



## CITY OF VANCOUVER

### ADMINISTRATIVE REPORT

Report Date: August 12, 2005  
Author: Cameron Gray  
Phone No.: 604.873.7207  
RTS No.: 05446  
CC File No.: 1203  
Meeting Date: September 13, 2005

TO: Vancouver City Council  
FROM: Director of the Housing Centre  
SUBJECT: Housing Agreement: 4242-56 Fraser St.

#### RECOMMENDATION

THAT, subject to the purchase of the 4242-56 Fraser St. by the Vancouver Resource Society, Council approve replacing the existing Housing Agreement for 4242-56 Fraser St. with a Housing Agreement requiring rental operation and non-profit ownership, and that the Director of Legal Services be authorized to execute the necessary legal documentation on terms and conditions to her satisfaction.

#### GENERAL MANAGER'S COMMENTS

The General Manager of Community Services recommends the foregoing.

#### 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.

#### PURPOSE

This report recommends that the existing Housing Agreement requiring that the 25 unit building at 4242-56 Fraser St. be unstratified, occupied by households with at least one member over the age of 55, and with half the units to be occupied by seniors receiving

Shelter Assistance for Elderly Renters (SAFER), be replaced with a Housing Agreement requiring that the property be owned by a non-profit society and that the building be operated as rental housing.

## BACKGROUND

In 1998, the owner of 4250 Fraser St. (located between 26<sup>th</sup> and 27<sup>th</sup>) applied to develop the site for rental housing which would be operated by a non-profit society for seniors, including seniors on SAFER. The site is zoned C-2 and, pursuant to Council's policy that all C-2 development applications be referred to Council for advice, Council approved the proposal on July 7, 1998. The permit for 24 units, 3,300 sq. ft. of ground floor retail and 13 parking spaces was issued in November 1998. It was subsequently amended to add a unit and replace one parking stall with additional bicycle parking. The parking provided was based on a seniors only rental project, and a Housing Agreement was put in place to prohibit stratification and to limit occupancy to households with at least one member over the age of 55.

## DISCUSSION

The building at 4242-56 Fraser was occupied in July 2000. There are 25 units (19 studio units at an average of 550 sq. ft. and 6 1-bedroom units averaging 650 sq. ft.). The proposed arrangement with the non-profit society to operate the building for seniors did not prove viable, and the project has been operated as market rental housing since. The building is fully tenanted and rents are \$700/month for the studios and \$750/month for the 1-bedroom units.

The owner has agreed to sell 4242-56 Fraser St. to the Vancouver Resource Society (VRS). VRS's proposal for the building is set out in the letter attached as Appendix A. They wish to implement the model they developed at Bloomfield Gardens (Oak and 39<sup>th</sup>) and have recently implemented in the Montage (in Collingwood Village) where quadriplegics each have their own unit and one unit is occupied by care givers who are on site 24 hours a day and 7 days a week. This model maximizes the independence for the severely disabled and allows them to live in the community in a non-institutionalized setting. VRS also operates Blair Court at 10<sup>th</sup> and Maple, and is an experienced provider of housing and services for the severely disabled. VRS will take over 4242-56 Fraser St. with the existing tenants in place and will renovate the units to better serve disabled residents as tenants move out.

The Real Estate Foundation will provide the initial equity and a mortgage insured by CMHC will guarantee the financing for the rest of the costs. VRS is in discussion with Vancouver Coastal Health to provide funding for the support staff and with BC Housing to provide rent supplements to subsidize those unable to pay market rents. VRS will use the 6 1-bedroom units for the severely disabled who need 24 hour assistance and 8 of the 19 studio units for the disabled who need minimal support but who will benefit from the availability of assistance if they require it.

Before CMHC can provide the mortgage insurance, Council's approval to amend the existing Housing Agreement to reflect the current proposal is required. It is proposed that the existing Housing Agreement be replaced with one that requires that the property be owned and operated by a non-profit housing society, and that the building be operated for rental

housing. The existing Housing Agreement would be replaced only if VRS purchases the property. CMHC also requires that the City's Housing Agreement be subordinated to its financing so that, should the project go into receivership, it can be sold to a for-profit purchaser and operated as market rental housing. While this creates some risk for the City, it is an acceptable requirement as CMHC will be providing for a mortgage based on the market value of the property.

#### **FINANCIAL IMPLICATIONS**

There are no financial implications.

#### **SOCIAL IMPLICATIONS**

The building at 4250 Fraser St. provides unstratified and therefore guaranteed rental housing. Non-profit ownership will ensure that the project's affordability potential is maximized.

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August 13, 2005

Cameron Gray  
Director  
Housing Centre  
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Vancouver, B.C.  
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COV - HOUSING CENTRE

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Dear Cameron,

The Vancouver Resource Society (VRS) has the building at 4242 Fraser under contract to purchase with a closing date of September 30, 2005. Our financing is arranged through a CMHC insured first mortgage and a second mortgage with the Real Estate Foundation. CMHC requires us to either amend or remove the Section 219 covenant the City of Vancouver has on the property prior to advancing our first mortgage.

The existing covenant requires the building to be used for seniors rental and we would use the building to offer housing to people with disabilities.

The building is a 4 storey wood frame building with underground parking, commercial space at street level and 25 units of residential rental units on the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> floors. The unit mix is 6 one bedroom units and 19 bachelor suites. The building was constructed approximately 5 years ago and was designated as seniors rental housing. The building is wheelchair accessible and with minor modifications meets the needs of the disabled clients we serve.

Our plan for the building is to use the 6 one bedroom units to offer a 24 hour shared care model with subsidized rents to people with significant disabilities. This client group has very few options to live independently in the community because of their care needs. We will need to modify the 1 bedroom units for this client group. With 8 of the remaining 19 units we will offer subsidized rents with minimal supports to 8 disabled individuals. While this group does not require much care they are still not able to live with full independence. By housing them in a building with 24 hour supports their needs can be met very cost effectively. The remaining 11 units will be rented at market to the general public in order to have an integrated population in the building.

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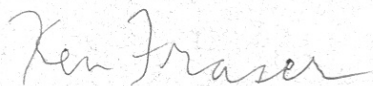
The rent subsidies and renovation costs will be negotiated with the Vancouver Coastal Health Authority (VCHA). We have met once with the VCHA and started planning for the model. They are very interested and have some funding available through Independent Living B.C. The cost of the 24 hour care model will also be negotiated with the VCHA.

Our timeline to implement this program is about a year. We plan to renovate the units as they become available to avoid dislocating tenants, however, if vacancies didn't occur we would end tenancies as we need to access the units. This would only involve the 1 bedroom units as they are the only ones requiring modifications. The remaining units would be occupied by our clients as market tenants moved out.

The building currently has 9 underground parking stalls and 3 parking stalls at the rear of the building. We estimate that our clients will require 2 or 3 accessible parking stalls. We will accommodate these stalls either underground or at the rear of the building depending on the needs of the disabled driver.

Thank you for your assistance with this project and we look forward to Council's support to move this project forward and provide a very valuable housing opportunity to our citizens with disabilities.

Yours truly



Ken Fraser, C.G.A.  
Executive Director