

Report to Committee

To:

Planning Committee

Date: December 20, 2018

From:

Wayne Craig

File: 0

08-4057-05/2018-Vol 01

Director, Development

Re:

Market Rental Agreement (Housing Agreement) Bylaw 9980 to Permit the City

of Richmond to Secure Market Rental Housing Units at 6551 No. 3 Road

Staff Recommendations

That Market Rental Agreement (Housing Agreement) (6551 No. 3 Road) Bylaw 9980 be introduced and given first, second and third readings to permit the City to enter into a Market Rental Agreement with RC (South) Inc. and 7904185 Canada Inc., together as registered owners, and RCCOM Limited Partnership and AIMCO Realty Investors Limited Partnership, together as beneficial owners, substantially in the form attached hereto, in accordance with the requirements of Section 483 of the *Local Government Act*, to secure Market Rental Housing Units required by the Official Community Plan (City Centre Area Plan) Amendment CP 16-752923.

Wayne Craig

Director, Development

(604-247-4625)

Att. 2

REPORT CONCURRENCE			
ROUTED TO:	Concur	RRENCE	CONCURRENCE OF GENERAL MANAGER
Law Policy Planning		<u> </u>	- pre Evreg
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE		INITIALS:	APPROVED BY CAO (PEPUTY).

Staff Report

Origin

The purpose of this report is to recommend that Council adopt Market Rental Agreement (Housing Agreement) Bylaw 9980 (Attachment 1) to secure a ten (10) per cent market rental housing contribution comprised of a minimum of 200 market rental housing units in one or more unit clusters and/or stand-alone buildings in the proposed development located at 6551 No. 3 Road (CF Richmond Centre) (Attachment 2). An associated Affordable Housing Agreement for this project is being brought forth under a separate report.

This report and Bylaws support Council's 2014-2018 Term Goal #2 A Vibrant, Active and Connected City:

Continue the development and implementation of an excellent and accessible system of programs, services, and public spaces that reflect Richmond's demographics, rich heritage, diverse needs, and unique opportunities, and that facilitate active, caring, and connected communities.

This report and Bylaws also support Council's 2014-2018 Term Goal #3 A Well-Planned Community:

Adhere to effective planning and growth management practices to maintain and enhance the livability, sustainability and desirability of our City and its neighbourhoods, and to ensure the results match the intentions of our policies and bylaws.

This report supports the Social Development Strategy Goal #1: Enhance Social Equity and Inclusion:

Strategic Direction #1: Expand Housing Choices

Market Rental Agreement (Housing Agreement) Bylaw 9980 is a new agreement which functions the same as a standard housing agreement. It is consistent with the City's Official Community Plan (OCP) Market Rental Housing Policy, adopted on September 4, 2018, which seeks to increase the supply of market rental housing in Richmond.

Housing Proposal

GBL Architects has applied to the City of Richmond to amend the Official Community Plan, Schedule 2.10 (City Centre Area Plan) at 6551 No. 3 Road to permit a high-rise, mixed use project on roughly 50 per cent of the property occupied by the south end of the CF Richmond Centre shopping centre (CP 16-752923). This OCP Amendment application provides for the subdivision of 6551 No. 3 Road into three lots and the development of approximately 2,200 residential units on Lot 1 (Phase 1) and Lot 2 (Phase 2). This includes 150 Affordable Housing units and 200 Market Rental Housing units.

The applicant's housing proposal is summarized in the table below.

TABLE 1

HOUSING TYPES	PROPOSED DWELLING UNITS (Estimate)
Market Ownership Housing	1,850
Affordable Housing	150
Sub-Total	2,000 units
Market Rental Housing	200 (10% of Sub-Total)
Total	2,200 units

The applicant's proposed market rental housing contributions include:

- A ten (10) per cent market rental housing contribution comprised of at least 200 market rental housing units secured in perpetuity with a Market Rental Agreement (Housing Agreement) and Market Rental Covenant registered on title.
- The proposed 200 market rental housing units represent a 10% increase over and above the developer's proposed 2,000 affordable housing and market ownership dwellings (i.e. 150 affordable housing units and 1,850 market ownership units).
- The Market Rental Agreement will secure the developer's market rental housing contribution and is a condition of final reading of the Official Community Plan (City Centre Area Plan) Amendment Bylaw.
- As permitted under the OCP Market Rental Housing Policy, the proposed market rental housing units are permitted to be rented at or below prevailing market rates.
- The Market Rental Agreement and Covenant will require that the market rental housing units are not subdivided into any strata lot containing less than the entirety of a standalone market rental building or unit cluster (i.e. at least 40 market rental units) in order to prohibit the sale of individual market rental units to individual owners and discourage owner-occupation of the market rental units.

It is recommended that proposed Market Rental Agreement (Housing Agreement) Bylaw 9980 be introduced and given first, second and third readings. Following adoption of the Bylaws, the City will execute the Market Rental Agreement and arrange for notice of the agreement to be filed in the Land Title Office.

Analysis

The developer's market rental housing contribution is proposed to be located entirely on Lot 2 (Phase 2) and will:

- be comprised of a combined total floor area of not less than 46,634 m² (153,000 ft²);
- include not less than 200 market rental housing units in the form of one or more standalone buildings and/or unit clusters, each of which will contain a minimum of 40 market rental units; and
- be constructed to a turnkey level of finish, at the developer's sole cost.

