



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: November 6, 2007
Author:
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RTS No.: 07019
VanRIMS No.:
Meeting Date: City Clerks Use Only

TO: Vancouver City Council

FROM: The Director of the Housing Centre in consultation with the Directors of Development Services, Planning, Real Estate Services and Social Planning

SUBJECT: City/Province Social and Supportive Housing Partnership

RECOMMENDATION

- A. THAT Council refer consideration of Recommendations B and C to a public meeting to be held on the evening of December 12, 2007;
- B. THAT Council approve the Memorandum of Understanding between the City and the Province (BC Housing) attached as Appendix A to this report whereby 12 City-owned sites would be developed for social and supportive housing for the homeless and those at risk of homelessness such as the mentally ill, people with addictions, and residents of the City's Single Room Occupancy (SRO) hotels, and whereby:
 - the City would lease 12 sites to non-profit sponsors of social and supportive housing for 60 years with a nominal prepaid lease rent;
 - the non-profit sponsors would not be required to pay property taxes; and
 - the City would pay the cost of environmental remediation (removing hazardous materials from the buildings and soil remediation);with the source of funding to be the Property Endowment Fund, Development Cost Levies allocated to replacement housing, and the Affordable Housing Fund as set out in this report.

- C. THAT Council approve making two existing temporary Planner II positions in the Housing Centre permanent, subject to review by Human Resources. Community Services will fund the positions for 2008, and for 2009 funding to be added to the 2009 Operating Budget without offset, as part of Community Services' operating budget, subject to the 2009 Budget Process, at an estimated cost of \$81,900 (2006 rates) for each position.

Recommendation B represents a grant and requires 8 affirmative votes.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services recommends approval of Recommendations A, B and C.

CITY MANAGER'S COMMENTS

The City Manager notes the importance of this partnership for achieving the Homeless Action Plan and Project Civil City objectives. The City has been facing a growing homelessness crisis, and supportive housing for persons suffering from mental illness and/or substance abuse is key to any long term solution. It will greatly improve the lives of Vancouver's most disadvantaged citizens and the communities most impacted by the crisis. The Province will be making a substantial commitment of capital and operating funds, and the City's financial contribution is also significant. It needs to be clear that this partnership is not setting any precedents regarding property tax exemptions or any other future City contribution. This partnership is a unique and specific response to the homelessness, mental health and addictions crises the city and its citizens face today, and an important initiative for achieving the Project Civil City objective to create housing opportunities and reduce homelessness.

COUNCIL POLICY

The City's social housing priorities are low and modest income families with children; seniors on fixed incomes or in need of support; SRO residents; and the mentally ill, physically disabled, and others at risk of homelessness.

Council policy is to replace the single-room occupancy hotels and rooming houses in the downtown on a 1-for-1 basis; to maintain or increase the percentage of social housing in the City; to develop social and supportive housing throughout the city; and to eliminate homelessness with a 50% reduction by 2010.

Nominal leases and property tax exemptions are grants and require 8 affirmative votes of Council for approval.

PURPOSE AND SUMMARY

This report recommends referral of the recommendation to approve the Memorandum of Understanding attached as Appendix A to a public meeting on December 12, 2007, at which delegations would be heard and Council would consider the recommendation.

The Memorandum of Understanding between the City and the Province (BC Housing) sets out a partnership that would see BC Housing fund the preconstruction costs for the development of 1100 - 1200 social and supportive housing units on 12 City-owned sites. The partnership assumes that funding to build and operate the projects will be provided by the Province and its other partners (the Federal Government, corporate and private donors, etc.) in 2008.

The units would be small studio units, each with a kitchen and bathroom. The residents would all be in core-need including low-income singles living in the City's SROs, homeless individuals and those at risk of homelessness, many of whom are mentally ill and/or suffer from addiction and need supports in addition to stable, secure and affordable housing. The projects would provide supportive environments for all the residents, with 400-600 of the units to be occupied by the clients of mental health and addiction service providers. The building and operating programs will vary between the projects depending on the tenant profile to be served, but all the projects would accommodate a range of need, from those requiring more services to those who can live independently.

The City's contribution to the partnership would be to lease the sites to the non-profit housing sponsors for 60 years at nominal prepaid rents, exempt the projects from property taxes, and cover the cost of environmental remediation.

