



ADMINISTRATIVE REPORT

Report Date: February 3, 2009  
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Meeting Date: March 26, 2009

TO: Standing Committee on City Services and Budgets  
FROM: Managing Director of Social Development  
SUBJECT: Capital Grant to the Multicultural Helping House Society

**RECOMMENDATION**

THAT Council approve a capital grant in the amount of \$500,000 to the Multicultural Helping House Society (MHHS) for the renovation and expansion of their existing facility at 4802 Fraser Street (the "Expansion Project"), source of funds to be the 2009 Capital Budget for Social Facilities, subject to the following conditions:

1. Council approval of the 2009 Basic Capital Budget;
2. Release of 50% the funds subject to confirmation that the Society has received the remainder of the funds required to complete the Expansion Project, or alternative arrangements for securing such funds acceptable to the Managing Director of Social Development;
3. Remaining 50% released on completion of the project, receipt of invoices for the Expansion Project and where applicable, Occupancy Permits;
4. All renovations and construction to meet applicable City by-laws, permit requirements, and City guidelines.

**GENERAL MANAGER'S COMMENTS**

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

**CITY MANAGER'S COMMENTS**

The City Manager RECOMMENDS approval of the foregoing recommendation.

## COUNCIL POLICY

In 1987, City Council adopted “Criteria and Guidelines for Capital Grants” which stipulates that the City’s contribution to any one project not exceed one-third of the total project cost.

On July 10, 2007, Council endorsed in principle the Multicultural Helping Village and directed staff to work with Multicultural Helping House Society to explore the feasibility of creating an expanded facility.

On December 2007, Council approved a grant of \$7,000 to the Multicultural Helping House Society for a facility feasibility study.

The 2009 - 2011 Capital Plan includes provision for capital grants for social facilities that are not owned by the City.

Approval of a grant requires eight affirmative votes.

## PURPOSE

This report seeks Council support for a capital grant to the Multicultural Helping House Society to support the renovation and expansion of the existing Multicultural Helping House located at 4802 Fraser Street at 32<sup>nd</sup> Avenue (the “Expansion Project”). Staff recommend that Council approve a capital grant of \$500,000 to the MHHS for the Expansion Project subject to confirmation that the MHHS has secured the rest of the funds necessary to complete the Expansion Project, and that the work has been completed and performed in accordance with City by-laws and guidelines.

## BACKGROUND

The City provides support for cultural and community service facilities through a variety of mechanisms, including the direct provision of facilities (e.g. Carnegie Centre and the Vancouver Civic Theatres), capital budget allocations to organizations operating out of City-owned facilities (e.g. Kiwassa Neighbourhood House, Vancouver Museum), and since 1975, Capital Grants to organizations located in their own (or leased) premises.

Capital Grants to not-for-profit community service, child care, and cultural organizations are for facility purchase, renovation and refurbishment of facilities not owned by the City, where the non-profit owns its facility or holds a long term lease of the facility. By policy, the City’s grants cannot exceed one-third of the total Expansion Project cost: the balance of the funds must be secured by the not-for-profit organization through public and private sector fundraising.

This Capital Grant program is an example of one of the ways in which the City works with not-for-profit organizations to maintain and improve the cultural and community service infrastructure in Vancouver. Of particular significance is the cost-sharing nature of these grants, which ensures that the projects are developed on a partnership basis, leveraging significant support from senior levels of government and the private sector. The program supports the City’s objectives of accessible, community-based services, the development and

maintenance of strong communities, and the creation and strengthening of complete neighbourhoods.

Council approved a capital grant of \$7,000 for the Society in 2007 for purposes of conducting a feasibility study. That study, including a capital budget and fundraising strategy, was completed successfully and led to the proposal described in this report.

## DISCUSSION

### History of Success of MHHS

The City as a funder has had a long-standing relationship with the MHHS and both have participated in policy and related inter-governmental initiatives. The Society is recognized as a leader and innovator in providing employment-related settlement services and supports to immigrants and newcomers, particularly those with low and modest income. Originally established in 1996 as the Filipino Canadian Support Services Society (FCSSS), the Society has been providing services in the Vancouver area to newcomers to Canada to support their full participation in Canadian society. Reconstituted in 2002 as MHHS in recognition of the need to support a broader range of cultural communities, the Society offers a range of settlement, job finding, community development, educational, social, emotional, economic, and other support services. A more complete description of the Society's programs and history is on file with the Clerk's Department.