In accordance with the OCP Market Rental Housing Policy, the Market Rental Agreement specifies that:

- the market rental units shall be secured in perpetuity for rental purposes only;
- the 200 market rental housing units will include:
 - a) 40 per cent family-friendly two and three-bedroom units (these units may include inboard bedrooms without windows); and
 - b) 100 per cent Basic Universal Housing (BUH) units (i.e. designed and constructed to facilitate universal access to and use of the market rental units);
- the occupants of the market rental units shall have full use of all residential indoor and outdoor common amenity spaces, parking, electrical vehicle (EV) charging stations, and related features provided on Lot 2 in compliance with the Official Community Plan and Zoning Bylaw, as determined through an approved Development Permit;
- the owner shall not impose any age-based or income-based restrictions on the tenants of the market rental units;
- the market rental units must be rented on a month-to-month basis or longer term (i.e. no short-term rentals);
- the owner shall not impose any fees for the use of bicycle storage; and
- the units shall be rented at prevailing market rent, which means the rent a tenant would pay for a comparable dwelling unit in a comparable location for a comparable period of time and may include additional fees for vehicle parking (but not bicycle storage) and/or the use of on-site amenities or services. For clarity, prevailing market rent will take into account the development's proximity to the Canada Line, the sizes of the market rental units, the level of internal finishes within the market rental units, and the type of residential amenities and services available to the occupants of the market rental units. Market rental rates would therefore be anticipated to increase if significant residential amenities and services are provided to the tenants.

The Market Rental Agreement is consistent with the City's standard housing agreement with the exception of project-specific provisions that:

- restrict the creation of any strata lot containing less than the entirety of a stand-alone market rental building or unit cluster (i.e. at least 40 market rental units) in order to prohibit the sale of individual market rental units to individual owners and discourage owner-occupation of the market rental units;
- require the market rental units to be completed on or before the completion of 50% of the owner-occupied market-ownership units constructed on Lot 2 (Phase 2); and
- require that the market rental units shall be subject to two Development Permit applications, to the City's satisfaction, including:
 - a) the first Development Permit will be for the combined development of Lot 1 (Phase 1) and Lot 2 (Phase 2), which shall, among other things, include the conceptual design of Lot 2 (Phase 2) for the purpose of approving the amount and distribution of

floor area across the developer's two-lot development site, including the developer's market rental housing contribution; and

- b) the second Development Permit will be a subsequent stand-alone Development Permit application for Lot 2 (Phase 2), which shall, among other things:
 - i) describe the form and character of the developer's market rental housing contribution and ancillary use and spaces (e.g., parking, bike storage, residential amenity spaces, circulation, and access);
 - ii) provide for amendments to the Market Rental Covenant registered on title to Lot 2 (Phase 2) to accurately reflect the approved stand-alone Development Permit; and
 - iii) provide for the registration of additional legal agreements, as determined to the satisfaction of the City, to facilitate the detailed design, construction, and/or management of the market rental housing units and/or ancillary spaces and uses for the purpose of ensuring that the operation of the market rental housing is consistent with the intent of the OCP Market Rental Housing Policy and OCP Amendment Considerations (e.g., access to amenity spaces and uses, parking, and Transportation Demand Management measures).

The applicant has agreed to the terms and conditions of the attached Market Rental Agreement and to register notice of the Market Rental Agreement on title to secure the market rental housing units.

Financial Impact

None.

Conclusion

In accordance with the *Local Government Act* (Section 483), adoption of Bylaw 9980 is required to permit the City to enter into a Market Rental Agreement related to development at CF Richmond Centre (6551 No. 3 Road). The Market Rental Agreement, together with a Market Rental Covenant, will secure a ten per cent market rental housing contribution comprised of a minimum of 200 market rental units. The agreement will secure the market rental housing required with respect to the proposed Official Community Plan (City Centre Area Plan) Amendment (CP 16-752923) at 6551 No. 3 Road.

Suzanne Carter-Huffman Senior Planner/Urban Design

(604-276-4228)

Att. 1: Schedule A to Bylaw No. 9980

Sorranne Coxter-Huffman.

Att. 2: Map of 6551 No. 3 Road





Market Rental Agreement (Housing Agreement) (6551 No. 3 Road) Bylaw 9980

The Council of the City of Richmond enacts as follows:

1.	The Mayor and City Clerk for the City of Richmond are authorized to execute and deliver a
	market rental agreement (housing agreement), substantially in the form set out as Schedule
	A to this Bylaw, with the owner of the lands legally described as:

PID: 017-863-686

Lot A (BF285836) Section 8 Block 4 North Range 6 West New Westminster District Plan 31877

This Bylaw is cited as Market Rental Agreement (Housing Agreement) (6551 No. 3 Road) Bylaw 9980.

FIRST READING			CITY OF RICHMOND
SECOND READING			APPROVED for content by originating dept.
THIRD READING			APPROVED
ADOPTED		<u></u>	for legality by solicitor
	#		
MAYOR		CORPORATE OFFICER	

Bylaw 9980 Page 2

Schedule A

To Market Rental Agreement (Housing Agreement) (6551 No. 3 Road) Bylaw 9980

MARKET RENTAL AGREEMENT (HOUSING AGREEMENT) BETWEEN RC (SOUTH) INC. AND 7904185 CANADA INC. AND THE CITY OF RICHMOND

.MARKET RENTAL AGREEMENT (HOUSING AGREEMENT) (Section 483, Local Government Act)

THIS AGREEN	IENT is dated for reference the	day of	, 2018.
AMONG:			
	RCCOM LIMITED PARTNERSHIP, under the laws of the Province of office at 20 th Floor—250 Howe SV6C 3R8 by its general partner Rincorporated under the laws of the delivery address in British Columbia V6C 3	of Ontario and having it Street, Vancouver, Britis RCCOM GP INC., a corp he Province of Ontario and bia at 20th Floor—250 H	ts registered sh Columbia oration duly nd having its
	("RCCOM")		
	AIMCO REALTY INVESTORS LI partnership duly formed under the and having its registered offit Vancouver British Columbia V6C RE GP CORP., a corporation duly Province of Alberta and having Columbia at 1700-666 Burrard SV6C 2X8,	ne laws of the Province of ice at 1700-666 Burn 2X8, by its general par incorporated under the g its delivery address	of Manitoba rard Street, tner AIMCO laws of the in British
	("AIMCO" and together with RCCC	OM, the "Beneficiary")	
AND:			
	7904185 CANADA INC. (INC. incorporated under the laws of office at 1100 – 10830 Jasper Aver	Canada and having its	s registered
	("7904185")		
AND:			
	RC (SOUTH) INC. (INC. NO. 2510) under the laws of the Province registered in British Columbia, and Street West, Suite 500, Toronto, O	of Ontario, and extra d having its head office a	provincially
	(the Beneficiary and the Nomin more fully defined in section 1.1(e		"Owner" as

