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CITY OF VANCOUVER

POLICY REPORT SOCIAL DEVELOPMENT

Report Date: March 6, 2007
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Meeting Date: March 13, 2007

TO: Vancouver City Council

FROM: The Director of the Housing Centre, in consultation with the Director of Financial Planning and Treasury, and the Director of Real Estate Services

SUBJECT: Vancouver Homelessness Funding Model

RECOMMENDATION

- A. THAT Council receive the draft report from Dobell/Fairbairn, "Vancouver Homelessness Funding Model: More than just a warm bed", attached as Appendix A, for information and refer the report for consultation with the non-profit housing and service sectors, the business, development and philanthropic communities, and the general public for report back to Council within two months;
- B. THAT Council support in principle the creation of the Vancouver Homelessness Foundation and the Vancouver Homelessness Partnership as set out in the draft report, "Vancouver Homelessness Funding Model: More than just a warm bed", and instruct Dobell/Fairbairn and City staff to undertake the detailed analysis and evaluation for report back to Council within two months; and
- C. THAT Council approve in principle:
 - i. making 12 or more City sites available at no cost (which may or may not include all the sites designated for social housing that the City currently owns) with an estimated value of \$50,000,000 for the development of 1500 or more supportive housing units for low income singles, including those with mental health and addiction issues;
 - ii. exempting the supportive housing developed on the City sites from property taxes estimated at \$1,000,000/year (2006 dollars) for all sites when they are fully developed; and

- iii. contributing \$10,000/room towards an the purchase and/or lease and upgrade of 500 Single Occupancy Rooms (SROs) for a total of \$5,000,000;

all subject to funding commitments from the Province, estimated at \$48,000,000/year including funding for support services, for the development and on-going operation of at least 1500 new supportive housing units to be developed on City-owned sites and the purchase and/or lease, upgrade and on-going operation of at least 500 SRO units, and subject to report back to Council on the details of the proposed City/Province supportive housing partnership within two months;

And presents the following for Council's CONSIDERATION:

- D. THAT Council approve in principle leasing the City-sites to the Foundation or to non-profit sponsors of supportive housing for the development and operation of supportive housing for persons with mental illnesses and/or drug or alcohol addictions for 60-year terms and nominal prepaid rents;

OR, instead of D

- E. THAT Council approve in principle donating the City-owned sites (transferring freehold title) to the Foundation or to non-profit sponsors of supportive housing for a nominal price subject to registration of Housing Agreements that would restrict the use of the sites to non-profit supportive housing for persons with mental illnesses and/or suffering from drug or alcohol addictions with ownership of the sites to revert to the City should they cease to be used for that purpose.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services RECOMMENDS approval of A, B and C and presents D or E for Council's CONSIDERATION.

CITY MANAGER'S COMMENTS

Dobell/Fairbairn are recommending that Council make an extraordinary investment in new supportive housing to address the homelessness crisis in our city, and are proposing the creation of a Foundation and Partnership to bring more resources and broader perspectives to solving homelessness. Staff are recommending that Council approve in principle the new funding model and the financial commitment from the City, subject to consultation with all those involved in the issue and subject to the Province also making an extraordinary financial commitment. Over the next two months Dobell/Fairbairn and staff will meet with the Province and the Federal Government, and the non-profit, corporate and philanthropic sectors to develop the proposals further for report back to Council.

The consultants' proposals are bold and innovative, and raise precedent issues for all levels of government. Success depends on all governments recognizing that we face a crisis in homelessness and make solving it a priority. The City is being asked to exempt the supportive housing from property taxes, which is something the City has not done before, make

\$50,000,000 in land available at no cost for the development of 1500 new supportive housing units, and contribute \$5,000,000 towards the acquisition of SROs. The Province is being asked to provide \$48,000,000/year to cover the cost of building and operating the supportive housing. The Federal Government is being asked to make significant changes to their tax regulations and legislation to give priority to charitable donations to supportive housing.

It is important that the Province, in particular, respond positively to these proposals. Changes to tax regulations can take time to implement as they require the Federal Government to introduce new legislation. The acquisition of SROs and the development of new supportive housing can and must proceed immediately. The Foundation and Partnership are very positive proposals, but are not essential to the development of supportive housing. The supportive housing projects can be brought under the Foundation's oversight and the Partnership funds can be invested in the projects while they are being developed or after they are completed. The homelessness crisis needs action now if the City, Province and Federal Governments are to meet the Inner-City Inclusivity commitments made to the IOC, and if homelessness in the city is to be halved by 2010.

