



# CITY OF VANCOUVER

## ADMINISTRATIVE REPORT

Date: June 20, 2005  
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CC File No.: 2005  
Meeting Date: June 28, 2005

TO: Vancouver City Council  
FROM: Director of the Housing Centre  
SUBJECT: Grant Request for 1125 Pendrell Street (Watson House)

### RECOMMENDATION

THAT Council approve, subject to a matching grant from BC Housing Management Commission (BC Housing), a further grant up to \$50,000 to the Mole Hill Community Housing Society, with \$35,000 directly allocated to the 1125 Pendrell Street project, and \$15,000 to be held in reserve and expenditure subject to approval by the Director of the Housing Centre; source of funds will be the 2005 Capital Budget allocation to the Affordable Housing Reserve.

This recommendation provides for a grant and requires eight affirmative votes of Council.

### GENERAL MANAGER'S COMMENTS

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

### COUNCIL POLICY

- Council's housing priorities are to maintain and expand housing opportunities in Vancouver for low and modest income households with priority being given to 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.
- In situations where the development of non-market housing projects are not viable because of high land or construction costs in the city, Council has provided grants to non-market sponsors to ensure they can proceed.
- On February 10, 2004, Council approved the lease of Watson House (1125 Pendrell Street) to the Mole Hill Community Housing Society and Coast Foundation Society to provide services for persons with mental illness.

## PURPOSE AND SUMMARY

This report seeks an additional grant of \$50,000 for renovations for the City-owned building known as Watson House, at 1125 Pendrell Street, on behalf of the Mole Hill Community Housing Society and Coast Foundation. The Director of the Housing Centre recommends Council approve the additional grant request.

## BACKGROUND

On February 10, 2004, City Council approved a lease of Watson House at 1125 Pendrell St. to the Mole Hill Community Housing Society and the Coast Foundation. The lease is to terminate on January 2, 2062. Council also approved a grant of \$280,000 to assist with renovations to the building, in combination with a grant from BC Housing of \$200,000, and other sources of funding.

The development application for Watson House has been approved as a Special Needs Residential Facility - Group Living, and will provide accommodation for eight individuals with mental illnesses. The Coast Foundation will manage the building.

## DISCUSSION

**Grant Request:** The projected budget for renovations for Watson House was undertaken more than two years ago. Since that time, water damage to the building has occurred and an escalation in the price of materials and labour costs for a total added cost of about \$70,000 which is seen as a reasonable increase.

The Director of the Housing Centre has received preliminary approval from BC Housing to share costs on a 50/50 basis, and recommends a City limit of \$35,000 be set for known costs, and \$15,000 be set for contingencies, to be spent only as determined by the Director of the Housing Centre.

**Next Steps:** The contractor has provided a tender price which is open for acceptance for 30 days (to July 7, 2005). Scheduling would call for completion of the contract by year end. Subject to Council approval of the grant, the lease would be signed with Mole Hill, the contract awarded and work could begin.

## FINANCIAL IMPLICATIONS

The original estimate for renovating Watson House was \$700,000 (with the City contributing \$280,000 and BC Housing providing \$200,000). The total project cost is now increased to a possible \$800,000 and the additional cost is on a 50/50 share between the City and BC Housing. The additional grant request is \$50,000, subject to a matching grant from BC Housing. This will increase the total City grant to the project to \$330,000.

## CONCLUSION

The Director of the Housing Centre recommends that Council approve the requested capital grant, in the amount of \$50,000, with the source of funds to be the 2005 Capital Budget allocation to the Affordable Housing Reserve.