AND:

CITY OF RICHMOND, a municipal corporation pursuant to the *Local Government Act* and having its offices at 6911 No. 3 Road, Richmond, British Columbia V6Y 2C1

(the "City" as more fully defined in section 1.1(e) of this Agreement)

WHEREAS:

- A. Section 483 of the *Local Government Act* permits the City to enter into and, by legal notation on title, note on title to lands, housing agreements which may include, without limitation, conditions in respect to the form of tenure of housing units, availability of housing units to classes of persons, administration of housing units and rent which may be charged for housing units;
- B. The Owner is the owner of the Lands (as hereinafter defined) which are to be subdivided and developed to include the Development (as herein defined) comprised of a combination of commercial and residential improvements;
- C. The Owner has agreed to transfer to RCRES LP, or another separate entity ("RCRES") those portions of the Lands on which the residential improvements (Including the Market Rental Housing Units (as herein defined)) will be situate prior to the commencement of the Development, and thereafter, RCRES shall carry out such residential portion of the Development and shall for the purposes of this Agreement become the Owner and be subject to the terms hereof;
- D. The City requires that the Market Rental Housing Units (as herein defined) will be located on Lot 2 (as defined herein) and rented out by the Owner in perpetuity; and
- E. The Owner and the City wish to enter into this Agreement to provide for purpose-built market rental housing on the terms and conditions set out in this Agreement,

NOW THEREFORE in consideration of \$10.00 and other good and valuable consideration (the receipt and sufficiency of which is acknowledged by both parties), and in consideration of the promises exchanged below, the Owner and the City covenant and agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement, the following words have the following meanings:
 - (a) "Affordable Housing Unit" means a Dwelling Unit or Dwelling Units designated as such in accordance with a Building Permit and/or Development Permit issued by the City in accordance with the OCPA Considerations;
 - (b) "Agreement" means this agreement together with all schedules, attachments and priority agreements attached hereto;

- (c) "Building" means any building constructed, or to be constructed, on the Lands, or a portion thereof, and which contains one or more Towers;
- (d) "Building Permit" means the building permit authorizing construction on the Lands, or any portion(s) thereof;
- (e) "City" means the City of Richmond;
- (f) "City Solicitor" means the individual appointed from time to time to be the City Solicitor of the Law Division of the City, or his or her designate;
- (g) "CPI" means the All-Items Consumer Price Index for Vancouver, B.C. published from time to time by Statistics Canada, or its successor in function;
- (h) "Daily Amount" means \$100.00 per day as of January 1, 2019 adjusted annually thereafter by adding thereto an amount calculated by multiplying \$100.00 by the percentage change in the CP! since January 1, 2019, to January 1 of the year that a written notice is delivered to the Owner by the City pursuant to section 6.1 of this Agreement. In the absence of obvious error or mistake, any calculation by the City of the Daily Amount in any particular year shall be final and conclusive;
- (i) "Development" means the mixed-use residential and commercial development to be constructed on the Lands;
- (j) "Development Permit" means the development permit authorizing development on the Lands, or any portion(s) thereof;
- (k) "Director of Development" means the individual appointed to be the chief administrator from time to time of the Development Applications Division of the City and his or her designate;
- (I) "Dweiling Unit" means a residential dwelling unit or units located or to be located on the Lands whether those dwelling units are lots, strata lots or parcels, or parts or portions thereof, and includes single family detached dwellings, duplexes, townhouses, auxiliary residential dwelling units, rental apartments and strata lots in a building strata plan and includes, where the context permits, a Market Rental Housing Unit;
- (m) "GST" means the Goods and Services Tax levied pursuant to the Excise Tax Act, R.S.C., 1985, c. E-15, as may be replaced or amended from time to time;
- (n) "Interpretation Act" means the Interpretation Act, R.S.B.C. 1996, Chapter 238, together with all amendments thereto and replacements thereof;
- (o) "Land Title Act" means the Land Title Act, R.S.B.C. 1996, Chapter 250, together with all amendments thereto and replacements thereof;
- (p) "Lands" means:

PID: 017-863-686, Lot A (BF285836), Section 8, Block 4 North, Range 6 West, New Westminster District Plan 317877, and including a Building or a portion of a Building, into which said Land(s) is or are Subdivided;

- (q) "Local Government Act" means the Local Government Act, R.S.B.C. 2015, Chapter 1, together with all amendments thereto and replacements thereof;
- (r) "Lot" means Lot 1 or Lot 2, as the context may require;
- (s) "Lot 1" means the separate legal parcel to be subdivided from the Lands, approximately as shown as "Lot 1" on the subdivision plan attached hereto as Appendix B;
- (t) "Lot 2" means the separate legal parcel to be subdivided from the Lands, approximately as shown as "Lot 2" on the subdivision plan attached hereto as Appendix B;
- (u) "LTO" means the New Westminster Land Title Office or its successor;
- (v) "Manager, Community Social Development" means the individual appointed to be the Manager, Community Social Development from time to time of the Community Services Department of the City and his or her designate;
- (w) "Market Ownership Unit" means a Dwelling Unit or Dwelling Units which is not a Market Rental Housing Unit or an Affordable Housing Unit;
- "Market Rent" means the amount of rent that a willing tenant would pay to a willing landlord for the rental of a comparable dwelling unit in a comparable location for a comparable period of time. Provided that the Owner will be permitted to charge rents based on the finishing, location and/or amenities of the Market Rental Housing Unit;
- (y) "Market Rental Covenant" means the agreements, covenants and charges granted by the Owner to the City (which includes covenants pursuant to section 219 of the Land Title Act) charging the Lands from time to time, in respect to the use and transfer of the Market Rental Housing Units;
- (z) "Market Rental Housing Unit" means a Dwelling Unit or Dwelling Units located on Lot 2 and designated as such in accordance with a Building Permit and/or Development Permit issued by the City and/or, if applicable, in accordance with the OCPA Considerations applicable to the Development on the Lands and includes, without limiting the generality of the foregoing, the Dwelling Units charged by this Agreement;
- (aa) "MRH Cluster" means a group of not less than 40 Market Rental Housing Units which are contiguous, horizontally and/or vertically, within a Building;

