



CITY OF VANCOUVER

A19

ADMINISTRATIVE REPORT

Report Date: August 28, 2008
Contact: Cameron Gray
Contact No.: 604.873.7207
RTS No.: 07266
VanRIMS No.: 08-2000-20
Meeting Date: September 16, 2008

TO: Vancouver City Council
FROM: Managing Director of Social Development
SUBJECT: Streetohome Vancouver

RECOMMENDATION

- A. THAT Council receive the report attached as Appendix A from Dobell Advisory Services Inc. and DCF Consulting for information, and thank Msrs. Dobell and Fairbairn for their work in developing an innovative funding model to encourage private, philanthropic and community investment in supportive housing and for initiating the City/Province SRO and supportive and social housing partnership;
- B. THAT Council approve a grant of \$500,000 to the Streetohome Foundation subject to matching grants from the Vancouver Foundation and from the Province, and with the City to have the right to appoint a member to the Board of Directors of the Streetohome Foundation, with the source of funds to be the 2004-5 Affordable Housing Capital Unallocated account
- C. THAT Council approve a contribution of five million dollars (\$5,000,000) to BC Housing for the acquisition and upgrade of the more than 500 rooms in the Single Room Occupancy (SRO) properties that BC Housing purchased in March 2007, as listed in this report, with the source of funding for City's \$5,000,000 contribution to be the City-wide Development Cost Levies allocated to replacement housing subject to execution of Housing Agreements for each of the SRO properties that, for a term of 20 years from the date of purchase by the Province:

- the Province not sell the property unless the Province funds and develops replacement social and/or supportive housing in Vancouver to accommodate the residents,
- the property may be renovated to replace the rooms with self-contained units subject to the Province funding and developing social and/or supportive housing to replace the net loss of rooms resulting from the renovation, and
- occupancy be restricted to core-need singles who will pay a rent equal to the shelter component of welfare or 30% of their gross household income whichever is greater to a maximum of the market rent for the room or unit.

Recommendations B and C propose grants and require the support of 8 members of Council.

GENERAL MANAGER'S COMMENTS

The General Manager recommends approval of A, B, and C.

CITY MANAGER'S COMMENTS

There are many who deserve credit for the work now underway to secure the single room occupancy hotels and to develop new social and supportive housing to meet the needs of those suffering from mental illness or substance abuse, many of whom are homeless or at risk of homelessness. There are 3,000 units of social and supportive housing for low income singles being renovated or either under construction or soon to be under construction in the city of Vancouver. The Province, the citizens of Vancouver, the business community, the advocates and service providers for the low income community and the low income and homeless communities themselves along with the City have all played key roles in this important work. It isn't possible to determine how important the Homelessness Funding Model: Not Just Another Warm Bed has been, except to note that three of its key recommendations, securing 500 or more SROs, developing the City's 12 sites for social and supportive housing, and setting up the Streethome Foundation, are now being implemented.

COUNCIL POLICY

Council's social housing policy is 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.

Council policies related to homelessness are set out in the 2005 Homelessness Action Plan, and its policies related to supportive housing are set out in the 2007 Supportive Housing Strategy. In 2007 Council approved Project Civil City and set a target of a 50% reduction in homelessness by 2010.

The approval of grants requires eight members of Council to vote in favour.

PURPOSE AND SUMMARY

This report wraps up the work of Dobell Advisory Services Inc. and DCF Consulting which were retained by the City to develop solutions to homelessness that would attract partnerships with and investment from the corporate, philanthropic and community sectors. The Dobell/Fairbairn report, "Vancouver Homelessness Funding Model: More than just a warm bed" proposed a new funding model that would broaden the investment in solutions to

homelessness, and proposed a specific partnership with the Province to secure Single Resident Occupancy (SRO) rooms and develop City-owned sites for supportive housing units for persons with a mental illness and/or substance abuse problem who were homeless or at risk. Council approved in principle the funding model and the partnership with the Province, instructed staff and the consultants to pursue the regulatory changes and funding commitments from the senior governments, and to consult with the corporate, philanthropic and community sectors.

The consultants and staff met with representatives of the senior governments and the community. There was general support in the community for a funding model such as the one proposed by the consultants, however, the changes to the Federal Income Tax Act required to implement the funding model were not approved in the 2008 Federal budget. A central element of the funding model, a homelessness foundation, is being established under the aegis of the Vancouver Foundation, and it is recommended that the City match the Vancouver Foundation and Province by contributing \$500,000 in seed funding to the Streetohome Foundation.

The partnership with the Province proposed by the consultants is being implemented. The Province has purchased SRO buildings which will be operated as supportive housing, and the City and Province are proceeding to develop a dozen City sites for social and supportive housing for persons with mental illness and substance abuse. The partnership approved in principle by Council included a \$5,000,000 contribution from the City for the acquisition and renovation of the SROs secured by the Province, and it is recommended that this contribution be finalized subject to a commitment by the Province to retain ownership of the SROs and to operate them for supportive housing for low income singles for a minimum of 20 years.

BACKGROUND

In September 2006, Council retained Dobell Advisory Services and DFC Consulting Ltd. 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”.

On December 14, 2006, Council approved the Project Civil City initiative which included as one of its goals a 50% reduction in homelessness by 2010.