An expedited process is proposed that would begin with the consideration of the Memorandum of Understanding at a December 12 public meeting, after which the projects would be processed in accordance with the City's Development and Building Permit, and rezoning processes. The intent is to have Development Permits approved by the summer so that construction of at least 6 projects can commence before the end of 2008.

BACKGROUND

Since the mid-1990s, homelessness has been a growing problem across Canada, including in the city and metro Vancouver. Between 2002 and 2005, when the last regional count of the homeless was undertaken, the number of homeless living on the street or in shelters doubled; from 1,000 in 2002 (630 in the city) to 2,100 in 2005 (1,300 in the city). The next regional count is scheduled for early 2008, but the expectation is that the number of homeless has continued to increase and may have again doubled.

At the same time, the SRO stock in the city has become increasingly vulnerable due to age (most are a century old), lack of revenue (frozen welfare rates), a more difficult tenant profile (increasing mental illness and addiction), and competing uses (conversion to tourist hotels and demolition for condominium development). There are 6,000 SROs in the city that should be replaced. The total number of housing units available for low-income singles (SROs, and social housing and special needs residential facilities developed for low income singles) has held steady at 14,000 over the past couple of decades, but the pressure to accelerate the rate of replacement is growing with the increasing vulnerability of the SROs

and the increasing vulnerability of their tenants. It is estimated that there are at least 2,000 SRO residents that need supportive housing, in addition to the 1,000 - 2,000 homeless (on the street or in shelters) in the city on any given night.

Social housing accommodates families, seniors and singles who cannot afford market housing, and supportive housing is social housing for people who need support in addition to safe, secure and affordable housing. Supportive housing connects residents to services and which provides a supportive environment that maximizes the residents' independence.

The City has responded to the homelessness crisis in several ways. It has introduced regulations to control the loss of affordable market rental housing including SROs. In 2003 Council adopted the Single Room Accommodation (SRA) By-law that requires Council approval of a conversion or demolition of any SRA (which includes most of the SROs). In 2007 Council adopted regulations to manage the rate of change in the purpose built (unstratified) market rental stock that require 1-1 replacement of the rental units for redevelopments of more than 5 units. While these regulations can control the loss of affordable rental housing, including the SROs, they are only a temporary solution; at some point disinvestment will set in and eventually the buildings will reach a state where their physical state and the economics dictate that they be closed.

The City has developed comprehensive policies to address homelessness and the need to replace the downtown SROs. The policies provide a foundation for the City's response to the homelessness and affordability crises, including its advocacy with the Federal Government and the Province who have the mandate and the resources to solve homelessness and fund social and supportive housing programs. In 2005, the City adopted the Homeless Action Plan that identified the need to develop 8000 units of social housing in the city over the next decade, of which 3200 units should be supportive housing and 600 units transitional housing. The Homeless Action Plan sets out "3 Ways to Home" for solving homelessness, one of which is better access to housing, with supportive housing as the priority. In 2005, Council also adopted the Housing Plan for the Downtown Eastside, which recommended the continuing development of 150-200 units/year for low income singles on the basis of historic rates of SRO loss.

When federal or provincial funding for the development of social housing has been available, the City has been an important partner by providing sites and contributing capital grants. The Federal government is now a secondary funder of affordable housing programs, but does directly fund affordable housing projects through its homelessness and rental rehabilitation programs, and the City has been a partner in some of these projects. The Province has become the City's primary partner, and the City is a member of the Premier's Task Force on Homelessness, Mental Illness and Addictions. The Province has provided most of the funding for the 2,000 social and supportive housing units under construction or funded and in design development in the city. The City has contributed sites for social and supportive housing funded through the Task Force, and more recently contributed sites for projects funded through the Province's housing strategy, Housing Matters BC.

Project Civil City

On December 14, 2006, Council approved a motion regarding street disorder that established Project Civil City. One of the four objectives of Project Civil City is to "increase housing opportunities and eliminate homelessness, with at least a 50% reduction by 2010". A

companion report, "Project Civil City - Progress Report" provides Council with an update on Project Civil City. It is important to note that the proposed City/Province social and supportive housing partnership will increase housing opportunities, and that supportive housing is key to eliminating homelessness. The proposed partnership will be an important component of Project Civil City's implementation.