The consultants' proposals raise the issue of the regional role in addressing homelessness, which is a crisis affecting municipalities through out the GVRD and BC. The City is being asked to take the initiative in addressing the issue, however all municipalities need to make solving homelessness a priority, and the Province needs to provide the resources so that all municipalities can respond positively.

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.

In June 2005 Council approved the Homeless Action Plan which identified supportive housing as key to solving homelessness, and identified a need in the city for 3200 new units of supportive housing over the next 10 years.

In September 2005 Council approved the Downtown Eastside Housing Plan which identified a need for 5000 new social housing units affordable to low income singles to replace the Single Room Occupancy hotels and rooming houses in the area.

On December 14, 2006, Council approved Project Civil City which seeks to reduce homelessness in the city by 50% by 2010.

PURPOSE AND SUMMARY

This report recommends that Council support in principle the creation of the Vancouver Homelessness Foundation and Vancouver Homelessness Partnership as proposed in the Dobell/Fairbairn report, "Vancouver Homelessness Funding Model: More than just a warm bed" (attached as Appendix A). The purpose of the Foundation is to receive charitable donations that would be invested into supportive housing for persons suffering from mental illness or addictions, to raise awareness in the broad community regarding homelessness and supportive housing, and to co-ordinate and facilitate the work of all those involved in

providing supportive housing and services to the homeless and those at risk of homelessness. The purpose of the Partnership is to create an opportunity for individuals, corporations and philanthropic foundations to invest in supportive housing in return for a modest return and potential tax benefits if they convert their investments into charitable donations.

The report recommends that Council approve in principle:

- making at least 12 City-owned sites available to the Foundation or to non-profit sponsors of supportive housing for 60 year terms and nominal prepaid rents. The 12 sites the City currently owns have a value of approximately \$50,000,000. The sites that would eventually be developed for supportive housing may or may not include the sites the City currently owns, and the City may purchase other sites as well;
- exempting the supportive housing projects developed on City owned sites from property taxes that would total approximately \$1,000,000 annually once all the sites are developed; and
- contributing \$10,000/room for a total of \$5,000,000 towards the acquisition of 500 Single Room Occupancy (SRO) rooms and their operation as supportive housing.

This is a more substantial City commitment to addressing and solving homelessness in Vancouver than the City has made in the past, in that all 12 or more City sites would be leased or donated at no cost and the supportive housing projects developed on the sites would be exempt from property taxes. The City commitment would be subject to the Province committing funds, estimated at \$48,000,000/year, to develop at least 1500 units of new supportive housing and acquire at least 500 SRO units in the city.

Council is asked to receive "Vancouver Homelessness Funding Model: More than just a warm bed" for information and to refer the report for consultation with the public and the various stakeholders involved in homelessness and supportive housing. The recommendations are subject to report back within two months on the results of the public consultation, further analysis of the proposed Foundation and Partnership, and the specifics of the proposed City/Province supportive housing partnership.

BACKGROUND

On September 26, 2006 (In Camera) Council approved retaining Dobell Advisory Services, Inc. and DCF Consulting Ltd. (collectively Dobell/Fairbairn) to "develop an approach for the provision of supported housing for individuals with mental illness and addictions in the city, and to liaise with other levels of government, business and the voluntary sector in the development of housing proposals and related support services".

The purpose of the work is to develop a new model for funding and developing supportive housing that would include the charitable and corporate sectors, and would implement the City's Homeless Action Plan and Downtown Eastside Housing Plan. With the reduction in Federal and Provincial funding for social housing, there is increasing concern that the homelessness crisis confronting the city will not be addressed unless new partners and resources are brought to bear on the issue. The hope is that a new model will generate renewed commitments from the Federal and Provincial governments to fund the development and operation of supportive housing for those with a mental illness and/or addiction which is key to addressing homelessness in Vancouver.

VANCOUVER HOMELESSNESS FUNDING MODEL

Dobell/Fairbairn's report, "Vancouver Homelessness Funding Model: More than just a warm bed" confirms the need for supportive housing and the number of units that are required over the next decade; sets out a strategy for creating new supportive housing for the mentally ill and/or addicted, including the development of the dozen sites the City now owns or sites the City may purchase; and outlines a new funding model that includes a Vancouver Homelessness Foundation and a Vancouver Homelessness Partnership.

