

LATE DISTRIBUTION FOR COUNCIL - FEBRUARY 27, 2007

A9



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: February 26, 2007
Author: Wendy Au/Carol Ann Young/Nathan Edelson
Phone No.: 604.871.6639/6042/873-7444
RTS No.: 5924
VanRIMS No.: 05-5000-10
Meeting Date: February 27, 2007

TO: Vancouver City Council
FROM: General Manager of Community Services
SUBJECT: 717 Princess Avenue Child Care Centre

RECOMMENDATION

THAT Council approve a grant of \$200,000 to the Central City Foundation to help renovate the 717 Princess Avenue child and family development hub, subject to the following conditions:

- i. THAT the Ministry of Children and Family Development **confirm in writing**, to the satisfaction of the Director of Legal Services, that it will provide \$750,000 for the renovation of this facility and confirmation that the operating budget is achievable;
- ii. THAT the Central City Foundation **confirm in writing** to the satisfaction of the Director Legal Services, that it will ensure that adequate capital funds have been secured so that renovations can proceed and can be completed without additional public sector funding;
- iii. THAT the Central City Foundation sign an agreement with the City for a term of fifteen (15) years, stipulating that should the building be sold or not used by a non-profit for community use, the City will be reimbursed for all funds provided to the Foundation for this project. As well, the Central City Foundation shall not change the community use of the premises from that of a childcare facility without the prior consent of the City Manager, which consent may be given subject to conditions.

This agreement shall be drawn to the satisfaction of Legal Services and may provide for the granting of security to the City; and

- iv. Release of the grant to Central City Foundation will be subject to signing of a lease/operating agreement between Central City Foundation and Vancouver Native Health Society.

Source of funding to be the 2006 capital budgets (DTES).

All parties interested in this proposed development acknowledge that no legal relationships are hereby created with the City and none shall arise until the agreement referred to in recommendation A above is executed by the Director of Legal Services on behalf of the City.

Approval of grants requires eight affirmative votes.

CITY MANAGER'S COMMENTS

The City Manager RECOMMENDS approval of the foregoing.

COUNCIL POLICY

In 1990, Council approved the Civic Child Care Strategy which set out to:

- support the viability, accessibility and quality of existing child care services;
- assist child care initiatives in high need areas;
- encourage and support efficient, coordinated administrative services required for a child care system in Vancouver to lever sources of other funding, wherever possible.

On June 24, 2000, Council adopted principles to guide the development of an Economic Revitalization Strategy for the Downtown Eastside and in January, 2004, Council received the Draft Downtown Eastside Economic Revitalization Plan. Subsequently, staff completed a comprehensive public process and finalized the Plan that was adopted by the Vancouver Agreement in October, 2004. The Plan outlines strategies and actions to increase business activity, job creation, job training and other supports for the Downtown Eastside, which includes the area of the proposed Child Development Centre.

In 2003, Council, Park and School Boards adopted the Childcare Protocol, which includes the objective to maintain and expand child care.

In 2003, Council approved the strategic "Moving Forward" Childcare: A Cornerstone of Child Development Services, which sets out a vision of child development hubs in each Vancouver neighbourhood.

PURPOSE

The purpose of this report is to update Council on the status of the development of the 717 Princess Avenue child and family development hub and to seek Council approval of a Capital Grant of \$200,000 to the Central City Foundation for the renovation of this facility.

BACKGROUND

In August, 2004, the St. Francis Xavier Daycare, located at 717 Princess Avenue, ceased operation after 18 years in the community. With the closure of the centre, the Downtown Eastside community lost 90 licensed childcare/preschool spaces for children, primarily ages three to five years.

Central City Foundation purchased the building for \$1.82 million. Central City Foundation, the Network Two Society, and the East Side Parents for Accessible Childcare, have played lead roles in developing plans to create a quality child and family development hub, with licensed child care as a cornerstone of the project. The centre has been named The Phil Bouvier Family Centre, after the former Executive Director of the Central City Foundation, who worked tirelessly on this project and who has since passed away.

The Phil Bouvier Centre will be a hub linked with community and health support services and provide programs that encourage and honour the cultural diversity of the children and families in the area. This community contains a mix of long-time residents as well as new immigrants, and is predominantly low-income, with some middle income families.

Research by Dr. Clyde Hertzman, an epidemiologist from UBC, has highlighted the urgent need for child care and child development supports in the Strathcona neighbourhood. Dr. Hertzman's research maps various areas of child development which indicate children's readiness for kindergartens. Of all Vancouver neighbourhoods, the most striking data is found in Strathcona where 75% of children were vulnerable on all scales in 2004, an increase in vulnerability of 21% since 2001.