Vancouver Homelessness Funding Model

On March 13, 2007, Council approved in principle the "Vancouver Homelessness Funding Model: more than a warm bed". The consultants who developed the model, Ken Dobell and Don Fairbairn, proposed that the City make 12 or more of its sites available to the Province at no cost for the development of supportive housing for the homeless and those at risk of homelessness, and recommended that the City exempt the projects from property taxes. City Council approved in principle leasing 12 or more sites to a proposed Homelessness Foundation or to non-profit supportive housing providers for 60 years at nominal prepaid rents and not requiring that the supportive housing projects developed on the City's sites pay property taxes, subject to the Province committing the funding to develop and operate the supportive housing. The proposed City/Province social and supportive housing partnership would effectively implement these recommendations.

Council also approved in principle offering \$5,000,000 as the City's contribution towards securing 500 SRO units in partnership with the Province. On April 3, 2007, the Province announced that it had acquired 10 SRO buildings in Vancouver with 596 rooms, and that it would be converting them to supportive housing operated by non-profit housing societies, and at the same time announced funding for 3 new projects with 300 units of social and supportive housing. BC Housing has now selected the sponsors for its 10 SRO buildings, and is recommending sponsors for the City site that will be developed as a small suite project and for the Drake Hotel which the City acquired in the spring. Staff will report to Council to seek approval of the non-profit sponsors for the Drake Hotel and the small suite project, and also for the \$5,000,000 contribution for the purchase of 500+ SROs and their conversion to supportive housing.

Other Vancouver Homeless Funding Model recommendations related to establishing a Limited Partnership (now identified as Street to Home Vancouver Partnership) and a Street to Home Vancouver Foundation that would encourage investments in and charitable contributions to supportive housing. The Limited Partnership requires changes to Federal tax regulations and legislation, and discussions with the Federal Government are underway. Changes to the Federal taxation rules will not in any event happen before the 2008/9 Federal budget. Staff expect to report to Council in the near future on the status of the federal discussions and the Vancouver Homelessness Funding Model.

Inclusive Olympics Housing Table

In March 2007, the advisory Table set up to develop recommendations for implementing the Inner City Inclusivity Commitments related to housing, made to the IOC as part of the Vancouver/Whistler bid for the 2010 Winter Games, released its report. There were five ICI Commitments related to housing:

- Provide an affordable housing legacy and start planning now;
- Protect rental housing stock;

- Provide many alternative forms of temporary accommodation for Games' visitors and workers;
- Ensure people are not made homeless as a result of the Games; and
- Ensure residents are not involuntarily displaced, evicted or face unreasonable increases in rent as a result of the Games.

The members of the Table represented a broad range of housing interests and made 25 recommendations of which 23 were approved on consensus. The recommendations relating to providing an affordable housing legacy generally urged all the partners to the ICI Commitments to implement Vancouver's Homeless Action Plan, including funding for 800 social housing units/year, a majority of which the Table believes should be supportive housing. On June 7, Council approved the City's response to the Housing Table recommendations and reiterated the need for Federal and/or Provincial funding to develop 800 units/year of social and supportive housing in the city.

Supportive Housing Strategy

On June 6, 2007, Council approved the "Supportive Housing Strategy for Vancouver Coastal Health's Mental Health and Addictions Supported Housing Framework". Vancouver Coastal Health's housing framework identified a need for 2,200 units of supportive housing for individuals with a mental illness and/or addiction who are connected to VCH services but at risk because they are living in inappropriate housing (insecure, unstable and/or unaffordable). Most would be accommodated through rent supplements in private rental housing, with 450 units to be provided in a dozen new supportive housing projects.

Council adopted the Supportive Housing Strategy including recommendations to balance geographically new supportive housing across the city in zones where apartments are permitted; that the City assist in acquiring sites; that the provincial and federal governments have primary responsibility for funding supportive housing (capital, operational and support services); and that the City, VCH and BC Housing undertake community consultation regarding supportive housing and services for the mentally ill and those suffering from addictions.

The proposed City/Province social and supportive housing partnership will implement the Supportive Housing Strategy by making 100 or so units available to VCH clients who are already connected to treatment and support services. However, many of the homeless and those at risk who will become residents of the projects developed through the partnership will not be VCH clients. Though they may use emergency wards and access walk-in clinics, most homeless and SRO residents are not VCH clients in the sense that they are in treatment or recovery, and connected to programs to address a mental health or substance abuse issue. One of the goals of the supportive housing will be to connect unconnected residents to the appropriate social and health services.