Dobell/Fairbairn reviewed the estimates of the extent of homelessness and at risk populations generated by the City's on-going work with the homelessness, the region's 2005 count of the homeless living on the street or in shelters, Vancouver Coastal Health's projections of people with mental illness and addictions, and the work undertaken by the Vancouver Police Department and the City's Licensing and Inspections staff around the Single Room Occupancy (SRO) hotels in the downtown. While the estimates of those in need of supportive housing generated by these various sources vary, they generally agree that there are at least 2500 people in the city, homeless or living in very poor conditions, who suffer from mental illness and/or addictions and who need supportive housing and support services. As the existing supportive housing is fully occupied, and to account for needs that may emerge over the next decade, Dobell/Fairbairn establish a target of 3000 new supportive housing units, which is close to the target of 3200 units of supportive housing over the next decade in the City's Homeless Action Plan.

The consultants estimate that the City's 12 sites plus a couple of others could accommodate 1500 units of supportive housing (small self contained apartments). When combined with other initiatives, a total of 3000 units of supportive housing would be provided over the next 10 years:

- the 1500 new supportive housing units proposed by Dobell/Fairbairn;
- the conversion of 400 units in BC Housing's existing portfolio of social housing to supportive housing, currently being considered by BC Housing; and
- 1100 new Supported Independent Living (SIL) units provided in private rental housing, as proposed by Vancouver Coastal Health (VCH).

The consultants' proposals do not depend on the sites the City owns now, some of which may or may not be developed for supportive housing, and the City may acquire other or additional sites for supportive housing as required. The consultants also propose that 500 SRO units be acquired by lease or purchase, and converted to supportive housing. This would be a temporary measure to provide an immediate response to the need for supportive housing as new supportive housing will take 3 or so years to develop.

The Vancouver Homelessness Foundation would receive charitable donations, which would be contributed to the proposed supportive housing, and would co-ordinate and facilitate the development and operation of supportive housing, and the delivery of services to the homeless and those at risk of homelessness, in particular those with mental illness and/or addictions. The City sites could be leased to the Foundation or Partnership who would work with BC Housing and non-profit sponsors of supportive housing to manage the supportive housing and to deliver services to the residents. It is proposed that the Vancouver Homelessness Foundation be associated with the Vancouver Foundation which would provide administrative leadership and support.

The Vancouver Homelessness Partnership would be structured as a Limited Partnership with philanthropic foundations, corporations and individuals buying units with the equity generated to be invested in supportive housing. The funds raised by the partnership would generate an investment yield reflecting the interest rate charged BC Housing by its traditional lenders. The unit holders would receive yearly tax benefits while they own the units and an additional tax benefit if they donate the units to the Foundation. The Partnership would bring new corporate and other partners, and new commitments and new perspectives to addressing homelessness.

The Foundation and the Partnership would work closely together, and the Foundation would own shares in the Partnership and appoint directors to it. The Foundation and Partnership would work within the existing framework for the development of social and supportive housing. Generally, this structure works well, and what is needed, as the consultants point out, is funding, not a new structure. The Province, through BC Housing, would remain the primary funder of supportive housing and would oversee its development and ongoing operation. The Ministry of Health and the Health Authority would provide support services, either on site or in the community. The non-profit societies operating supportive housing and providing services to the homelessness, the mentally ill and those with addictions, would operate and provide services to the supportive housing developed under the new funding model as they do today.

The viability of the Foundation and Partnership depends on amendments to the Federal and Provincial tax systems that would enhance tax benefits to donors. Some of these are minor and require only interpretation of current tax regulations, others are more significant and require either an Order-in-Council or amendments to Federal tax legislation.

DOBELL/FAIRBAIRN RECOMMENDATIONS

Dobell/Fairbairn's report sets out 9 recommendations. It is recommended that Council approve in principle the 4 key recommendations at this time:

- the first is to refer the report for consultation with the non-profit housing and service sectors, the business, development, and philanthropic communities, and the general public for report back to Council within two months (Dobell/Fairbairn Recommendation 9);
- the second is to support in principle the creation of the Vancouver Homelessness Foundation and the Vancouver Homelessness Partnership (Dobell/Fairbairn Recommendation 8). Further analysis and evaluation is required for both the Foundation and the Partnership. This work will be undertaken over the next couple of months for report back to Council;
- the third is to approve in principle the commitment to partner with the Province in the purchase and/or lease and upgrade of 500 SRO rooms and their conversion to supportive housing (Dobell/Fairbairn Recommendation 1); and
- the fourth is to approve in principle providing at least 12 sites to the Foundation or non-profit sponsors of supportive housing at no cost and to forgive property taxes for the 1500 units to be developed on these sites (Dobell/Fairbairn Recommendation 2).