On March 13, 2007, Council considered Dobell/Fairbairn’s report, “Vancouver Homelessness Funding Model: More than just a warm bed”. The report set out a strategy for creating new supportive housing for the mentally ill and/or addicted, and outlined a new funding model that included a Vancouver Homelessness Foundation and a Vancouver Homelessness Partnership. Council approved the following motions:

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

In July 2007 Council received a memo from staff updating Council on the consultations with the corporate, philanthropic and non-profit communities, and with the Federal Government and the Province.

On December 19, 2007, Council approved a City/Province Social and Supportive Housing Partnership to develop 12 City-owned sites for 1100-1200 units of social and supportive housing for persons living in SROs, suffering from mental illness and/or substance abuse, and the homeless and those at risk of homelessness. Council approved leasing the sites for 60-year terms with a nominal prepaid lease rent, and not requiring the projects to pay property taxes.

VANCOUVER HOMELESSNESS FUNDING MODEL

The consultants' wrap up report is attached as Appendix A. The appendices to their report are on file with the City Clerk and can be found on the City's website:

<http://www.vancouver.ca/commsvcs/housing>

Over the past year, the consultants and staff met with provincial and federal officials, including the cabinet ministers responsible for housing, and held extensive consultations with the business sector, the philanthropic community and with non-profit providers of supportive housing and services to the mentally ill, persons with substance abuse problems and the homeless. There was broad support for bringing new investment and investors to solving homelessness, not just because of the need for more resources but also to bring new perspectives and new energy to the issue. There was support in particular for the creation of a foundation with a focus and mandate to address homelessness, and which would provide a vehicle for the corporate sector and the philanthropic community that have not traditionally been involved in homelessness issues to participate in developing and implementing solutions to homelessness.

The funding model developed by the consultants was analyzed by federal and provincial staff who concluded that it was structurally sound and would likely attract new investment to solutions to homelessness, in particular to the development of supportive housing. The Vancouver Homelessness Partnership proposed by the consultants would provide investors who wanted to participate in solving homelessness with an opportunity to receive a modest return on their investment and, if they chose to convert their investment into a gift, with a generous tax benefit. The corporate and philanthropic communities confirmed that the funding model would be attractive to corporate and philanthropic investors.

The funding model, and in particular the Vancouver Homelessness Partnership, required that the Federal Government amend the Income Tax Act and its regulations to provide enhanced tax benefits for investments and donations to solutions to homelessness, and in particular in the development of supportive housing. The Federal Government has advised that it gave serious consideration to the proposal but decided not to make the required legislative and regulatory changes in 2008 because of competing budget priorities. Consequently, establishing a Vancouver Homelessness Partnership is not feasible at this time.

STREETOHOME FOUNDATION

Establishing a Vancouver Homeless Foundation was a key component of the Vancouver Homelessness Funding Model. It was to act as the general partner for the Vancouver Homelessness Partnership, provide oversight for the investors to ensure that their funds were being used effectively, work with the providers of supportive housing and services for the homeless and those at risk to develop innovative approaches and to implement best practices, and engage the community at all levels in the issue. While a foundation to act as the general partner for the Vancouver Homelessness Partnership is not required until the Federal Government approves the necessary changes to the Income Tax Act and other regulations, a foundation dedicated to the issue of homelessness would still have a valuable role in fulfilling the other functions identified by the consultants.

As noted in the update report on Project Civil City that Council considered on July 10, 2008, the Vancouver Foundation has established the Streetohome Foundation to implement the consultants' concept of providing a home for the corporate and philanthropic sectors' participation in the development and implementation of homelessness solutions. The focus of the Streetohome Foundation is on ending chronic homelessness, which means providing supportive housing and services to the homeless who have been shelterless for more than a year and have become entrenched in a life on the streets.

The Vancouver Foundation and the Province (through the Ministry of Employment and Income Assistance, now Housing and Social Development) have each pledged \$500,000 in seed funding to the Streetohome Foundation. The Streetohome Foundation has written asking that the City provide matching seed funding, and their letter is attached as Appendix B. The seed funding would be used to further develop and begin implementation of the draft work plan attached to their offer. As the mandate of the Streetohome Foundation is to facilitate solutions to homelessness in the city of Vancouver, it is recommended that the City provide a matching grant of \$500,000 to the Streetohome Foundation, with funding to be provided from the 2004-5 unallocated capital for Affordable Housing. A condition of the City's funding is that the City have the right to appoint a member to the board of the Foundation and that the Foundation report annually to City Council.

CITY/PROVINCE SRO PARTNERSHIP

On April 3, 2007, the Province (BC Housing) announced the purchase of 10 Single Room Occupancy (SRO) buildings with more than 500 rooms in downtown Vancouver with the commitment to operate them as supportive housing for low-income singles who are mentally ill, suffering from substance abuse, or are homeless or at risk of homelessness. The purchase of these hotels is consistent with and satisfies the offer approved in principle by Council that it would contribute \$5,000,000 towards the purchase, lease or upgrade of SROs should the Province secure (by way of lease or purchase) 500 SRO rooms in the city.

It is recommended that Council approve the \$5,000,000 contribution subject to the Province entering into Housing Agreements with the City for each of the 10 SRO hotels listed in Table 1 requiring that, for a term of 20 years from the date of Council approval:

- the Province not sell the property unless the Province funds and develops replacement social and/or supportive housing in Vancouver to accommodate the residents,
- that the property may be renovated to replace the rooms with self-contained units subject to the Province funding and developing social and/or supportive housing to replace the net loss of rooms resulting from the renovation, and
- occupancy be restricted to core-need singles who will pay a rent equal to the shelter component of welfare or 30% of their gross household income whichever is greater to a maximum of the market rent for the room or unit.