CITY/PROVINCE SOCIAL AND SUPPORTIVE HOUSING PARTNERSHIP

The Memorandum of Understanding attached as Appendix A sets out the proposed City/Province social and supportive housing partnership. It would see 11 City-owned sites designated for affordable housing (which includes social and supportive housing), plus one site designated for affordable housing that the City has an option to purchase, developed for social and supportive housing.

The sites are:

Address	Number of Units+/-
505 Abbott St.	120
675-691 East Broadway	100
1134 Burrard St.	100
3588-96 West 16 th Ave./3212-28 Dunbar St.	50
1607-15 West 7 th Ave	70
1050 Expo Blvd.	100
1233-51 Howe St.	100
606 Powell St.	100
1721-23 Main St.	80
215-225 West 2 nd Ave.	100
1308 Seymour St.	100
590 Alexander St.	100
Total	1100-1200

The location of the 12 sites is shown on the map attached to the Memorandum of Understanding. The key components of the proposed partnership are:

- 1) BC Housing to fund all the preconstruction work required so that Development Permits and Building Permits can be issued;
- 2) funding from the Province and its other partners to build and operate the social and supportive housing projects to be available in 2008;
- 3) the City's contribution to the partnership will be to lease 12 of its sites to non-profit housing sponsors for 60 years at nominal prepaid rents, the lessees to be exempt from paying property taxes, and the City to pay the cost of environmental remediation;
- 4) the 12 projects to generate 1100 - 1200 small studio units in supportive environments with 400-600 residents connected to and supported by community based non-profit providers of mental health and addiction services;
- 5) approximately 100 of the supported units to be available to Vancouver Coastal Health's clients who are living in precarious conditions in accordance with the City's Supportive Housing Strategy;
- 6) a continuum of social and supportive housing projects to be developed including alcohol and drug free, and low barrier projects with the low barrier projects to be located in the city's downtown;
- 7) all residents to be low income singles with those who are not connected to services benefiting from a supportive environment and generally able to live independently;
- 8) the projects to be staffed 24 hours a day 7 days a week with the low barrier projects expected to require higher staffing levels;
- 9) the projects to be operated by non-profit housing sponsors who will partner with a non-profit service provider or providers if they don't provide mental health and addiction services themselves; and
- 10) an expedited process for the design, review and approval processes with the intent that construction will commence on at least half the projects by the end of 2008.

The proposed partnership raises some specific issues:

Commercial Component

Five of the City's sites are located on arterials or in shopping districts where the zoning encourages or requires ground floor commercial, and in particular, retail uses. The City's Property Endowment Fund already has a portfolio of commercial space located on the ground floors of social housing projects. Approximately 30,000 sq. ft. of ground floor commercial space could be accommodated on the five sites. As with past social housing projects, the PEF would pay the cost to build the space but not pay any of the land cost. The estimated cost to build 30,000 sq. ft. of commercial space is \$7,000,000. The commercial floor space would be operated on a market basis as a long term financial investment.

Social Service Centres

Social service centres are currently tenants on two of the 12 sites. Both provide drop-in and services to youth, with Family Services of Greater Vancouver operating New Directions at 1134 Burrard St. and Pacific Community Resource Society operating the Broadway Youth Services Centre at Broadway and Fraser. Motivation, Power and Achievement Society (MPA) operates a mental health drop-in and social service centre at Pine and 4th and their landlord has advised them that he wants to redevelop the site. He has granted them an extension while they look for a new location, and the proposal is to include MPA on the ground floor of a social and supportive housing project to be developed on the City's 7th and Fir site.

The non-profit societies which operate the social service centres and their funders have all expressed an interest in being included in any redevelopment of these sites. BC Housing will finance the capital cost of the social service centres but the funders of the social services will need to commit the funding to operate the social service centres. If operating funding for the social service centres is not forthcoming, they may have to relocate when their leases end.

The social service centres would sub-lease their space from the non-profit housing sponsors. The terms of the leases for the sponsors and of the sub-leases for the social service centres would be reported to Council in mid-2008.

Existing Tenancies

Eight of the sites are vacant or effectively vacant with month-to-month leases or leases that can be terminated with modest compensation. The 4 sites that are leased for longer terms include the two with the social service centres and two sites in South East False Creek (in the 'private lands'). When funding to build the projects is confirmed, the tenants will be advised that their leases will not be renewed beyond the date when vacant possession is required for the projects' construction schedule. The City will enter into discussions with the tenants on the two sites in South East False Creek to determine if the tenants are willing to vacate early and on what conditions, and the City and BC Housing will determine how best to proceed. Staff will report back to Council as appropriate.