The original business plan for 717 Princess was for 89 full and part-time licensed child care spaces as well as ancillary support space. These include:

- 12 spaces for infants
- 12 spaces for toddler care
- 25 spaces for group child care
- 20 spaces for group part-time child care
- 20 spaces for the Aboriginal Headstart Preschool program
- Ancillary support services/offices

To accommodate the full range of age groupings in the child care and provide ancillary services, the building required significant renovations. The sponsoring organization initially estimated renovation costs at \$500,000 in 2005. Later that year, the architect for the project estimated preliminary renovation costs to be \$850,000, and revised them to \$1.6M once detailed designs and costings were completed. City of Vancouver staff and Vancouver Coastal Health staff worked with the non-profit society to reduce costs to \$1M while maintaining a design that would meet Community Care Facilities Licensing standards, the intent of the City of Vancouver Child Care Design Guidelines and building code requirements. The escalating costs of construction played a significant role in cost increases.

Development and building permits were issued in 2006 and the lowest bid tender received was \$1.035M. Central City Foundation believed a larger contingency was necessary and determined the need for roof replacement, pushing cost estimates to \$1.3M. Negotiations between Central City Foundation and the initial non-profit (Network Two Society) resulted in

further project delays and cost escalation. Central City Foundation has now re-tendered the project and identified a new non-profit operator (Vancouver Native Health).

DISCUSSION

The new business plan has varied the program configuration somewhat from the original plan and now includes:

- 12 Licensed Group Infant Childcare
- 12 Licensed Toddler Childcare
- 45 Licensed Group Three to Five Years Childcare
- 20 Aboriginal Headstart Licensed Preschool

And possibly other ancillary services such as:

- Vancouver Aboriginal Early Childhood Development (VAECS)
- Home base for Aboriginal Hippy (Home Instruction for Parents of Pre-School Youngsters)
- Family Resource Centre
- Specialized Services (Space will be provided for nutritionists, public health nurses and other professionals providing support services for children and families)
- Service Outreach by PACE (an early intervention program for children and families struggling with significant emotional and/or behaviour difficulties)
- Childcare Employment Training
- Coordinated Child and Family Support Service Planning

The key program difference is the move from part-time to full-time care for 20 children three to five on the second floor. Part-time care was originally planned to meet more flexible needs of families. Full time care has now been proposed. Council should note the second floor space cannot achieve contiguous space as set out in the intent of the Design Guidelines. Should application be made to amend the development permit prior to the completion of the Design Guideline review, staff suggest an internal committee comprised of a member from the Design Guideline Steering Committee, Social Planning and Development Services review and determine, if any, conditions for approval.

Projected Costs and Funding Partners

Retendering has set construction and soft costs with contingency at \$1,671,000. Construction tender bids expire April 6, 2007. Central City Foundation has confirmed funding of \$1,471,000. Staff are seeking Council approval of \$200,000 to cover the shortfall costs for the required building renovations and upgrades.

<i>Approved Funds for Renovations</i>	
City of Vancouver - DTES Capital Funds	\$250,000
City of Vancouver - Social Planning Capital Funds	\$50,000
Vancouver Foundation	\$75,000
Central City Foundation	\$346,000
TOTAL Confirmed Funds	\$721,000
<i>Pending Approval</i>	
Ministry of Children and Families - contract pending/approval letter on file	\$750,000
City of Vancouver - DTES Capital Fund	\$200,000
TOTAL PROJECT FUNDING	\$1,671,000

As with many recent projects, construction costs are escalating and it is critical additional funds be secured as soon as possible so that construction contracts can be signed. City staff have met with representatives of the Ministry of Children and Family Development and the Board of the Central City Foundation and recommend that the City allocate an additional \$200,000 toward the shortfall in renovation costs, subject to the following:

- The Ministry of Children and Family Development confirm in writing that it will provide \$750,000 for the renovation of this facility and confirmation that the operating budget is achievable;
- The Central City Foundation confirm in writing that it will ensure that adequate capital funds have been secured so that renovations can proceed and can be completed without additional public sector funding;
- THAT the Central City Foundation sign an agreement with the City for a term of fifteen (15) years, stipulating that should the building be sold and not used by a non-profit for community use, the City will be reimbursed for all funds provided to the Foundation for this project. Furthermore, should a change of use be proposed, the City will be consulted.
- Release of the DTES capital funds to Central City Foundation will be subject to signing of a lease/operating agreement between Central City Foundation and Vancouver Native Health Society.

FINANCIAL IMPLICATIONS

The total cost for the purchase and renovation of 717 Princess Avenue Child Care Centre is currently expected to be about \$3.48M. Of this, the City has already committed \$75,000 towards the purchase and \$300,000 towards the renovation in capital funds. A grant of an additional \$200,000 from the 2006 Capital Budget for the Downtown Eastside is requested in this report. Recovery of these City funds may depend on the ability of the City to adequately secure its investment.

CONCLUSION

Many studies indicate there is a need for additional child care services in the Downtown Eastside to help children prepare for school and to enable parents to secure employment. A Capital Grant of \$200,000 to the Central City Foundation for the 717 Princess Avenue Child Care Centre will help provide 89 new spaces for the area's children. This is an appropriate use of the Capital Funds set aside for the revitalization of the Downtown Eastside and is recommended, subject to conditions concerning the viability of the operating budget and that no further capital funds will be requested of the City.

* * * * *