Table 1: List of Provincial SRO Buildings in Vancouver to be funded by the City

Name	# of Rooms/Units	Address	PID
Carl Rooms	47	335 Princess Ave.	015-584-232/241
Marble Arch Hotel	145	518 Richard St.	012-520-896/918/942
Molson Bank	45	166 E. Hastings St.	004-568-273
Orange Hall	27	329 Gore Ave.	007-943-555/571
Orwell Hotel	55	456 E. Hastings St.	015-578-054
Park Hotel	56	429 W. Pender St.	003-122-620
Rice Block	43	404 Hawks Ave.	015-577-686/783
Savoy Hotel	28	258 E. Hastings St.	015-679-926
St. Helen's	96	1161 Granville St.	012-594-229/337
Walton Hotel	51	261 E. Hastings St.	002-860-210/368
Total	593		

Since the Province bought these 10 hotels, the City has bought the Drake Hotel (606 Powell) with 24 rooms, which will be redeveloped after the 2010 Winter Games, and 514 Alexander with 20 rooms, and the Province has bought 6 more hotels with an additional 330 units. All of these hotels are being converted from privately run SROs to social and supportive housing that will be operated by non-profit housing societies with the rents fixed at the shelter component of welfare or 30% of household income if the tenant can afford to pay more than the shelter component of welfare. Support services will be available to all of them. The Province has also purchased a 110 unit non-profit owned SRO and will be providing additional funding so that it can be operated as social and supportive housing.

Non-profit operators have been selected for the 10 SROs the Province purchased in 2007, and non-profit operators will be selected for the remaining hotels later this year. The program for

the buildings will range from harm reduction models through to abstinence based programs. The non-profit operators and BC Housing are developing the programming appropriate to each building, and also developing a co-ordinated access and service delivery system for the Province's SROs that will be jointly managed by the non-profit operators and BC Housing. The new social and supportive housing that is being developed in Vancouver will also participate in the co-ordinated access and service delivery system.

FINANCIAL IMPLICATIONS

It is recommended that the City's \$5,000,000 contribution to the acquisition and renovation of the 10 SROs purchased by the Province be funded from the City-wide Development Cost Levies for replacement housing and the \$500,000 contribution to the Streetohome Vancouver Foundation be funded from the 2004-5 Affordable Housing Capital Unallocated account.

SOCIAL IMPLICATIONS

The SROs in downtown Vancouver are an important stock of housing for low-income singles. They are at risk because of age and disrepair, and over time should be replaced with self-contained non-market housing operated by non-profit societies with capital and operating funding from the senior governments and if possible from philanthropic sources. The Province's acquisition and renovation of over 900 SRO rooms in downtown Vancouver will stabilize the stock in the interim, and improve the security and living conditions for the buildings' residents.

CONCLUSION

This report wraps up the work on the Vancouver Homelessness Funding Model. The Federal Government has not yet approved the necessary changes to the income tax system required to implement the model, but there is support for the creation of a foundation dedicated to addressing and solving homelessness, and the Vancouver Foundation is in the process of establishing the Streetohome Foundation. The Vancouver Foundation and the Province have provided seed funding of \$500,000 each to Streetohome and it is recommended that the City provide a matching grant of \$500,000. A recommendation of the Vancouver Housing Funding Model was an SRO partnership with the Province, and Council approved in principle a \$5 million contribution to the acquisition and upgrade of 500 SROs rooms. The Province purchased over 500 SRO rooms a year ago and will soon start renovating them, and it is recommended that Council provide final approval for the \$5 million contribution.

* * * * *

DOBELL ADVISORY SERVICES INC

DCF CONSULTING LTD

The Vancouver Homelessness Funding Model Final Report

March, 2008

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Appendix C Staff report to Council on partnership with the Province to develop 12 sites

Appendix D Preliminary report to City Manager

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Executive Summary

On Sept 26, 2006, City Council approved a motion to retain Dobell Advisory Services and DCF Consulting to develop a proposal for a new approach to funding housing and support services that would involve the broad community, philanthropists, and business interests. The report arising from that assignment was presented to Council on March 13, 2007, together with a report and recommendations from City staff. Council approved the following staff recommendations:

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 nonprofit 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 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 ongoing 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;

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.

Broad consultations were conducted over the next several months, and significant support for the model was obtained. Staff provided an update memo to Council dated July 24, 2007. During this period, the Province undertook an aggressive housing program, including the purchase of SRO units and

commitments to the construction of new housing for those in greatest need, including a number of supportive housing units, generally as outlined in the above recommendations.

The Vancouver Homelessness Funding Model proposed two organizations: one was a new foundation, with a broad mandate to address homelessness, and one was a limited partnership to take advantage of requested changes in income tax regulations, increasing the attractiveness of philanthropic investment in supportive housing and in the longer term, increasing funding to the non-profit sector to address homelessness. Local philanthropists committed to invest \$75 million in supportive housing if the tax changes were obtained. Despite a broad base of support for the tax proposals, including endorsement and lobbying support from the Vancouver Foundation and endorsements from the Premier, Vancouver Board of Trade, the Canadian Association of Chiefs of Police, and Business Council of BC among others, no action was taken in this regard by the Federal government.

There is continuing support for the creation of the streetohome Foundation addressing homelessness, and it will be established within the next few months.