Rezoning

All but the two sites in South East False Creek (SEFC) can be developed without rezoning. The two SEFC sites will be the subject of CD-1 rezoning applications that will conform to the

parameters established by the SEFC ODP. However, the Broadway and Fraser site, the Drake Hotel site (Powell and Princess), and the Alexander and Princess sites could all benefit from potential rezonings. All three sites are in areas that are undergoing a planning review. The Broadway/Fraser site is in Mt. Pleasant where a visioning process has begun, and the Drake Hotel and Alexander and Princess sites are in the Downtown Eastside Oppenheimer District (DEOD) where a review of the zoning, as recommended by the Housing Plan for the Downtown Eastside, is underway. These sites can potentially accommodate an increase in density and height, and in the case of the Broadway and Fraser and Drake Hotel sites, the sites are large enough to accommodate a mix of market and non-market housing, and possibly commercial uses as well.

The proposal is to develop designs for projects at higher densities and heights than currently allowed for review by the City in its regulatory role and by the surrounding community. If the proposals are supportable the designs would form the basis of rezoning applications. The Housing Centre and Real Estate Services would be the applicants for any rezoning submissions.

The project designs for the Broadway and Fraser and Drake Hotel sites will include a mix a market and social/supportive housing and, in the case of Broadway and Fraser, commercial and the youth service centre on the ground floor. The Broadway and Fraser and Drake Hotel sites are opportunities to explore the integration of market and non-market (social and supportive housing) within a single project. The Alexander and Princess site is too small for a mix of uses but could benefit from an increase in height and density over what is allowed under the current zoning.

It is understood that the City as regulator may or may not support a rezoning as may be proposed for a site, and that City Council retains its unfettered right to approve or refuse a rezoning application following the public hearing required for a rezoning application.

Property Taxes

It is proposed that the projects developed on the 12 sites not have to pay property taxes, estimated at a \$1,000,000/year once all the projects are completed. This is an exception to City policy as most social housing leases require the lessees to pay property taxes. However, social housing for low income singles, and for supportive housing in particular, requires mortgage free buildings plus an operating subsidy. The 12 social and supportive housing projects represent a capital commitment by the Province and its other partners of approximately \$300,000,000, and will require that the Province commit operating subsidies on the order of \$10,000,000/year.

It is important that exempting these 12 social and supportive housing projects from paying property taxes not be considered a precedent. Over 8% of the housing stock in the city is non-market housing and most projects pay property taxes. Most non-market housing is able to make mortgage payments and pay property taxes, and as the residents of non-market housing consume City services like all other residents, it is appropriate that in general they pay their share of property taxes. Where the federal and provincial governments continue to provide operating subsidies to non-market housing, these subsidies fund property taxes. The proposed City/Province social and supportive housing partnership is a unique and specific response to the current homelessness crisis and the urgent need to replace the city's aging SROs.

Housing Priorities

As shown in the table below, there are currently 2000 units of social housing under construction or funded and in the preconstruction development stage. The majority of these (about 1300) are SRO replacement units targeted to singles, with about 700 connected to services. The units that are funded but not yet under construction include the 596 SRO units that the Province purchased and which are being converted to social including supportive housing.

Projects	Total Units	SRO Replacement Units	Supportive Housing
Under Construction	695	394	200+/-
Funded, Preconstruction	1262	929	500+/-
Total Units	1957	1323	700+/-

With the 1300 units under construction or in development and the 1100 - 1200 units that would be developed through the proposed partnership, approximately 2500 units of housing for the homeless and those at risk of homeless, including SRO residents and individuals suffering from mental illness and/or addictions, will be under construction or funded and in design development. Half of these units will likely be some form of supportive housing. These projects would be completed over a number of years, with an average of 500 units being completed for low income singles and those at risk per year for the next 5 years.

The focus of the Province's social housing investment of late, and the investment the Province would make through the proposed partnership, has been on vulnerable populations, either the frail elderly or the homeless and those at risk of homelessness. There are only 230 units of social housing for families under development in the city. In terms of broader affordability, the high cost of ownership in Vancouver means that few renters can afford to buy and new households (young families, young people leaving home, migrants and immigrants) must generally rent as well. At the same time, very little market rental housing is being built, and the older market rental stock is not being renewed.