The total financial commitment by the City would be approximately \$55,000,000 in capital (\$50,000,000 in free sites and \$5,000,000 for SRO lease/purchase and upgrade) and approximately \$1,000,000/year (2006 dollars) in ongoing property tax relief. While the consultants do not identify a City financial contribution to the acquisition and upgrade of the SROs, on the basis of the modest upgrade proposed by the consultants, a City contribution of \$10,000/room is recommended.

The City's commitment would be subject to the Province committing the funding to acquire, upgrade and operate the SROs as supportive housing and the funding to build and operate the new supportive housing, including funding for the support services, that the consultants estimate at \$48,000,000/year. The details and specific arrangements for this proposed City/Provincial supportive housing partnership need to be worked out, and it is hoped to do this over the next couple of months for report back to Council.

The other 6 recommendations presented by the consultants do not need to be dealt with at this time as they are not essential to either the City/Province supportive housing partnership or to the new funding model. They are summarized with commentary below.

The consultants recommend (Recommendation 3) that the City consider smaller units and alternative configurations of units e.g. pods of rooms for supportive housing. Following on Council's Nov. 2, 2006, motion regarding units smaller than currently permitted and other building programs, staff at the City and BC Housing will be considering alternatives including smaller dwelling units, the pods as suggested by Dobell/Fairbairn which might function as group homes within a larger building, and modern residential hotels that would consist of a bedroom + living space units i.e. no kitchen with common dining and other amenities. The funding model or program proposed by the consultants does not depend on particular sizes of units or particular building configurations, and can accommodate a range of supportive housing from a renovated SRO through group homes to a building of small apartments.

The consultants recommend (Recommendation 4) that the City consider alternatives to social housing funded by senior governments for the development of the affordable housing sites created through the zoning for new neighbourhoods such as Coal Harbour and False Creek. The consultants do not believe that senior government funding will be forthcoming in the foreseeable future and therefore the City should consider either developing the sites for market rental housing, for example, or allowing the developers to buy out the City's options with the City to invest the proceeds in social, including supportive, housing elsewhere.

Council already has the right under current zoning to consider alternatives such as market rental housing and pay-in-lieu. A limited number of the affordable housing sites in new neighbourhoods have been converted to condominiums, in return for a payment-in-lieu, where the larger project could not proceed without the social housing. The City has a long standing commitment to socially inclusive neighbourhoods, however, and converting all or most of the affordable housing sites in new neighbourhoods to condominium development is a significant policy issue.

If funding is not forthcoming from the Federal and/or Province soon to develop social housing on these sites, developing them for market rental housing may well be appropriate. Rental vacancy rates are near record lows in the city and region, and rental housing is crucial to accommodating middle income households who work in the city and for whom finding

affordable housing is increasingly difficult. Some of the rental units could be made available for supportive housing funded and supported through the Province's SIL program.

Dobell/Fairbairn recommend that the City to consider bonusing and inclusionary zoning for the creation of affordable housing (Recommendation 5). The November 2, 2006, motion approved by Council directed staff to review the City's regulatory powers to create affordability and also to look at what other powers the City might seek to create affordability, for example through transfer of density or property tax relief. Staff will be undertaking this review as part of the EcoDensity initiative and will be reporting back to Council by the end of 2007. It should be noted that the capacity of these tools to generate affordability is limited and that there are competing interests and public needs for the funding that bonusing etc. might generate, e.g. for parks, community centres, childcare, greenways, heritage, etc.

The consultants recommend that the City aggressively enforce its regulations once the SROs have been secured and the new supportive housing is under construction (Recommendation 6). With the lack of housing affordable to low-income singles, the City must balance life safety and the loss of housing when it enforces its regulations related to SROs. Once new supportive housing is available, the City will not be as constrained as it now is, though striking the balance between life safety and preservation of housing will be a continuing challenge. The development of new supportive housing to replace the SROs could impact the enforcement of the Single Room Accommodation Bylaw as Council may want to allow SROs to be converted or demolished if tenants can be relocated to the new supportive housing.

