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ADMINISTRATIVE REPORT

Report Date: February 25, 2011
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Meeting Date: March 15, 2011

TO: Vancouver City Council
FROM: Managing Director of Social Development
SUBJECT: Update on Harbourview Daycare (540 North Penticton Street) and Approval of a Capital Grant

RECOMMENDATION

- A. THAT Council approve the revised plan to renovate and expand the existing facility (Harbourview Daycare) at 540 North Penticton Street at Burrard View Park.
- B. THAT Council approve a capital grant of up to \$647, 713 to Kiwassa Neighbourhood Services Association for expansion and renovation of Harbourview Daycare, subject to conditions outlined in this report. Source of funding is the 2010 Capital Budget for Childcare.
- C. THAT Council receive for information the report back on the Memorandum of Understanding for Harbourview Daycare.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services RECOMMENDS approval of the foregoing recommendations.

COUNCIL POLICY

In October 23, 1990, Council approved the Civic Childcare Strategy that supports the viability, accessibility and quality of existing services, assist initiatives in high need areas, supports services to support a child care system in Vancouver, and levers other child care funding.

In April 15, 2002, Council approved "Moving Forward Childcare: A Cornerstone of Childhood Development", a strategic plan for child care and child development services.

On July 31, 2003 City Council approved \$17,300 for playground renovations at Harbourview Daycare. Source of funding is the 2003 Capital Budget.

On February 1, 2007 Council approved in principle a capital contribution of up to \$500,000 for the construction of a 37 space city owned facility and direction to enter into a Memorandum of Understanding with all parties.

On April 7, 2009, Council passed a motion renewing its commitment to a 5% increase in child care spaces over the next three years.

On June 22, 2010 Council approved up to \$647,713 capital allocation for Harbourview Day Care in the 2011 Capital Budget Status and Close Out Report.

Approval of grants requires eight affirmative votes.

PURPOSE

The purpose of this report is to recommend Council's approval of:

- i) Plans to renovate and expand the existing Harbourview Daycare building from 25 to 32 spaces of licensed, full time care for three to five year olds,
- ii) A capital grant of up to \$647,713 to Kiwassa Neighbourhood Services Association (Kiwassa) for the renovation and expansion of the existing Harbourview Daycare facility, and
- iii) Receive for information the report back on the Memorandum of Understanding for the Harbourview Daycare project as directed by Council.

BACKGROUND

In the 1970's the City and Province developed a program to create new childcare spaces in Vancouver. The City provided a site and the Province provided prefabricated buildings (portables), maintenance and repair service. Harbourview Daycare began operations in 1974 from the southwest corner of Burrard View Park providing 25 licensed child care spaces for children 3 to 5 years of age. Kiwassa is the operator of Harbourview Daycare and Hastings Townsite Childcare Society provides parent involvement, advice and fundraising support.

In 2004, the Province ended the portable program. Building ownership was transferred to Kiwassa along with \$455,000 in provincial funding to help replace the building.

In 2007, Kiwassa planned and designed a new two storey, 4,700 square foot permanent daycare facility to replace the portable with a purpose built, wood frame building accommodating 37 spaces. A preliminary estimate in 2007 dollars was \$1.9 million.

On April 7, 2009, Council passed a motion renewing its commitment to a 5% growth benchmark in child care spaces and the reinstatement of the Joint Child Care Council (JCC). Based on the 6000 licensed group spaces which were operating in 2009 (does not include preschool or family child care), the Joint Child Care Council set a target of adding a further 300 new licensed group child care spaces by the end of 2011. To date 409 spaces have been delivered through occupancy permit.

The table below reflects the total number of spaces delivered by occupancy permit as of December 2010.

Table I - Total number of spaces delivered by occupancy permit as of December 2010

Benchmark: 2009 Spaces 5% of 6000	2010 Spaces Delivered by Occupancy Permit	2011 Spaces Under Development
300	409	505

When completed and opened Harbourview Daycare will replace 25 spaces and add an additional 7 licensed group spaces for children 3 to 5 years old. Staff anticipate these spaces being open in 2012.

DISCUSSION

Unable to secure funds to build a new facility, Kiwassa hired an engineering firm to conduct a building review. Results showed that the existing structure is sound but needs upgrading. The upgrades include increasing the licensed capacity by seven spaces to serve 32 3 to 5 year olds.

On October 18, 2010 the Park Board approved the renovation and expansion option to create a 32 space facility.

The province has indicated their approval for the revised plan.

In recognition of the urgent need for additional childcare spaces and the limited sources of capital funding, Council approved an increased Capital allocation of \$647,713 (up from \$500,000) through the 2010 Capital closeout and budget process.

The estimated cost for the renovation and expansion is \$1.14 million. Kiwassa has assembled the funds with the City grants and provincial money (see Table 2 below).

Table 2- Funding Sources for Harbourview Daycare Renovation

City Grant	City Playground Grant	Provincial Funding	Provincial Playground Grant	Total
\$647,713	\$17,300	\$455,000	\$25,000	\$1.14M

Memorandum of Understanding

Kiwassa, the City of Vancouver and the Park Board have agreed to a Memorandum of Understanding which outlines various terms of the renovation project. Kiwassa will own the building and are responsible for maintenance, long term re-capitalization and insurance. They will act as project manager for the construction. The City has no responsibility for maintenance or re-capitalization. Kiwassa will enter into a license agreement with the Park Board for use of Park land once the facility renovation is complete.

FINANCIAL IMPLICATIONS

Staff recommend a capital grant up to \$647,713 for the renovation and expansion of Harbourview Daycare, subject to the following overall conditions:

- Written approval of the landlord (Park Board) to make tenant improvements, and
- Tenant improvements to meet applicable City by-laws, permit requirements, guidelines and CCFL approval.

Funding will be released as follows:

- Confirmation of funding, satisfactory to the City, to be in place prior to release of 50% of City funding;
- 40% to be released when the consultant certifies the project to be 60% completed;
- Remaining 10% to be released on receipt of invoices, a copy of the Occupancy Permit and Operating Licence.

The 2010 Capital Budget included funding of \$647,713 for Harbourview Daycare.

In addition to the \$647, 713, the City of Vancouver is also contributing a capital grant of up to \$17,300 for the playground upgrade. Source of funding is the 2003 Capital Budget.

SOCIAL IMPLICATIONS

Child care contributes to social sustainability by supporting parent's labour force participation, healthy child development and school readiness. Studies of the economic impact of capital and operating expenditures on childcare on the Canadian context reveal a return between \$2 and \$2.54 is achieved for every \$1 invested in high quality childcare.

Hastings Sunrise neighbourhood has one of the highest child populations in the City and as such is identified as a priority area by the Joint Child Care Council. According to the Human Early Learning Partnership (research institute) at UBC, it is also has a high percentage of children entering kindergarten who are vulnerable (42%), according to Wave 3 of the Early Development Instrument (2007-09 data collection).

CONCLUSION

Staff recommend Council approve the revised plan to renovate and expand Harbourview Daycare, approve a capital grant of up to \$647,713 to Kiwassa and receive the Memorandum of Understanding for information.

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