Over half the households in the city rent, renter's incomes are half home owner incomes, and a third of the city's renters are in core-housing need. The investment in social and supportive housing for the homeless and those at risk of homelessness is an important step in solving homelessness, but much more needs to be done to address the broader affordable housing crisis, and in particular the need to renew and increase the stock of market and non-market rental housing.

Single Room Accommodation By-law

In October 2003, Council adopted the Single Room Accommodation (SRA) By-law to control the loss of SROs. At the time there was very limited funding for social housing to replace the SROs. There was a concern that SROs would be converted to tourist accommodation or demolished for condominium development faster than they could be replaced. SROs are the least expensive form of market housing and the primary stock of housing affordable to singles on welfare, and any losses of SROs in the absence of replacement social housing could increase homelessness.

The SRA By-law has been effective in limiting conversions and demolitions, and the stock of housing in the downtown that is affordable to low income singles has been holding steady at

approximately 14,000 units. The 2007 survey of the low income housing stock in the downtown revealed that vacancy rates in the SROs had declined to 2% and, until replacement housing is available, the existing SROs continue to be an important stock of housing for low income singles. The fact remains, however, that the City's downtown SROs are aging, provide inadequate accommodation, and need to be replaced.

The proposed partnership should result in social housing completions exceeding SRO losses, and, when the replacement housing is completed, the controlled conversion or demolition of SROs should be considered. Staff are to report back on the status of the SRA By-law in 2008 and in that report will consider the issues related to the controlled conversion or demolition of SROs including timing, relocation of tenants, etc.

Support Services

All of the projects developed through the proposed partnership will have a 24 hours a day, 7 days a week staffing model. The precise staff complement for each building will be established by the sponsors based on the tenant profile and the size of the building. The low-barrier tenant populations may require more staff on some shifts. These staff will be responsible for managing the buildings and the tenants. They will assist tenants to connect to services but they will not provide services themselves. Some non-clinical services such as life skills training, home care, community integration, and crisis management will be provided on site. These will generally be provided by non-profit service providers who may have staff on site but will often have staff in the community who will provide the services on an outreach basis. The tenants will have access to clinical as well as non-clinical services based in the community.

Process and Schedule

An expedited process is proposed that would see at least six of the projects under construction by the end of 2008. The process will begin with referral of the recommendation to approve the Memorandum of Understanding attached as Appendix A to a public meeting scheduled for the evening of December 12. If the Memorandum of Understanding is approved, then the projects would proceed through the City's Development and Building Permit processes. The expedited process will compress the steps in the standard process but all the steps will be included. To expedite the process for sites where a rezoning is proposed, the rezoning and development permit applications will be processed together.

Once the non-profit sponsors have been selected, probably in January 2008, the building and operational programs for each project will be defined, and the design of each building sufficiently advanced to make a Development Permit application. At that time an open house will be organized so that the sponsor and the design team can meet with each project's neighbours to review the proposed design and the building and operational program. The application will be reviewed by staff, including the results of the neighbourhood consultation and the response from the sponsor and the design team, and a report prepared with recommendations for consideration by the Development Permit Board. Development Permit Board meetings are public, and the Board would hear from the neighbours and any others with an interest in the project prior to making its decision.

To ensure the schedule can be achieved, specific staff from Development Services and Planning will be dedicated to all the projects, and a technical staff team established to

ensure that all issues are identified and addressed in a co-ordinated and timely fashion. BC Housing has dedicated a project manager to oversee all the projects, and has retained consultants to assist with the public consultation and in moving the projects through BC Housing's and the City's processes.

The consultation process provides 3 formal opportunities for public input; the public meeting on December 12 where Council will consider the Memorandum of Understanding, the open house for the neighbours once a Development Permit Application for a project has been submitted to the City, and at the Development Permit Board meeting where the application will be considered. There may be requests for additional meetings, and it should be possible to accommodate invitations from established organizations, e.g. Vision Implementation Committees, BIAs, Resident Associations, etc. for a presentation to one of their regular scheduled meetings. However, these will have to be accommodated without compromising the schedule which is to have the Development Permit Board consider the projects that do not require a rezoning before the summer break.

