capture profits of any nature generated by development on the Lands. This mechanism ensures that the sole purpose of the Lands is either: a) to serve as the land on which employee housing buildings are built or b) to be sold as unrestricted (market) property, generating net profits that must support the construction of employee housing buildings in the future. In the case of b) the Agreement requires that the entire net proceeds from sales are specifically earmarked as funds to support the construction of employee housing inventory in the future. The Fund exists specifically to hold these profits and ensure their proper distribution to qualifying employee housing projects.

Specific language around how profit is defined is captured in section three of the CLB Agreement itself. The Fund is to be credited with amounts equal to total proceeds from market sales on the

Lands net of total associated project costs. The Fund was originally established in 2008 as part of the approvals process at the outset of the OAV, and would have captured any net profits from that project. Profits did not ultimately result from that project; instead, costs exceeded the net proceeds generated. This outcome was the result of changes in real estate values from the time the project was undertaken to when it was ultimately completed, as well as decisions that were made as the project was under way around best-use for the lands. The land use decision specifically reallocated two lots from the pool of those planned for market sale to those on which employee housing would be built by the WHA. Both of these factors caused net proceeds to fall short of what was originally intended. In the case of the latter, it also meant a greater number of employee units were ultimately delivered on OAV lands than were planned for. So this outcome was a net benefit to the community, but also the reason why the Fund was empty at the conclusion of the OAV (2017), and remains so today.

The CLB guidance indicates that all project costs on the lands (including OAV outcomes) and all market proceeds on the lands (including OAV outcomes) will be considered in determining the amounts that must be credited to the Fund. This means that currently unrecovered costs from the OAV development will be included when calculating the net CLB profits at the conclusion of the Parcel A project.

At the time of its establishment, the original Reserve Fund Bylaw contemplated only the OAV development. At this point, another development (Parcel A) is under way on a different portion of the Lands (the Upper Lands). The first goal of this updated bylaw is to ensure that the language in the new bylaw reflects the Parcel A/Cheakamus Crossing Phase II lands in addition to the original OAV/Cheakamus Crossing Phase I lands. A secondary goal of the bylaw is to align the net profit definition between the Fund and the governing Agreements.

The new bylaw expands the scope of the included lands for the Reserve bylaw to match those outlined in the CLB Agreement.

OTHER POLICY CONSIDERATIONS

Goal 6.2 of the Official Community Plan (“the Plan”) seeks to “support a stable Whistler workforce that contributes to a superior quality of experience for our visitors and residents and helps maintain Whistler’s competitive position.” Policy 6.2.1.5 of the Plan seeks to “Support housing initiatives that address Whistler’s employee housing needs...” Establishment of this reserve aligns with both of these objectives and will help to move the community further along the path towards housing security and a stable workforce.

BUDGET CONSIDERATIONS

The project under consideration at Parcel A requires budgeted financial support from the RMOW including the \$10 million Credit Line Agreement currently under consideration. The Fund itself affects the RMOW only in that there is a small associated administrative burden.

COMMUNITY ENGAGEMENT AND CONSULTATION

The “Cheakamus Crossing Affordable Employee Housing Reserve Fund Bylaw No. 2307, 2021” is included in the Agenda of a Regular Council Meeting and is consistent with Council direction.

SUMMARY

This Bylaw, the “Cheakamus Crossing Affordable Employee Housing Reserve Fund Bylaw No. 2307, 2021” will satisfy one of the RMOW’s responsibilities related to the Lands. Profit from development on CLB lands will be deposited to the fund which will then serve to financially support future Employee Housing developments.

Respectfully submitted,

Carlee Price

DIRECTOR OF FINANCE

for

Ted Battiston

GENERAL MANAGER OF CORPORATE AND COMMUNITY SERVICES