In the course of the work, a number of products were created: the tax proposal, which may have future relevance; a communications strategy and communications materials for the program; a business plan for the Foundation; and a mechanism to implement streetohome accounts, supported by a national bank. A number of delegations to other cities and presentations to federal officials and interested local organizations were made. The proposals were endorsed by a number of relevant agencies.

This report reviews each of the recommendations contained in the original report and the outcome associated with each recommendation. While the significant achievements that have been realized over the last two years cannot be attributed solely, or even in large part, to the recommendations of the report, the work commissioned by the City and the City's response contributed to the increased general awareness of the problem. Increasing concern in the broad community and awareness of the need for action has made a difference.

Thanks are due to the Vancouver Foundation Board and staff, who provided incremental financial support, strong support for the creation of the streetohome Foundation; and made many valuable contacts; Ms. Virginia Greene, who joined the consulting team briefly prior to her appointment as CEO of the Business Council of BC, where she continues to support the new Foundation; the Rev. Tom Cooper, City in Focus Foundation, who provided initial contacts with philanthropists and supported the ongoing consultation and discussions with the non-profit and philanthropic communities; Bruce Sinclair, then with Borden Ladner Gervais, now with Blake, Cassels, & Graydon, who provided pro bono tax advice; Greg Lewis of Bull, Housser & Tupper, who also provided pro bono legal advice; and Della Smith and her colleagues at Quay Strategies, who provided initial pro bono advice on communications and preparation of the report. Our consultants at Junxion and bau+wow providing excellent communications and design support. We appreciated the support of City staff throughout our assignment.

Introduction

The report Vancouver Homelessness Funding Model – More than a Warm Bed (attached as Appendix A) proposed a implementation model to address the housing and support needs of homeless people, drawing from the City's extensive work in creating the City's Homelessness Action Plan and the Housing Plan for the Downtown Eastside. It described the doubling of homeless people from 2002 to 2005, and the challenges of mental and physical illness and addictions these individuals frequently faced. It noted that there is widespread evidence that homelessness can be addressed effectively through supportive housing; that supportive housing with proper services would lead to a reduction in demands on police, fire, ambulance, emergency wards and court services; and that while Vancouver provided a number of facilities delivering housing and support services effectively, more supportive housing was required.

The high cost of supportive housing was identified; the report suggested that the addition of corporate, philanthropic and citizen contributions would help to raise sufficient funding to meet this challenge.

City staff prepared a report to Council and related staff recommendations describing the Vancouver Homelessness Funding Model on March 13, 2007 (Appendix B). The following sections of this report will review each recommendation of the Vancouver Homeless Funding Model and report on its status.

Recommendations of the Report and Current Situation

1. *That the City endorse a target of upgrading 500 SRO hotel rooms and providing incremental tenant support services to meet the needs of residents, and committing to work with other agencies to achieve that target, with funding sources described in this report.*

The Province identified the benefit that would result from its purchase and upgrading of a number of SRO hotels, stabilizing the accommodation and increasing management resources. On April 3, 2007, the Province announced the purchase of 596 SRO units and related upgrading plans. Further, in February 14, 2008 the Province announced the purchase of an additional 330 SRO hotel units. The management resources that will be provided by BC Housing Management will significantly enhance the living environment in these hotels, and provide a degree of support to residents.

2. *That the City endorse a target of the construction of 1,500 new supportive housing units, and subject to the Province's commitment to provision of operating costs and the costs of support services, that the City commit to provide sites at no cost, forgive taxes on these units, and commit to work with other agencies to achieve that target.*

This recommendation assumed the development of 12 City owned housing sites. The City announced its agreement to the development of these sites in a report dated November 6, 2007 (Appendix C); the City agreed to provide the sites at no cost and to forgive property taxes on them, as recommended in the Vancouver Homeless Funding Model. While not all the units will be developed for supportive housing, all will involve provision of housing for those in particular

need, including many low income urban singles people. The City's report estimated that from 400 - 600 people requiring supportive housing will move from the street or unstable housing to these units.

While dedication of a higher proportion of these units to addressing people who are "street homeless" would have been desirable from the perspective of this recommendation, the achievement nonetheless is significant.

The question of effective delivery of support services to those suffering from mental illness or addictions or a combination of both remains outstanding. The Project Civil City sponsored Collaboration for Change is convening a workshop in April, and commissioning research (funded under the Vancouver Agreement) to address this question in more detail.

3. *That the City consider bylaw revisions:*
 - a) *to establish an appropriate supportive housing unit size providing the required functionality while minimizing construction costs; and*
 - b) *subject to confirmation from non-profit operators, establishment of alternate configurations combining multiple residential units with common kitchen facilities.*

City staff advised that the matter was under review by its staff and BC Housing Management commission, and accordingly no further action was taken by the consultants. The units to be built on the City owned sites described above meet current zoning requirements.

4. *That the City consider an alternative approach to creation of mixed income communities in major rezonings that would require equivalent value contributions from developers for alternate forms of housing either within the site to be rezoned or in other areas, and consider the conversion of existing reserved sites with an appropriate payment by the developer, and application of the funds received to other housing priorities.*

The City staff report noted that

"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."

Two of the sites in question were subsequently included in the 12 sites to be developed by the Province, and a third was sold, with funding to be applied to development of housing.

5. *That the City consider the creation of zoning districts that establish the opportunity for internal economic trade-offs within a development by provision of incremental density and height in exchange for market rental units or individual supportive housing units.*

City staff advised that

"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 EcoDensity initiative is under active consideration by Council.