### Current MHHS Facility

MHHS has been at its current location on Fraser Street since 2003. The current Multicultural Helping House is a 3,000-square foot, 3-level facility that is a one-stop centre for newcomers. The MHHS conceived and built this facility with modest provincial government and City of Vancouver funding. The BC Assessment Authority assessed value for 2009 is \$744,000. The Society currently has a mortgage on the property of approximately \$339,000.

When the facility opened in 2003, the Society had an annual operating budget of \$60,000, one half-time employee, and 20 volunteers. By 2007 when the renovation/expansion initiative was conceived the Society had grown to an annual budget of \$1.4 million, 20 FTE staff and 50 core volunteers. All of this success and growth has put inordinate pressure on the existing modest facility, to the extent that it is unable to accommodate existing programs and the needs of the population being served.

### The Current Proposal

The MHHS has had several meetings and discussions with City staff about receiving City assistance to develop and fund an Expansion Project. On July 10 2007, Council endorsed this process and directed staff to work with the society to explore the feasibility of expanding their facility. In 2007, the City provided the MHHS with a grant to support the development of a Facility Programme Plan. Since this time, staff at the City and the MHHS have been in continual discussions regarding the organization's proposed expansion and facility programme plan.

Originally, MHHS intended to build a new and substantially larger facility - the 'Multicultural Helping Village' - at a total project cost of \$20 million to meet current needs and support

projected future growth. However, recent economic developments and the need to urgently acquire more space to run its current programming have resulted in a modification of their capital plans. The Facility Programme Plan developed by the MHHS now proposes to renovate and expand its existing premises. The Expansion Project will add an additional 4,600 square feet to the building for staff, counseling and training rooms and a drop-in centre for seniors, youth and caregivers. The completed facility, including the expansion, will total more than 7,600 square feet at an anticipated cost of \$1.5m. Staff have reviewed the programme, the budget, and the fundraising strategy and believe that the plans are realistic and reflect the best approach for the Society at this time. A complete copy of the MHHS' Facility Programme Plan is on file in the Clerk's office.

The MHHS estimates that it will cost a total of \$1.5 million to complete the Expansion Project; they are requesting a total of \$500,000, one-third of the project costs, in capital funding from the City. The request for one-third funding meets the City's Criteria and Guidelines for Capital Grants and will allow the organization to seek matching funding from other government and private sector partners.

Staff have reviewed the Facility Programme Plan and recommend that Council approve the \$500,000 capital grant to complete the much needed Expansion Project. Release of the first half of the approved amount is subject to the Society providing evidence that the remaining funding is in place, to the satisfaction of the Managing Director of Social Development. Release of the second half of the approved funding is subject to completion of the project and receipt of invoices, to the satisfaction of the Managing Director of Social Development. All work is to be done in compliance with the City of Vancouver by-laws and guidelines.

#### **FINANCIAL IMPLICATIONS**

The 2009-2011 Capital Plan includes an allocation of \$4.0 million for social infrastructure including \$500,000 for the Multicultural Helping House. A request for an allocation of \$500,000 from this amount has been submitted as part of the 2009 Capital Budget process.

The Multicultural Helping House Society has an established track record of fiscal competence and owns their existing property with a significant equity position. Their funding has been stable and growing since their inception, with an established capital fundraising history.

#### **SOCIAL IMPLICATIONS**

Vancouver's continued success - economically and in terms of liveability, relies on its ability to welcome and facilitate the settlement of immigrants. This will be increasingly important as the population ages. Newcomers thrive when they are supported to quickly secure housing and employment. The MHHS has demonstrated an ability to deliver effective social programs and supports in an efficient and effective manner to immigrants from a variety of places around the globe.

#### **CONCLUSION**

This report seeks Council approval of a \$500,000 capital grant to the Multicultural Helping House Society for an Expansion Project, the initial 50% to be released subject to the Society securing additional funding sufficient to complete the project to the satisfaction of the Managing Director of Social Development, and the remaining 50% to be released subject to the City's receipt of invoices, that the work has been completed and performed in accordance with City by-laws and guidelines and, where applicable, Occupancy Permit.

The City's funding for capital projects provides an important contribution to maintain and improve the cultural and community service infrastructure in Vancouver.

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