

DRAFT MOU BETWEEN CITY OF COQUITLAM AND [PROPONENT]

RFP# 26-008; Non-Market Housing Project
1013 and 1025 Brunette Avenue

1. INTRODUCTION

This Memorandum of Understanding (MOU) sets out the intent of the project award by the City of Coquitlam to [PROPONENT] for the development of non-market housing at 1013 and 1025 Brunette Avenue.

The project was advanced through a Request for Proposals (RFP) process – RFP#26-008, and for which [PROPONENT] was the successful proponent.

This MOU is a non-binding statement of the parties' mutual understanding of the project award and intent to partner to deliver affordable housing for low to moderate income households. No legally enforceable rights or obligations will be created by or arise from this MOU in respect to either party.

[PROPONENT] acknowledges that any other agreements arising from, or contemplated under this MOU and all rights and obligations of the City will be subject to approvals by the City's management having authority or City Council, as required.

The City acknowledges that any other agreements arising from, or contemplated under this MOU and all rights and obligations of [PROPONENT] will be subject to approvals by the [PROPONENT]'s Board of Directors, as required.

2. KEY MILESTONES

Key milestones with target dates are summarized in Table 1 below, outlining the parties' expectations on the timing that the non-market housing project will be delivered. Should [PROPONENT] be unable to meet a key milestone, they will inform the City as soon as possible, including steps to remedy slippage.

TABLE 1 – KEY MILESTONES

#	MILESTONE	TARGETED DATE
1	Execution of MOU	Q3 2026
2	Advance site investigations and due diligence	Q3 2026
3	Co-develop Communications and Engagement Plan	Q3-Q4 2026
4	Financing Secured (initial commitment)	Q1 2027
5	Submission of Development Permit Application & City's decision on option related to commercial space	Q1-Q2 2027
6	Financing Secured (expected date)	Q1 2027
7	Building Permit Submission	2027
8	Agreement in principle on key lease terms	2027
9	Execution of land lease agreement	Q3-Q4 2027
10	Issuance of Building Permits	Q3-Q4 2027
11	Registration of Lease and Commencement of Construction	*after Building Permit issuance

It is acknowledged that the timing of project delivery and overall viability may be impacted by a range of factors that are outside of both parties' control, including, but not limited to, capital costs, market conditions and other macro-economic factors, and senior government funding opportunities and conditions. After two years following the execution of the MOU, should the site not have received full conditional approval for financing and substantively moved through the development application process (i.e. Building Permit issuance), the City may, at its sole discretion, review the circumstances and consider granting an extension or otherwise terminating the MOU .

3. REQUIRED PERMITS AND APPROVALS

[PROPONENT] will advance submit necessary documentation to obtain all necessary City approvals. These include:

- a) Development Permit (form and character)
- b) Development Permit (water course protection)
- c) Subdivision Application – For lot consolidation, road dedications and offsite works and services.

4. SHARED GOALS AND RECOGNIZED CONTRIBUTIONS TO THE PROJECTS

This MOU recognizes the shared goal of delivering a mixed-use non-market housing at the site. Affordability will be achieved through contributions from [PROPONENT] and the City, as described below:

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- The City is offering the property located at 1013 and 1025 Brunette Avenue for the development of a mixed-use non-market housing project on a 60-year lease term at a nominal lease rate.
- The City will process [PROPONENT's] future development and building permit applications in accordance with the Priority Review Policy for Non-Profit Housing.
- The City may consider a potential grant request which supports affordability of the units through the Affordable Housing Reserve Fund (AHRF) application process, recognizing the contribution already made through the leasehold value of the land.
- The City may consider a potential grant request through the Child Care Partnership Reserve Fund (CCPRF) to support a proposed child care component of the project.
- [PROPONENT] will design, develop, construct and operate the non-market housing project in a manner that is financially viable and makes full use of available density on the site.
- [PROPONENT] will design, develop, construct and operate the required commercial space and meets the shared objectives of creating a strong retail tenant mix and commercial use that activates and supports Brunette Avenue as a retail "main street"
- [PROPONENT] will operate and manage the non-market housing project in a financially responsible and sustainable manner over the lease term period. Any surplus will be directly invested back into the housing affordability of the subject project.
- [PROPONENT] will operate and manage the mixed-use non-market housing project to a high standard over the entire life-cycle of the building(s). These standards will be further outlined through a future land lease agreement.
- The City will support the [PROPONENT], such as with letters of support or information, in their pursuit of all opportunities for financing and direct financial grants from senior governments and other partners (eg. major donors).