Dobell/Fairbairn also recommend that the City increase street cleaning and property maintenance around the new supportive housing and upgraded SROs to improve the neighbourhood at the same time that the housing is being improved (Recommendation 7). The City has expanded its street cleaning and maintenance programs in the Downtown Eastside, and can review them in the context of the City/Province supportive housing partnership once it is finalized.

Equally if not more important, however, are the links between the supportive housing and services in the community, for example employment and training programs. Health and other social services need to be available within the community to support the residents living in supportive housing. The community and neighbourhood need to be as supportive as the housing.

ISSUES

The Dobell/Fairbairn proposals raise several issues for the City. These include the financial commitment expected of the City; the proposal that the City donate sites rather than lease them; the proposal that the supportive housing be exempt from property taxes; and the risk of further delay.

City's Financial Commitment

The City is being asked to make an extraordinary financial commitment to addressing homelessness which is a serious and growing crisis. It is recommended that Council in principle approve making this commitment, but it is important that the Province understand

that the offer of \$50,000,000 in sites, \$5,000,000 for SROs, and \$1,000,000/year (2006 dollars) in property tax relief, is straining the City's financial capacity and is the maximum contribution the City can afford to make. To date the Province has not made clear what it expects municipalities to contribute to the development of supportive housing. If the Province rejects the City's offer as set out in the recommendations, Council should consider withdrawing its offer and consider alternative investments in affordable housing.

Leasing Versus Donating Sites

The consultants recommend that the City donate (transfer freehold title) rather than lease the sites to the Foundation or non-profit sponsors of supportive housing. This is seen as symbolic of the City making a greater commitment to supportive housing than to other social housing. If the Foundation or non-profit sponsors of supportive housing own the sites, it is seen as guaranteeing that supportive housing will be secure for as long as it is needed. Donating a site or selling it at a discount would be appropriate if the non-profit sponsor, or Foundation, was the primary funder of a project. If Council chooses to donate the City-owned sites for supportive housing, Housing Agreements should be registered on title that would restrict the use of the site to non-profit supportive housing for persons with a mental illness or addiction; with the sites to revert to the City should they cease to be used for non-profit supportive housing.

Donating the sites is not crucial to the viability of the Foundation or the Partnership, and should not be essential to the Provincial commitment as BC Housing itself leases sites to sponsors of social housing, including supportive housing. The City's long standing policy has been to lease sites, and donating sites as suggested by the consultants would be problematic for the City for at least four reasons:

- the first is that other non-profit societies who operate social housing, including supportive housing, on sites leased from the City will ask that their sites be donated to them as well. The request for the City to donate sites instead of leasing them is not new, e.g. previous proposals for the City to contribute all its sites leased for social housing to an Affordable Housing Land Trust;
- secondly, the Property Endowment Fund (PEF) pays 25% of the cost of a site that is leased for 60 years (50% for a site that is leased for 40 years) and the PEF would have to be reimbursed or have to write off at least \$12,000,000 if the City's sites are donated. The PEF's initial investment earns it the reversionary interest in the sites when the leases expire. Supportive housing projects may be risky for the PEF because the high cost of operating supportive housing. However, if there is a need for supportive housing when the leases revert, funding from the Province for support services should be available, and the leases can be renewed;
- the PEF's social housing portfolio consists of 150 projects and over 8700 units, giving the PEF the ability to restructure operations and to relocate tenants to maximize the portfolio's financial and social value as the leases revert. As well, the city has many needs and they change over time. The PEF portfolio, including its social housing component, ensures that Council has access to sites it can use for the civic priorities of the day; and
- Most of these sites will include non-residential components, such as retail or social service and possibly public parking. These non-residential components are usually developed by the PEF as investments. Currently the PEF manages several retail frontages on the ground floors of social housing projects, and social services occupy lower floors of several others. Public parking has been built below social housing

projects to take advantage of social housing's lower parking needs. These components could be carved out of the sites by way of airspace subdivision, but it makes more sense to keep the freehold intact, and to subdivide by way of lease, to provide for future flexibility e.g. for redevelopment, at the end of the lease term.

The choice of whether to donate or lease the sites at no cost to the Foundation or non-profit sponsors of supportive housing is presented for Council's consideration.