- (bb) "MRH Tower" means a Tower containing Market Rental Housing Units and located within a Building;
- (cc) "OCPA Considerations" means the Official Community Plan Amendment Considerations dated September 10, 2018 and issued to the Owner by the City in connection with the Development and as amended by Council from time to time;
- (dd) "Outdoor and Indoor Amenity Areas" means, collectively, the shared indoor and outdoor common spaces and amenities provided for active and passive recreational, cultural, and social purposes, including all related facilities, features, and equipment, for the purpose of satisfying Official Community Plan and/or Zoning Bylaw requirements with respect to residential uses on Lot 2;
- (ee) "Owner" means the party described on page 1 of this Agreement as the Owner and any subsequent owner of the Lands or of any part into which the Lands are Subdivided, and Includes any person who is a registered owner in fee simple or beneficial owner of a Market Rental Housing Unit from time to time;
- (ff) "Real Estate Development Marketing Act" means the Real Estate Development Marketing Act, S.B.C. 2004, Chapter 41, together with all amendments thereto and replacements thereof;
- (gg) "Residential Tenancy Act" means the Residential Tenancy Act, S.B.C. 2002, Chapter 78, together with all amendments thereto and replacements thereof;
- (hh) "Strata Property Act" means the Strata Property Act S.B.C. 1998, Chapter 43, together with all amendments thereto and replacements thereof;
- (ii) "Subdivide" means to divide, apportion, consolidate or subdivide the Lands, or the ownership or right to possession or occupation of the Lands into two or more lots, strata lots, parcels, parts, portions or shares, whether by plan, descriptive words or otherwise, under the Land Title Act, the Strata Property Act, or otherwise, and Includes the creation, conversion, organization or development of "cooperative interests" or "shared interest in land" as defined in the Real Estate Development Marketing Act, and "Subdivided" and "Subdivision" have the corresponding meanings;
- (jj) "Tenancy Agreement" means a tenancy agreement, lease, license or other agreement granting rights to occupy a Market Rental Housing Unit;
- (kk) "Tenant" means an occupant of a Market Rental Housing Unit by way of a Tenancy Agreement; and
- (II) "Tower" means any low-rise, mid-rise, or high-rise tower located within a Building, and includes a MRH Tower.
- 1.2 in this Agreement:

- (a) reference to the singular includes a reference to the plural, and *vice versa*, unless the context requires otherwise;
- (b) article and section headings have been inserted for ease of reference only and are not to be used in interpreting this Agreement;
- (c) if a word or expression is defined in this Agreement, other parts of speech and grammatical forms of the same word or expression have corresponding meanings;
- (d) reference to any enactment includes any regulations, orders or directives made under the authority of that enactment;
- (e) any reference to any enactment is to the enactment in force on the date the Owner signs this Agreement, and to subsequent amendments to or replacements of the enactment;
- (f) the provisions of section 25 of the *Interpretation Act* with respect to the calculation of time apply;
- (g) time is of the essence;
- (h) all provisions are to be interpreted as always speaking;
- (i) reference to a "party" is a reference to a party to this Agreement and to that party's respective successors, assigns, trustees, administrators and receivers. Wherever the context so requires, reference to a "party" also includes an agent, officer and invitee of the party;
- (j) reference to a "day", "month", "quarter" or "year" is a reference to a calendar day, calendar month, calendar quarter or calendar year, as the case may be, unless otherwise expressly provided; and
- (k) where the word "including" is followed by a list, the contents of the list are not Intended to circumscribe the generality of the expression preceding the word "including".

ARTICLE 2 USE AND OCCUPANCY OF MARKET RENTAL HOUSING UNITS

- 2.1 The Owner agrees that each Market Rental Housing Unit may, in perpetuity, only be occupied by a Tenant at or below Market Rent. A Market Rental Housing Unit must not be occupied by any person other than a Tenant.
- 2.2 Within 30 days after receiving notice from the City, the Owner must in respect of each Market Rental Housing Unit, provide to the City a statutory declaration, substantially in the form (with, in the City Solicitor's discretion, such further amendments or additions as deemed necessary) attached as 0, sworn by the Owner, containing all of the information required to complete the statutory declaration. The City may request such statutory

declaration in respect to each Market Rental Housing Unit no more than once in any calendar year; provided, however, notwithstanding that the Owner may have already provided such statutory declaration in the particular calendar year, the City may request and the Owner shall provide to the City such further statutory declarations as requested by the City in respect to a Market Rental Housing Unit if, in the City's absolute determination, the City believes that the Owner is in breach of any of its obligations under this Agreement.