6. *That if this program (or any alternate program) is successfully implemented and provides additional housing for individuals requiring supportive housing, the City consider undertaking aggressive enforcement to ensure all SRO and non-market accommodation is operating in a manner that meets bylaw requirements.*

City staff reported

"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."

The City continues to examine its enforcement program and is developing strategies to improve maintenance and operation while ensuring the continued availability of SRO housing.

7. *That the City consider implementing supplemental street cleaning and property maintenance activities on an ongoing basis in the Downtown Eastside, in conjunction with community organizations, as a complement to upgrading of SRO hotels, construction of new supportive housing, and provision of increased support services.*

City staff reported that

“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.”

The City, through Civil City Commissioner Geoff Plant, has recently obtained a \$10 million grant from the Province for increased street cleaning and maintenance programs in the Downtown Eastside over the next three years.

The new streethome Foundation will address the links between the community and supportive housing in regard to employment and training programs and other services.

8. *That the City support the creation of the Vancouver Homelessness Limited Partnership and the Vancouver Homelessness Foundation, subject to:*
 - a) *support and funding commitments from the Province for the upgrading and construction program and the provision of support services as set out in this report*
 - b) *support from the Province for the tax changes proposed in this report*

9. *That the City instruct City staff and the consultants to undertake further consultations with the Vancouver Foundation, provincial and federal officials, potential investors, and the financial community, seek support for the proposed tax changes, and undertake further legal analysis and work on organization proposals for report back in April.*

Recommendations 8 and 9 above reflect the central concept of the Vancouver Homeless Funding Model, and the work undertaken in response to Council’s resolution is described more fully below.

Project History

The development of the project will be reviewed briefly in four segments:

- a) Preliminary analysis authorized by the City Manager to determine if it was useful to undertake a project (subsequently folded into the project authorized by City Council);
- b) Development of the model and initial discussions with non-profit agencies and interested parties;
- c) Consultations and implementation discussions with interested parties, governments, philanthropists, and non-profit agencies; and
- d) Discussions subsequent to the federal budget, which did not include the requested tax provisions.

Preliminary Analysis

During the initial weeks of the project, City material was reviewed; discussions were held with City and provincial officials to obtain information on current programs; and preliminary consideration was given

to possible models to involve the business, philanthropic, and general communities. The consultants noted that there was little evidence that senior governments were considering reinstating the types of funding for social housing that had existed in the past, and concluded that while there could be no certainty of success, there was merit in examining a tax based model for funding supportive housing. These conclusions were presented to the City Manager, who authorized preparation of a report to Council requesting approval to undertake the proposed study.

Model Development

Following Council approval of the project in September, 2006, a preliminary report was presented to the City Manager outlining a general work program and models that would be explored. (Appendix D) Discussions with Bruce Sinclair, the tax advisor, examined possible approaches to enhancing tax benefits to philanthropists. A number of meetings with City officials, provincial officials, and other interested parties were held. Meetings were held with members of the development community. A number of discussions were held with the Vancouver Foundation staff and Board on its interest in playing a continuing role. The potential of various city sites was examined, based on information from City officials. A series of meetings were held with non-profit agencies. Presentations were made to Ministers and federal officials. A preliminary meeting was held with Minister Coleman to outline the City work plan. During this period, a number of presentations were made to other interested parties. The report to Council was prepared, and a full briefing was provided to interested city officials.

Consultations and Implementation

Following the report to Council and its decisions, many presentations were made to interested parties. These included:

- financial institutions;
- philanthropists (arranged by Rev. Tom Cooper);
- Board of Trade Committees;
- travel to Ottawa to present to federal officials;
- City officials from several BC communities;
- a workshop with provincial Deputy Ministers (by invitation);
- Vancouver Coastal Health Authority;
- representatives from Calgary and Edmonton;
- the Urban Development Institute;
- Philip Mangano (US Homelessness Agency); and
- Common Ground, a significant US based homelessness advocate and operator of several major facilities.

Visits were made to Victoria, Kamloops, Kelowna, Calgary, Winnipeg, Montreal, Halifax, Ottawa, Toronto, Quebec City, and London, Ontario to meet with officials and/or Council members.

Presentations were made to:

- the major city Canadian Police Chiefs (facilitated by Chief Constable Jim Chu);
- FCM Big City Mayors;
- the Vancouver Board of Trade Civic Affairs Committee; and
- the Vancouver Board of Trade.

An important meeting was held between philanthropists, Premier Campbell, and Minister Coleman, in which the philanthropists committed to raising \$75 million for philanthropic investment if the proposed tax incentive was implemented.

A number of discussions were held with non-profit agencies working in this area. A partial list is provided in Appendix E. City officials had additional independent discussions with non-profit organizations. Staff provided an update memo to Council dated July 24, 2007 (Appendix F)

Further visits were made to Ottawa during this period to meet federal officials, including representatives from the Prime Minister's office and the offices of the Ministers of Finance and Human Resources and Social Development, as well as Ministry officials.

Development of communications material and a communications program was undertaken, including case statements directed at municipalities, philanthropists, financial institutions, and the federal government. Domain names were reserved, and email accounts established for streetohome, in preparation for establishing a web page. The complete set of case statements is provided in Appendix G.

A number of discussions with the Vancouver Foundation, Civil City Commissioner Geoff Plant, and city officials were held to ensure that these initiatives were coordinated and complementary.