5. NON-MARKET HOUSING OBJECTIVES

It is the City's expectation that the overall project will be designed to appropriately respond to the surrounding land use and neighbourhood context, and that the project implements a construction management approach that minimizes impacts to the neighbourhood.

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[PROPONENT] will construct the mixed-use housing project and the approved number of dwelling units will be made available for rent to households who meet program eligibility requirements. The program eligibility requirements will be mutually agreed to by both parties and outlined in an agreement (i.e. land lease agreement and/or Housing Agreement) and registered on title.

Total number of units, bedroom types, rent ranges and tenant eligibility criteria will be further defined through the land lease agreement or operating agreement required by a senior government funder.

6. COMMERCIAL USES

The development will include a minimum commercial floor area as required under the applicable zone.

The Preferred Proponent will be required to grant an option in favour of the City to a portion of the required commercial space (a base building shell ready for fixturing) from the land lease. Should the City exercise such an option, the Proponent and the City would negotiate the preferred legal designation of the excluded commercial space (eg. air space parcel, strata or surveyed lease plan).

7. ROLES AND RESPONSIBILITIES

To support the project:

- The City will provide [PROPONENT] access to any applicable property information that is available (i.e. surveys, architectural designs, off-site road and services designs) and site assessment reports that have been completed to date to support due diligence and financial analysis of the project, recognizing that further information and due diligence is required by [PROPONENT].
- The City will provide a streamlined and facilitated review process, including setting of clear expectations and timelines, efficient processing and review, and early identification of potential site constraints, in accordance with the Priority Review Policy for Non-Profit Housing.
- [PROPONENT] will prioritize and apply appropriate resources to the project to support successful development, construction and operational outcomes in a timely manner.
- [PROPONENT] will complete all necessary due diligence on physical, legal and financial conditions for the project site and not hold the City responsible for any costs arising from discoveries.

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- [PROPONENT] will inform the City at least 72 hours before conducting any site works at 1013 and 1025 Brunette Avenue and complete all necessary documents related to the site works.
- [PROPONENT] will collaborate with the City on all related public announcements, media requests and events related to key milestones. The City and [PROPONENT] understand the importance of involving additional funding and/or community partners in announcements and events and recognize that other levels of government may have protocols that supersede this one.
- [PROPONENT] will make all reasonable efforts to obtain appropriate funding and/or financing to support the affordability of the project and advance and prioritize the project development.

8. PRIORITIZATION OF COQUITLAM TENANTS

The City's expects that [PROPONENT] will prioritize Coquitlam residents or individuals with a connection to Coquitlam (e.g. family or work in the area) through their tenant selection process. Prior to the finalization of the land lease agreement, [PROPONENT] will clearly outline their tenant selection criteria and approach including how it will prioritize Coquitlam residents in the tenant mix.

9. COMMUNICATION AND COMMUNITY ENGAGEMENT

Both parties recognize that effective communication, prompt responses, and complete documentation will be essential to achieve the cost savings anticipated by the project, as well as mitigate project and reputational risk to the parties involved. In order to support the success of this project, all parties agree to timely and accurate communication both internally within project teams, and externally to the public.

All project-related public communications and community engagement, including public consultation in relation to the application for development approval, will align with Coquitlam's Community Engagement Framework, statutory obligations and media relations best practices. [PROPONENT] and/or their consultants will participate in the public consultation process, as deemed appropriate by the City. Throughout the project, [PROPONENT] and the City of Coquitlam will work together to keep the community informed and engaged, and ensure that clear and accurate project information is always available. This includes collaboration on media and other project materials, and working together to ensure related public and media inquiries are shared and responded to appropriately.

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10. SITE INFORMATION RECEIVED FROM THE CITY

Any site information that is or has been provided to [PROPONENT] from the City is strictly for information purposes only, without any representations or warranties about the information and as such, the developer should not rely on the same. The [PROPONENT] will be responsible for undertaking and completing all necessary due diligence for the site and the City will not be liable in any way for any errors, omissions or costs arising from discoveries or any information provided. Should the [PROPONENT] wish to use the provided information for a development application, authorization from the City and the originating consultant would need to be obtained.

[signatory]
Director City Lands
City of Coquitlam

Name of Authorized
Title
Organization