- 2.3 The Owner hereby irrevocably authorizes the City to make such inquiries as it considers necessary in order to confirm that the Owner is complying with this Agreement.
- 2.4 The Owner covenants and agrees that, notwithstanding that the Owner may otherwise be entitled, the Owner will not:
 - (a) Subdivide Lot 2 or any Building located thereon without the prior written consent of the City;
 - (b) be issued with a Development Permit that includes any residential use and/or an increase in gross leasable floor area on the lot, as determined in the City's discretion (excluding parking intended as an ancillary use to non-parking uses):
 - (i) with respect to Lot 1, unless the Development Permit application for Lot 1 includes the conceptual design of Lot 2 for the purpose of approving the amount and distribution of floor area across the Lots, including the entirety of the developer's Market Rental Housing Unit contribution, in accordance with the OCPA Considerations; and
 - (ii) with respect to Lot 2, unless the Owner, to the satisfaction of the City in accordance with the OCPA Considerations:
 - (A) submits a stand-alone Development Permit application for Lot 2, which shall, among other things, accurately describe the form and character of the Owner's market rental housing contribution and ancillary use and spaces (e.g., parking, "Class 1" bike storage, residential amenity spaces, circulation and access), as determined to the satisfaction of the Director of Development, Manager of Policy Planning, Manager of Community Social Development, and Director of Transportation;
 - (B) amends or replaces the Market Rental Covenant registered on title to the Lands to accurately reflect the specifics of the Market Rental Housing Units and ancillary spaces and uses as per the approved Development Permit; and
 - (C) as required, registers additional legal agreements on title to the Lands to facilitate the detailed design, construction, operation, and/or management of the Market Rental Housing Units and/or ancillary spaces and uses (e.g., parking, Transportation Demand

Management measures) as determined by the City through the Development Permit processes.

- (c) be issued with a Building Permit in respect of Lot 2, in part or in whole, that includes any residential use and/or an increase in gross leasable floor area on the lot, as determined in the City's discretion (excluding parking intended as an ancillary use to non-parking uses), unless the Owner's Building Permit application provides for the required the Market Rental Housing Units and ancillary spaces and uses to the satisfaction of the City in accordance with the OCPA Considerations; and
- (d) occupy, nor permit any person to occupy any Dwelling Unit or Dwelling Units, in part or in whole, constructed on Lot 2 that comprise more than 50% of the maximum permitted residential floor area on Lot 2 (excluding Affordable Housing Units and Market Rental Housing Units) and the City will not be obligated to permit occupancy of any Dwelling Unit or Dwelling Units, in part or in whole, constructed on Lot 2 (excluding Affordable Housing Units and Market Rental Housing Units) until all of the following conditions are satisfied:
 - the Market Rental Housing Units and all ancillary uses and spaces have been constructed to the satisfaction of the City in accordance with the OCPA Considerations and this Agreement;
 - (ii) the Market Rental Housing Units have received final Building Permit inspection granting occupancy; and
 - (iii) the Owner is not otherwise in breach of any of its obligations under this Agreement or any other agreement between the City and the Owner in connection with the development of the Lands.
- (e) The Owner acknowledges and agrees that any strata lot or air space parcel containing Market Rental Housing Units that is created by a Subdivision permitted pursuant to Section 2.4(a) hereof must contain a minimum of 40 Market Rental Housing Units (the "MRH Unit Group"), and each MRH Unit Group must either comprise a MRH Tower or an MRH Cluster.

ARTICLE 3

DISPOSITION AND ACQUISITION OF MARKET RENTAL HOUSING UNITS

- 3.1 Without limiting section 2.1 and subject to the *ResIdential Tenancy Act*, the Owner will not rent a Market Rental Housing Unit to a Tenant for short term rental purposes (being rentals for periods shorter than 30 days). Notwithstanding the foregoing and for greater certainty, nothing in this Agreement will prevent the renting of a Market Rental Housing Unit to a Tenant on a "month-to-month" basis.
- 3.2 If this Agreement encumbers more than one Market Rental Housing Unit, then the Owner may not, without the prior written consent of the City Solicitor, sell or transfer less than all of the Market Rental Housing Units located in a MRH Tower or a MRH Cluster in a single or related series of transactions with the result that when the purchaser or transferee of the

Market Rental Housing Unit becomes the owner, the purchaser or transferee will be the legal and beneficial owner of not less than all of the Market Rental Housing Units located in a MRH Tower or a MRH Cluster.

- 3.3 If the Owner sells or transfers any Market Rental Housing Units, the Owner will notify the City Solicitor of the sale or transfer within three (3) days of the effective date of sale or transfer.
- 3.4 The Owner covenants and agrees with the City that upon any sale, transfer or conveyance of any Market Rental Housing Unit in accordance with the terms hereof to any person, trust, corporation, partnership or other entity, as a legal or beneficial owner, the Owner will obtain from such person, trust, corporation, partnership or other entity and deliver to the City a duly executed acknowledgement of the terms of this Agreement and an assumption of the continuing obligations of the Owner pursuant to this Agreement relative to the Market Rental Housing Unit sold, transferred or conveyed to such person, trust, corporation, partnership or entity.
- 3.5 Subject to the requirements of the *Residential Tenancy Act*, the Owner must not rent, lease, license or otherwise permit occupancy of any Market Rental Housing Unit except to a Tenant and except in accordance with the following additional conditions:
 - (a) the Market Rental Housing Unit will be used or occupied only pursuant to a Tenancy Agreement;
 - (b) the monthly rent payable for the Market Rental Housing Unit will be at or below Market Rent applicable to that class of Market Rental Housing Unit;
 - (c) the Owner will allow the Tenant and any permitted occupant and visitor to have full access to and use and enjoyment of Outdoor and Indoor Amenity Areas on Lot 2, in whole or in part, on a shared or exclusive basis, in accordance with an approved Development Permit and secured with the Market Rental Covenant;
 - (d) the Owner will not require the Tenants or any permitted occupant to pay any fees or costs associated with bicycle storage; and
 - (e) the Owner will not require the Tenants or any permitted occupant to pay any strata fees or strata property contingency reserve fees.
- 3.6 The Owner shall not impose any age-based restrictions on Tenants of Market Rental Housing Units.
- 3.7 The Owner will include in the Tenancy Agreement a clause requiring the Tenant and each permitted occupant of the Market Rental Housing Unit to comply with this Agreement.
- 3.8 The Owner will attach a copy of this Agreement to every Tenancy Agreement.
- 3.9 If the Owner has terminated a Tenancy Agreement, subject to the requirements of the Residential Tenancy Act, then the Owner shall use commercially reasonable efforts to cause the Tenant and all other persons that may be in occupation of the Rental Housing Unit, as

applicable, to vacate the Market Rental Housing Unit, as applicable, on or before the effective date of termination.