The purpose of this work program was to obtain support for the tax proposals, and an indication of interest and support for the creation of the streetohome foundation, independent of the tax incentives. This effort was reasonably successful. While the time line for FCM action was too limited for them to respond in time to indicate support prior to the finalization of the federal budget, a number of agencies and some cities did provide letters of support. These include:

- Premier Campbell to Prime Minister Harper;
- Canadian Association of Chiefs of Police to Ministers Flaherty and Solberg;
- the Mayor of Ottawa;
- the Mayor and Council of Kamloops;
- the Vancouver Board of Trade (the Board of Trade also urged other Boards of Trade to give consideration to similar proposals); and
- the Business Council of BC.

Chair Jake Kerr of the Vancouver Foundation contacted Senator Michael Kirby regarding the proposal, who subsequently advised the consultants that he had positive discussions with the federal government. Copies of these letters of support are provided in Appendix H.

Post Budget Considerations

Notwithstanding the support outlined above, and the commitment of Vancouver philanthropists to make significant philanthropic investments, the tax proposal was not implemented. We understand that the federal government was philosophically supportive of a community based initiative, had referenced the potential for a tax supported approach to addressing homelessness in an earlier throne speech, and that the tax proposal was given serious consideration. Simply, in the final list of budget priorities, it was unsuccessful. There may be potential for a tax solution, in the form proposed or some alternate, in future.

As noted earlier, there was continuing broad based support for the creation of a foundation specifically addressing homelessness, working with governments, community organizations, and philanthropists. Accordingly, subsequent effort was devoted to creation of the streetohome Foundation. The necessary

legal documents have been prepared to create the Foundation and obtain charitable status, and the streetohome Foundation will be established formally in the next few months. A major financial institution has agreed to partner in the Foundation by establishing and publicizing streetohome deposit accounts, through which interest earnings will be committed to the Foundation, and by encouraging similar participation by other financial institutions. The Vancouver Foundation and the provincial government have each agreed to provide initial funding of \$500,000, and financial support will be sought from other sources. The Vancouver Foundation will provide back office support to minimize operational costs.

With the conclusion of the City project, the new streetohome Foundation will continue to play an advocacy role for people who are homeless and the provision of housing and effective services. Its work plan is expected to include:

- a) continuing to work on achieving a tax supported program to support housing for the homeless;
- b) facilitation of relationships among and between non-profit organizations to achieve some benefits of scale in providing services to residents and supports to workers in the field
- c) building relationships between the community and supportive housing projects;
- d) involving the general community in resolving homelessness through streetohome accounts and other fund raising;
- e) funding innovative service delivery pilot projects; and
- f) facilitating and funding new supportive housing development, working with governments, philanthropists, and service agencies.

Concluding Comments

While the specific project objective of achieving a tax supported plan for implementing supportive housing has not been achieved, there can be no question that the City's work has resulted in major investments in housing for the most needy in Vancouver. The City and Province together have made major commitments through the purchase and refurbishing of SROs, and the development of new housing on city owned land. Still more investment, targeted specifically at people facing major challenges through addiction and illness, will be required. Improved methods for delivery of services should be pursued. A new Foundation that will work with the community, private sector, and governments, to achieve these objectives will be an important partner for the City in its work to create a more civil city, in which homelessness has been addressed.



Streethome Vancouver Foundation
1200-555 West Hastings Street, Box 12132
Harbour Centre, Vancouver, BC Canada V6B 4N6
Tel: 604-629-2711; Fax: 604-688-4170

Aug. 26, 2008

Mayor and Council
City of Vancouver
453 West 12th Avenue
Vancouver, BC V5Y 1V4

Dear Mayor and Councillors:

RE: Streethome Vancouver Foundation

This letter is to seek the City of Vancouver's support for Streethome Vancouver Foundation (Streethome), a foundation that is being established with the support of the Vancouver Foundation and the Provincial government in response to the work undertaken by Ken Dobell and Don Fairbairn on behalf of the City to develop new models for funding solutions to homelessness.

Homelessness is a priority concern for every citizen of Vancouver. The City's Homeless Action Plan, the funding model developed by Dobell/Fairbairn, and Project Civil City are all recent City initiatives to build consensus and a broad commitment to addressing and solving homelessness. The Streethome Foundation brings a business commitment and perspective to the problem solving underway. A board of senior private sector executives and community leaders has been established (see list of board members attached to the Terms of Reference), along with working committees chaired by board members and supplemented with members from the community, non-profit providers of services and supportive housing and government. These people have been tasked with reviewing models of housing initiatives, service delivery and funding with the intent of being able, by the end of 2009, to have supportive housing for the homeless in operation. It is also their goal to have this funded and supported by the private sector and broader communities.

Streethome recognizes and supports the great work that has been initiated by the Province and the City in their current social and supportive housing partnership, and wants to build on the successes that have been achieved to date. Too often we focus on the work that needs to be done and don't credit the successes that have been achieved and the hard work that went into them. Projects such as PHS's New Portland Hotel, the Salvation Army's Belkin House, Lookout's Yukon Shelter, RainCity on Fraser, and the City/Province outreach program that is taking homeless people from the street to a home in a day should be celebrated. These programs and initiatives are the foundation of the work that still needs to be done. Streethome will not duplicate

these efforts, only focus on bringing additional resources and expertise to solving the problem.

Streetohome will be a positive partner with the non-profit community and with all levels of government. It will bring private sector and community leadership understanding and perspectives to the problem and will provide a clear window on homelessness and the related issues of mental illness and addiction for the community. It will bring more than the resources of the private and community sectors to solving homelessness; it will bring an action oriented and implementation focus that generates concrete results, in terms of projects, research, community awareness and collaboration.