FINANCIAL IMPLICATIONS

The proposed partnership would see the City lease 12 sites that the City acquired at a cost of approximately \$50,000,000 to non-profit housing sponsors for 60 years at nominal prepaid rents, and relieved of the obligation to pay property taxes estimated at \$1,000,000/year for all 12 sites. The City would also be expected to pay the cost of removing any hazardous materials such as asbestos and for soil remediation. Budgets for the environmental work will need to be prepared for each site and reported to Council for funding approval. BC Housing will pay the costs of demolishing the buildings and securing the agreements with neighbouring property owners required for construction e.g. crane overswing and shoring agreements. The PEF will be investing approximately \$7,000,000 in the ground floor commercial space required for some of the developments. This will be a financial investment and the commercial space will be operated on a market basis.

The source of funding for removal of hazardous materials from the buildings and for possible early termination of leases will be the DCLs for replacement housing and the Affordable Housing Fund. The Property Endowment Fund which will pay for the cost of soil remediation as it holds the freehold title to the sites on behalf of the City.

PERSONNEL IMPLICATIONS

The City/Province Social and Supportive Housing Partnership will require that the Housing Centre's resources be focused on project management. The Housing Centre will reorganize its work program to avoid if possible any additional resource requirements, however it is recommended that two temporary Planner II positions be made permanent to deal with the current and expected workload. These positions would otherwise terminate in mid-2008. Funding for the remainder of 2008 will be found within Community Services budget. Funding for 2009 would be an increase to Community Services budget without offset, and would be subject to the 2009 Budget Process. Some Housing Centre work currently underway will need to be postponed or restructured as the projects proposed in the City/Province partnership will become the Housing Centre's priority. The cost of the two Planner II positions, including fringe benefits, is \$81,900 per position or \$163,800 for both (2006 rates).

Earlier this year, Council received a memo from the City Manager regarding the impact of “high priority projects” on staff workload and resource allocation. With the addition of these twelve projects, to be completed within an expedited timeframe, staff anticipate that further effects will be felt on other projects, particularly in Development Services, Planning, Engineering Services and Legal Services. The inter-departmental Ad Hoc Committee on High Priority Projects will be convening shortly to discuss these impacts and will report its conclusions to the Corporate Management Team, which may subsequently report to Council. With the exception of Legal Services, no additional resources are being requested at this time. However, the Ad Hoc Committee will regularly monitor the situation and may be compelled to identify the need for such resources in the new year.

ENVIRONMENTAL IMPLICATIONS

BC Housing intends that all the projects will be Green House Gas Neutral and LEED® Gold certified or equivalent.

COMMUNICATIONS PLAN

A web page has been set up on the City’s major project site:
<http://www.vancouver.ca/projects.cfm>
with links to BC Housing’s site:

These sites will update the status of the projects; provide Questions and Answers that will be revised throughout the process, and will provide general information regarding social and supportive housing, and mental health and addictions.

If Council refers the Memorandum of Understanding to a December 12 public meeting, advertisements will appear in the local papers identifying the sites, the purpose of the City/Province partnership, and announcing the December 12 meeting.

Prior to the December 12 public meeting, an insert will be published in the local newspapers that will provide more information on the partnership, a map of existing supportive housing in the city, a map of the 12 City sites, etc. and reminding the public of the December 12 public meeting.

CONCLUSION

A Memorandum of Understanding attached as Appendix A sets out a partnership between the City and BC Housing to develop 12 City-owned sites for 1100-1200 units of social and supportive housing. It is recommended that the proposed partnership be referred to a public meeting on December 12 at which Council would hear speakers and make its decision.

The partnership would implement recommendations from the Homeless Action Plan, the Vancouver Homelessness Funding Model, the Housing Plan for the Downtown Eastside, and the Supportive Housing Strategy, and is a key initiative for achieving Project Civil City’s objective to increase housing opportunities and reduce homelessness by 50% by 2010, and meeting the City’s commitments to an inclusive 2010 Winter Games.

* * * * *

DEPARTMENTAL APPROVAL AND REPORT CONCURRENCES

General Mgr./Dept. Head:

Report Date: November 5, 2007

Author: Cameron Gray

Date:

Phone No.: 604.873.7207

This report has been prepared in consultation with the departments listed to the right, and they concur with its contents.

Concurring Departments:

Development Services - Chris Warren

Signature

Planning - Rob Jenkins

Signature

Social Planning - MaryClare Zak

Signature

Real Estate Services - Michael Flanigan

Signature

Budgets - Grace Cheng

Signature

Legal - Francie Connell

Signature