ARTICLE 4 DEMOLITION OF MARKET RENTAL HOUSING UNIT

- 4.1 The Owner will not demolish a Market Rental Housing Unit unless:
 - (a) the Owner has obtained the written opinion of a professional engineer or architect who is at arm's length to the Owner that it is no longer reasonable or practical to repair or replace any structural component of the Market Rental Housing Unit, and the Owner has delivered to the City a copy of the engineer's or architect's report; or
 - (b) the Owner has obtained the written opinion of a professional engineer or architect who is at arm's length to the Owner that the Market Rental Housing Unit is damaged or destroyed, to the extent of 40% or more of its value above its foundations,

and, in each case, a demolition permit for the Market Rental Housing Unit has been issued by the City and the Market Rental Housing Unit has been demolished under that permit.

4.2 Following any demolition completed in accordance with Section 4.1 hereof, the Owner will use and occupy any replacement Dwelling Unit in compliance with this Agreement and the Market Rental Covenant both of which will apply to any replacement Dwelling Unit to the same extent and in the same manner as those agreements apply to the original Dwelling Unit, and the Dwelling Unit must be approved by the City as a Market Rental Housing Unit, as applicable, in accordance with this Agreement.

ARTICLE 5 STRATA CORPORATION BYLAWS

- 5.1 This Agreement will be binding upon all strata corporations created upon the strata title Subdivision of the Lands or any Subdivided parcel of the Lands.
- Any such strata corporation bylaw which prevents, restricts or abridges the right to use the Market Rental Housing Units as rental accommodation, or imposes age-based restrictions on Tenants of Market Rental Housing Units, will have no force and effect.
- No such strata corporation shall pass any bylaws preventing, restricting or abridging the use of the Market Rental Housing Unit, as applicable, as rental accommodation.
- 5.4 No such strata corporation shall pass any bylaw or make any rule which would restrict the Owner or the Tenant or any other permitted occupant of a Market Rental Housing Unit from using and enjoying the Outdoor and Indoor Amenity Areas, except on the same basis that governs the use and enjoyment of the Outdoor and Indoor Amenity Areas by all the owners, tenants, or any other permitted occupants of all the strata lots in the applicable Building which are not Market Rental Housing Units or Affordable Housing Units.

ARTICLE 6 DEFAULT AND REMEDIES

- The Owner agrees that, subject to the requirements of the *Residential Tenancy Act*, in addition to any other remedies available to the City under this Agreement or the Market Rental Covenant or at law or in equity, if:
 - (a) a Market Rental Housing Unit is used or occupied in breach of this Agreement or rented at a rate in excess of the Market Rent;
 - (b) a Market Rental Housing Unit is used or occupied in breach of this Agreement; or
 - (c) the Owner is otherwise in breach of any of its obligations under this Agreement or the Market Rental Covenant (in each case past any applicable cure periods),

then the Owner will pay the Daily Amount to the City for every day that the breach continues after ten days' written notice from the City to the Owner stating the particulars of the breach. For greater certainty, the City is not entitled to give written notice with respect to any breach of the Agreement until any applicable cure period, if any, has expired. The Daily Amount is due and payable five business days following receipt by the Owner of an involce from the City for the same.

The Owner acknowledges and agrees that a default by the Owner of any of its promises, covenants, representations or warranties set-out in the Market Rental Covenant shall also constitute a default under this Agreement.

ARTICLE 7 MISCELLANEOUS

7.1 Market Rental Agreement (Housing Agreement)

The Owner acknowledges and agrees that:

- (a) this Agreement includes a housing agreement entered into under section 483 of the Local Government Act;
- (b) where a Market Rental Housing Unit is a separate legal parcel the City may file notice of this Agreement in the LTO against the title to the Market Rental Housing Unit and, in the case of a strata corporation, may note this Agreement on the common property sheet; and
- (c) where the Lands have not yet been Subdivided to create the separate parcels to be charged by this Agreement, the City may file a notice of this Agreement in the LTO against the title to the Lands. If this Agreement is filed in the LTO as a notice under section 483 of the Local Government Act prior to the Lands having been Subdivided, and it is the intention that this Agreement is, once separate legal parcels are created and/or the Lands are subdivided, to charge and secure only the legal parcels or Subdivided Lands which contain the Market Rental Housing Units, then the City

Solicitor shall be entitled, without further City Council approval, authorization or bylaw, to partially discharge this Agreement accordingly. The Owner acknowledges and agrees that notwithstanding a partial discharge of this Agreement, this Agreement shall be and remain in full force and effect and, but for the partial discharge, otherwise unamended with respect to the lands which remain subject to this Agreement. Further, the Owner acknowledges and agrees that in the event that the Market Rental Housing Unit is in a strata corporation, this Agreement shall remain noted on the strata corporation's common property sheet.