The initial focus of Streetohome will be the chronic homeless in the city of Vancouver: the homeless who have become entrenched in the street, isolated from society and who have the greatest impact on health, social and judicial services. The Province and the Vancouver Foundation have each committed \$500,000 as seed funding for Streetohome. Streetohome is looking to the City to match the Province's and the Vancouver Foundation's contribution. Seed funding from the City will confirm the commitment of the citizens of Vancouver through their elected representatives, and will send a clear message to the entire community of the City's commitment to taking action to solve homelessness. Part of the community outreach of Streetohome will be to foster a greater understanding of the issues around homelessness and that the current costs to the community far outweigh the investment in sustainable solutions. Streetohome will be utilizing its own resources and raising funds to leverage and build upon the contributions from the initial partners. It is expected that Streetohome will be a model for other communities to replicate.

The City has been a major driver in the successes achieved to date and is critical as a primary partner with Streetohome, the Province and its other partners in future initiatives. Streetohome acknowledges that a financial commitment from the City will require that Streetohome be accountable to the citizens of Vancouver and will share business plans and annual reports with the City. Streetohome is committed to a set of values and will be transparent in its work. Streetohome will be reserving a seat on its board for a City representative.

We look forward to hearing from City Council and hope that our request will receive favourable consideration. If you have any questions or need any additional information, please do not hesitate to call the President of Streetohome, Ms. Jae Kim at 604-629-2711.

Yours truly



John McLernon
Chair, StreetoHome Vancouver Foundation



**StreetoHome Vancouver Foundation
DRAFT Board of Directors**

Terms of Reference

1. *Executive Summary*

The vision of the StreetoHome Vancouver Foundation (“StreetoHome”) is that by 2015 all people facing homelessness in Vancouver will have access to safe, decent and affordable housing as well as the resources and supports needed to sustain it. StreetoHome is founded on the view that there is a need for a community-based foundation where leaders in business, gov’t, non-profits, and community groups can come together and collaborate to end homelessness. In order to facilitate the vision, it is crucial that StreetoHome stands above the fray of politics and provide a safe and neutral ground of engagement and debate.

StreetoHome has identified these key objectives:

- (i) To obtain clearer and more reliable data around homelessness to establish the baseline, create and test potential efficiencies, and evaluate impact
- (ii) To facilitate the creation of more housing
- (iii) To improve the quantity and quality of support services
- (iv) To facilitate the development of a comprehensive long-term plan to end homelessness
- (v) To increase funding, both private sector and government

Recognizing the urgent need for housing for those suffering in our streets as well as the more in-depth analysis required to develop a comprehensive plan to end homelessness, the Board is tasked to develop a strategy that will be rolled out in three stages:

- (i) Phase 1: JumpStart to house and support 150 chronically homeless individuals (to be announced as part of the public launch) no later than October 2009
- (ii) Phase 2: Establish partnership with the Mental Health Commission of Canada to house and support 300 chronically homeless individuals no later than April 2009
- (iii) Phase 3: Establish Vancouver’s “Plan to End Homelessness by 2015” no later than April 2009

1.1 Organizational Structure

StreetoHome has recruited leaders from the community whose very involvement evidences publicly the collaborated will and substance to facilitate an end to homelessness in Vancouver by 2015. A list of the Board of Directors is attached as Exhibit A. StreetoHome has four components:

- The Board
- The Executive Committee
- The Sub-Committees
- The President

1.2 Functions

There are three management levels:

- The Board provides strategic leadership, governance and operations direction
- The Executive Committee provides management direction to the Sub-Committees
- The Sub-Committees manage and carry out the mandates, which have been approved by the Executive Committee. This will involve engaging key stakeholders, identify solutions, develop strategies and make recommendations.

There is one level of support:

- The President and consultants will provides planning, communications, and project management services

2. BOARD OF DIRECTORS - TERMS OF REFERENCE

2.1 Objectives

To provide governance, strategic and operational direction to the Executive Committee

2.2 Roles and Responsibilities

- Policies and Guidelines: Approves all strategies, policies and guidelines
- Strategic Direction and Planning:
 - Sets the long-term vision and strategic direction
 - Provides direction to the Executive Committee and President
 - Establishes the long and short-term priorities
- Operational Direction and Work Planning: Provides direction to the Executive Committee and the President, and sets priorities for the operational work plan
- Financial Management: Approves the annual budget and provides direction on actions to be taken based on budget forecasts
- Funding: Approves all funding arrangements for StreetoHome's activities
- Operations:
 - Monitors the activities of the Sub-Committees through the Executive Committee
 - Resolves operational issues raised by the Executive Committee
- Communication:
 - Approves the Communication Strategy and Communications Plans
 - Chair of the Board is the official spokesperson for StreetoHome
 - Members communicate the work of StreetoHome within their spheres of influence
- Accountability:
 - Approves the Terms of Reference for all Sub-Committees
 - It is accountable to all stakeholders for funds spent
 - It is accountable to all stakeholders for outcomes, impacts and effects
 - Approves outcome and performance measures for StreetoHome
 - Approves reports on StreetoHome activities and expenditures
- Issue Resolution:
 - Resolves issues escalated by the Executive Committee and President

3. EXECUTIVE COMMITTEE - TERMS OF REFERENCE

3.1 Objectives

- To implement the approved strategic and operational plans
- To ensure that approved activities are carried out and produce desired results
- To provide managerial guidance to the Sub-Committees