Property Tax Exemptions

The consultants believe that exemptions from property taxes for the supportive housing are essential to the Province's commitment. Property taxes for the new supportive housing projects, once they are fully completed, would be about \$1,000,000/year in 2006 dollars. It is recommended that the City agree in principle to a property tax exemption for the sites it will lease because, if restricted to a dozen or so sites, it is affordable and can be supported as an extraordinary commitment. The consultants believe that homelessness is such a crisis in the city, province and elsewhere in Canada, that an extraordinary commitment by all levels of government is required. They are asking the Federal and Provincial Governments to implement tax changes so that donations to 'certified' supportive housing projects generate bigger tax breaks than donations to any other worthy cause. There may not be consensus, however, and there will be pressure on all governments to give other worthy causes the same property and other tax breaks as are being proposed for supportive housing.

At present the City does not have the power to exempt property taxes for supportive housing on sites not owned by the City. However, the City can exempt its lessees from paying property taxes because the City itself is exempt. Consequently, as long as the City sites are leased to the Foundation or other non-profit sponsors of supportive housing, they can be exempt from property tax. If the City donates its sites, the Vancouver Charter would have to be amended to allow for property tax exemptions for supportive housing.

Risk of Further Delay

It could take some time for the Federal and Provincial Governments to put in place the tax amendments on which the viability of the Foundation and Partnership depend, and in the end, they may not agree to the tax changes. It is very important that neither the Province nor the City make their commitment subject to the Federal or Provincial tax changes. The development of supportive housing and securing the SROs must proceed immediately to respond the homelessness crisis the City and Province face. There can be no further delay if homelessness is to be addressed in a meaningful way by 2010.

The development of supportive housing and securing the SROs can proceed at the same time as the tax changes required for the Foundation and the Partnership are pursued. The proposed structure will allow projects to be rolled into the Foundation, and allow the funding from the Partnership to be rolled into the projects while they are underdevelopment or after they are completed. If the tax changes are not implemented, and the Foundation and Partnership prove not to be viable, then the supportive housing can proceed as they would under the current funding, development and operating framework.

FINANCIAL IMPLICATIONS

As discussed, Dobell/Fairbairn are proposing that the City make available sites with an estimated value of \$50,000,000 at no cost for the development of supportive housing, contribute \$5,000,000 to the acquisition and upgrade of SROs, and exempt the new supportive housing from property taxes of approximately \$1,000,000/year (2006 dollars). In return, the Province would commit to \$55,000,000 in new annual funding to cover the cost of developing and operating 2000 units of supportive housing in the city.

SOCIAL IMPLICATIONS

The need for supportive housing to address the homelessness crisis in the city cannot be exaggerated. Dobell/Fairbairn's proposal would see the development of 1500 new supportive housing units and the conversion of 500 SROs to supportive housing for persons with mental illness and/or addictions. These 2000 units plus the other initiatives underway would go most of the way towards achieving the target of 3200 supportive housing units over the next 10 years set out in the City's Homelessness Action Plan.

IMPLEMENTATION PLAN

If Council approves the recommendations, the consultants and staff will meet with:

- the non-profit housing and service sectors involved in homelessness and supportive housing, the business and philanthropic communities, and the general public, to identify issues that need to be addressed and opportunities for partnerships;
- the Federal Government, Province and VCH regarding the proposed tax changes, the supportive housing models to be developed, and the costs of developing and providing supportive housing; and
- foundations, corporations and individuals who may be interested in investing in the Foundation and Partnership, and willing to become involved in setting them up and overseeing their operation.

The consultants and staff will report back to Council with a final proposal and report within two months.

CONCLUSION

Dobell/Fairbairn have completed their report, "Vancouver Homelessness Funding Model: More than just a warm bed". It sets out a proposal that would see 2000 new units of supportive housing created in the city, and the creation of a Vancouver Homelessness Foundation and a Vancouver Homelessness Partnership to bring donations, investment and new partners to solving homelessness. It is recommended that Council refer the consultants' report for public consultation; support in principle the creation of the Foundation and Partnership; and approve in principle making available at no cost for a dozen City-owned sites worth \$50,000,000 for the development of 1500 supportive housing units, a contribution of \$5,000,000 for the acquisition and upgrade of 500 SROs, and property tax exemptions for the supportive housing to be developed on the City's sites worth \$1,000,000/year (2006 dollars) when all the projects are completed, subject to a commitment from the Province to provide the funding, estimated at \$55,000,000/year, to develop and operate the 2000 units of new

supportive housing. The consultants recommend that the City donate the sites rather than lease them and the alternatives are presented for Council's consideration.

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