- (d) The Owner covenants and agrees with the City that concurrently with its transfer to RCRES of those portions of the Lands on which the portion of the Development that involves the residential improvements will be situate, the Owner will cause RCRES to enter into an agreement pursuant to which RCRES will expressly acknowledge and assume the obligations of the Owner under this Agreement insofar as they relate to the portion of the Lands acquired by RCRES.
- (e) The Owner and the City agree that it is their intention that this Agreement is, once separate legal parcels are created and/or the Lands are Subdivided, to charge and secure only the legal parcels or Subdivided Lands which contain the Market Rental Housing Units. Upon such creation of separate legal parcels and/or Subdivision, the City Solicitor shall, upon written request by the Owner, provide partial discharges of this Agreement accordingly, provided that the Owner has made adequate arrangements, satisfactory to the City, through reciprocal easements or otherwise, to ensure that the Owner(s), the Tenants and any other permitted occupants of the Market Rental Housing Units have the access necessary to ensure their continued ability to use and enjoy the applicable Outdoor and Indoor Amenity Areas.

7.2 No Compensation

The Owner acknowledges and agrees that no compensation is payable, and the Owner is not entitled to and will not claim any compensation from the City, for any decrease in the market value of the Lands or for any obligations on the part of the Owner and its successors in title which at any time may result directly or indirectly from the operation of this Agreement.

7.3 Modification

Subject to section 7.1 of this Agreement, this Agreement may be modified or amended from time to time, by consent of the Owner and a bylaw duly passed by the Council of the City and thereafter if it is signed by the City and the Owner.

7.4 Management

The Owner covenants and agrees that it will furnish good and efficient management of the Market Rental Housing Units and will permit representatives of the City to inspect the Market Rental Housing Units at any reasonable time, subject to the notice provisions in the Residential Tenancy Act. The Owner further covenants and agrees that it will maintain the Market Rental Housing Units in a good state of repair and fit for habitation and will comply with all laws, including health and safety standards applicable to the Lands.

7.5 Indemnity

The Owner will indemnify and save harmless the City and each of its elected officials, officers, directors, and agents, and their heirs, executors, administrators, personal representatives, successors and assigns, from and against all claims, demands, actions, loss, damage, costs and liabilities, which all or any of them will or may be liable for or suffer or incur or be put to by reason of or arising out of:

- (a) any negligent act or omission of the Owner, or its officers, directors, agents, contractors or other persons for whom at law the Owner is responsible relating to this Agreement;
- (b) the City refusing to issue a development permit, building permit or refusing to permit occupancy of any building, or any portion thereof, constructed on the Lands;
- (c) the construction, maintenance, repair, ownership, lease, license, operation, management or financing of the Lands or any Market Rental Housing Unit or the enforcement of any Tenancy Agreement; and/or
- (d) without limitation, any legal or equitable wrong on the part of the Owner or any breach of this Agreement by the Owner.

7.6 Release

The Owner hereby releases and forever discharges the City and each of its elected officials, officers, directors, and agents, and its and their helrs, executors, administrators, personal representatives, successors and assigns, from and against all claims, demands, damages, actions, or causes of action by reason of or arising out of or which would or could not occur but for the:

- (a) construction, maintenance, repair, ownership, lease, license, operation or management of the Lands or any Market Rental Housing Unit under this Agreement;
- (b) the City refusing to issue a development permit, building permit or refusing to permit occupancy of any building, or any portion thereof, constructed on the Lands; and/or
- (c) the exercise by the City of any of its rights under this Agreement or an enactment.

7.7 Survival

The obligations of the Owner set out in Section 7.5 of this Agreement will survive termination or discharge of this Agreement.

7.8 Priority

The Owner will do everything necessary, at the Owner's expense, to ensure that this Agreement, if required by the City Solicitor, will be noted against title to the Lands in priority to all financial charges and encumbrances which may have been registered or are pending

registration against title to the Lands save and except those specifically approved in advance in writing by the City Solicitor or in favour of the City, and that a notice under section 483(5) of the *Local Government Act* will be filed on the title to the Lands.

7.9 No Fettering and No Derogation

Nothing contained or implied in this Agreement shall fetter in any way the discretion of the City or the Council of the City. Further, nothing contained or implied in this Agreement shall derogate from the obligation of the Owner under any other agreement with the City or, if the City so elects, prejudice or affect the City's rights, powers, duties or obligation in the exercise of its functions pursuant to the *Community Charter* or the *Local Government Act*, as amended or replaced from time to time, or act to fetter or otherwise affect the City's discretion, and the rights, powers, duties and obligations of the City under all public and private statutes, bylaws, orders and regulations, which may be, if the City so elects, as fully and effectively exercised in relation to the Lands as if this Agreement had not been executed and delivered by the Owner and the City.

7.10 Agreement for Benefit of City Only

The Owner and the City agree that:

- (a) this Agreement is entered into only for the benefit of the City;
- (b) this Agreement is not intended to protect the interests of the Owner, any Tenant, or any future owner, lessee, occupier or user of the Lands or a Building or any portion thereof, including any Market Rental Housing Unit; and
- (c) the City may at any time execute a release and discharge of this Agreement, without liability to anyone for doing so, and without obtaining the consent of the Owner.

7.11 No Public Law Duty

Where the City is required or permitted by this Agreement to form an opinion, exercise a discretion, express satisfaction, make a determination or give its consent, the Owner agrees that the City is under no public law duty of fairness or natural justice in that regard and agrees that the City may do any of those things in the same manner as if it were a private party and not a public body.

7.12 Notice

Any notice required to be served or given to a party herein pursuant to this Agreement will be sufficiently served or given if delivered, to the postal address of the Owner set out in the records at the LTO, and in the case of the City addressed:

(a) Clerk, City of Richmond 6911 No. 3 Road Richmond, BC V6Y 2C1 And to:

(b) City Solicitor
City of Richmond
6911 No. 3 Road
Richmond, BC V6Y 2C1

or to the most recent postal address provided in a written notice given by each of the parties to the other. Any notice which is delivered is to be considered to have been given on the first day after it is dispatched for delivery.