3.2 Roles and Responsibilities

- **Policies and Guidelines:** Develops operational policies and guidelines
- **Strategic Direction and Planning:**
 - Provides input and recommended actions on the operational aspects of the long-term vision and strategic direction
 - Provides the Board with performance information on the work that has been carried out
 - Provides recommendation on long-term and short-term priorities
- **Operational Direction and Work Planning:**
 - Recommends priorities for the operational work plan based on operational considerations
 - Prepares the operational work plan
 - Advises the Board on implementing the annual work plan
- **Financial Management:** Identifies the financial requirements for the Sub-Committees and for the operational plan
- **Funding:** Identifies funding arrangements, sources for “funds in kind”
- **Operations:**
 - Coordinates the activities of the Sub-Committees
 - Resolves operational issues raised by the Sub-Committees and escalates as required to the Board
 - Provides input on the viability of proposed projects and programs
 - Monitors and reports on progress against the approved work plans and implements directions received
- **Communication:**
 - Provides input to the communication plans
 - Provides information for communications materials
 - Refer all requests for information or comments to the Chair and President
 - Communicate the work of StreetoHome within their spheres of influence
- **Accountability:**
 - Operates within the approved Terms of Reference
 - Recommends the appointment of additional members to the Board and Sub-Committees

- Recommends Terms of Reference drafted by the Sub-Committees to the Board for approval
 - It is accountable to the Board for expenditures against the operational budget management
 - It is accountable to the Board for all deliverables
 - Provides the Board with information on outcomes
 - Gathers data and reports to the Board on performance against approved measures
 - Provides information to the President to fulfill operational reporting requirements
- Issue Resolution:
 - Escalates issues that cannot be resolved to the Board

3.3 Executive Committee Structure

Chair: John McLernon

Members: Chairs of the Sub-Committees

4. PRESIDENT - TERMS OF REFERENCE

4.1 Objectives

- To provide managerial and administrative support to the Board and the Executive Committee

4.2 Roles and Responsibilities

- Policies and Guidelines: Develops policies and guideline related to financial, risks, communication and project management and administration
- Strategic Direction and Planning:
 - Provides input on the financial, communication and risks management aspects of the long-term vision and strategic direction
 - Coordinates the development of the strategic plan
 - Provides recommendation on long-term and short-term priorities
- Operational Direction and Work Planning:
 - Recommends priorities for the operational work plan based on financial, communications, and risk management considerations
 - Produces the operational work plan
 - Provides the operational work plan to the Executive Committee
- Financial Services:
 - Identifies the budget requirements including costs for the communications
 - Advises the Executive Committee on variances between budget and funding forecasts
 - Contracts for the conduct of audits
- Funding: Identifies funding arrangements, sources for “funds in kind”
- Operations:
 - Implements and maintains sound project management services to monitor and report on all activities
 - Provides procurement, human resource, records management, and administrative services
 - Evaluates and advises on proposed policies and projects
 - Provides coordination services within the organization, including the circulation of documents to all appropriate parties, tracking, monitoring and linking of issues and outcomes among Council entities
- Communication:
 - Prepares or oversees the communications strategies and plans
 - Provides the Executive Committee with communications advice
 - Provides services to ensure continuous and timely communication within the organization and to the various stakeholders
 - Provides reporting services including the provision of briefing materials, agendas, minutes and correspondence

- **Accountability:**
 - Operates in accordance with approved position description
 - Recommends changes to the structure of the position
 - Is accountable to the Executive Committee for budget management
 - Provides performance management services to track and report on deliverables
 - Monitors and reports on stakeholder satisfaction
 - Provides performance report to the Executive Committee

- **Issue Resolution:**
 - Tracks issues and triages to the appropriate body for resolution



StreetoHome Vancouver Foundation - Board of Directors

Chair - John McLernon	Honorary Chairman	Colliers International
Vice Chair - Jake Kerr	Managing Partner	Lignum Investments
Kevin Bent	President & Publisher	Pacific Newspaper Group Inc.
Don Brenner	Chief Justice	BC Supreme Court
Jim Chu	Chief Constable	Vancouver Police Department
Tom Cooper	President	City in Focus
Geoff Cowper	Partner	Fasken Martineau
Jo Delesalle	CFO	Intracorp Canada
Madeleine Dion Stout	President	Dion Stout Reflections Inc.
Bob Elton	President & Chief Executive Officer	B.C. Hydro & Power Authority
Don Fairbairn	President	DCF Consulting Ltd.
Frank Giustra	President and Chief Executive Officer	Fiore Financial Corporation
Ida Goodreau	President & CEO	Vancouver Coastal Health
Virginia Greene	President and Chief Executive Officer	Business Council of British Columbia
Mike Harcourt	President	Harcourt Enterprises Inc. Sustainability Solutions
Joe Houssian	Founder	Intracorp Canada
John Mackay	President	Strand Properties Corporation
Penny Nardelli	Executive Director	Carraresi Foundation in Memory of Augusto Carraresi
Geoff Plant	Partner	Heenan Blaikie LLP
Shayne Ramsay	Chief Executive Officer	BC Housing
Bob Rennie	Executive Director	Rennie Marketing Systems
Rob Serraglio	Senior Vice President	Bank of Montreal
	British Columbia & Yukon Division	
Tamara Vrooman	Chief Executive Officer	Vancity Credit Union
Faye Wightman	President and Chief Executive Officer	Vancouver Foundation