7.13 Enuring Effect

This Agreement will extend to and be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

7.14 Severability

If any provision of this Agreement is found to be invalid or unenforceable, such provision or any part thereof will be severed from this Agreement and the resultant remainder of this Agreement will remain in full force and effect.

7.15 Waiver

All remedies of the City will be cumulative and may be exercised by the City in any order or concurrently in case of any breach and each remedy may be exercised any number of times with respect to each breach. Waiver of or delay in the City exercising any or all remedies will not prevent the later exercise of any remedy for the same breach or any similar or different breach.

7.16 Sole Agreement

This Agreement, and any documents signed by the Owners contemplated by this Agreement (including, without limitation, the Market Rental Covenant), represent the whole agreement between the City and the Owner respecting the use and occupation of the Market Rental Housing Units, and there are no warranties, representations, conditions or collateral agreements made by the City except as set forth in this Agreement. In the event of any conflict between this Agreement and the Market Rental Covenant, this Agreement shall, to the extent necessary to resolve such conflict, prevail.

7.17 Further Assurance

Upon request by the City the Owner will forthwith do such acts and execute such documents as may be reasonably necessary in the opinion of the City to give effect to this Agreement.

7.18 Covenant Runs with the Lands

This Agreement burdens and runs with the Lands and every parcel into which it is Subdivided in perpetuity. All of the covenants and agreements contained in this Agreement are made by the Owner for itself, its personal administrators, successors and assigns, and all persons who after the date of this Agreement, acquire an interest in the Lands.

7.19 Equitable Remedies

The Owner acknowledges and agrees that damages would be an inadequate remedy for the City for any breach of this Agreement and that the public interest strongly favours specific performance, injunctive relief (mandatory or otherwise), or other equitable relief, as the only adequate remedy for a default under this Agreement.

7.20 No Joint Venture

Nothing in this Agreement will constitute the Owner as the agent, joint-venturer, or partner of the City or give the Owner any authority to bind the City in any way.

7.21 Applicable Law

Unless the context otherwise requires, the laws of British Columbia (including, without limitation, the *Residential Tenancy Act*) will apply to this Agreement and all statutes referred to herein are enactments of the Province of British Columbia.

7.22 Deed and Contract

By executing and delivering this Agreement the Owner intends to create both a contract and a deed executed and delivered under seal.

7.23 **Joint and Several**

if the Owner is comprised of more than one person, firm or body corporate, then the covenants, agreements and obligations of the Owner shall be Joint and several.

7.24 Limitation on Owner's Obligations

The Owner is only liable for breaches of this Agreement that occur while the Owner is the registered or beneficial owner of the Lands provided however that notwithstanding that the Owner is no longer the registered or beneficial owner of the Lands, the Owner will remain liable for breaches of this Agreement that occurred while the Owner was the registered or beneficial owner of the Lands.

7.25 Counterparts

This Agreement may be signed by the parties hereto in counterparts and taken together shall constitute one and the same instrument and may be compiled for registration, if registration is required, as a single document.

[Execution blocks follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

RC (SOUTH) INC., by its authorized signatory(ies):	RCCOM LIMITED PARTNERSHIP, by its general partner, RCCOM GP INC., by its authorized signatory(ies):
Per:	Per:
Print Name:	Print Name:
Per:	Per:
Print Name:	Print Name:
7904185 CANADA INC., by its authorized signatory(ies):	AIMCO REALTY INVESTORS LIMITED PARTNERSHIP, by its general partner, AIMCO RE GP CORP., by its authorized signatory(ies): Per:
Print Name: Erik Dmytrok	Print Name: Erth Dmutnh
Per:	Per:
Print Name:	Print Name:
CITY OF RICHMOND by its authorized signatory(ies)	
Per:	
Malcolm Brodie, Mayor	
Per:	_
David Weber, Corporate Officer	CITY OF

RICHMOND

APPROVED for content by originating dept.

APPROVED for logality by Solikitor

DATE OF COUNCIL APPROVAL

[Execution blocks follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

RC (SOUTH) INC., by its authorized signatory(ies):	RCCOM LIMITED PARTNERSHIP, by its general partner, RCCOM GP INC., by its authorized signatory(ies):
Per: Josh THURSON Per: David Fenrich	Per: Print Name: David Fenrich
7904185 CANADA INC., by its authorized signatory(ies):	AIMCO REALTY INVESTORS LIMITED PARTNERSHIP, by its general partner, AIMCO RE GP CORP., by its authorized signatory(ies):
Per:	Per:
Print Name:	Print Name:
Per:	Per:
Print Name:	Print Name:
CITY OF RICHMOND by its authorized signatory(ies)	
Per:	_
Malcolm Brodie, Mayor	
Per:	
David Weber, Corporate Officer	- CITY OF

APPROVED for content by originating dept.

APPROVED for legality by Solicitor

DATE OF COUNCIL APPROVAL

APPENDIX A to Market Rental Agreement (Housing Agreement)

STATUTORY DECLARATION

CANADA PROVINCE OF BRITISH COLUMBIA)	IN THE MATTER OF A		
) } }	MARKET RENTAL AGREEMENT (HOUSING AGREEMENT) WITH THE CITY OF RICHMOND ("Housing Agreement")		
TO WIT)				
	ly declare that:	of	, British Columbia, do		
1.	I am the owner or authorized signatory of the owner of (the "Market Rental Housing Unit"), and make this declaration to the best of my personal knowledge.				
2.	This declaration is made pursuant to the Market Rental Agreement (Housing Agreement) in respect of the Market Rental Housing Unit.				
3.	For the period from				
4.	I make this solemn declaration, conscientiously believing It to be true and knowing that it is of the same force and effect as if made under oath and pursuant to the Canada Evidence Act.				
City of in the P	rovince of British Columbia, day of)))))	DECLARANT"		
	nissioner for Taking Affidavits in th e of British Columbia) e) 			

APPENDIX B SUBDIVISION PLAN



