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ADMINISTRATIVE REPORT

Report Date: March 25, 2009
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VanRIMS No.: 08-2000-20
Meeting Date: April 7, 2009

TO: Vancouver City Council
FROM: The Managing Director of Social Development
SUBJECT: Source of Funding: SRO Partnership

RECOMMENDATION

THAT Council approve the source of funding for the City's \$5,000,000 contribution to the acquisition and renovation of the Single Room Occupancy (SRO) hotels and rooming houses by BC Housing be the operating surplus in the 2008 Financial Statements.

GENERAL MANAGER'S COMMENTS

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

COUNCIL POLICY

The City's social housing priorities are low and modest income families with children; seniors on fixed incomes or in need of support; SRO residents; and the mentally ill, physically disabled, and others at risk of homelessness.

PURPOSE

This report recommends that the source of funding for the City's contribution to the SROs purchased by the Province (BC Housing) be the operating surplus in the 2008 Financial Statements instead of the City-wide Development Cost Levies allocated to replacement housing as approved by Council on Sept. 16, 2008.

BACKGROUND

On March 13, 2007, Council gave *in principle* approval to contributing \$5,000,000 (\$10,000/room) to the Province (BC Housing) for the acquisition and renovation of 500 SRO rooms in the city of Vancouver.

Since April, 2007, the Province has acquired 23 SROs in downtown Vancouver with a total of 1371 rooms, and the City has purchased 2 SROs with a total of 48 rooms. The City's SROs are being administered by BC Housing as part of their larger portfolio.

On Sept. 16, 2008, Council approved the following recommendation:

"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 . . .".

DISCUSSION

The Housing Agreements required for the City's partnership with the Province (BC Housing) for the acquisition and renovation of SROs in the city have now been executed, and the by-law required by the Vancouver Charter for Housing Agreements is being presented for Council approval later in today's Council agenda. The Housing Agreement will be registered against the initial 10 SRO hotels (593 rooms) purchased by the Province.

The City will transfer \$5,000,000 to BC Housing upon registration of the Housing Agreements in the Land Title Office. The source of funding was to be the City-wide Development Cost Levies (DCLs) allocated to replacement housing. However, with the recent reduction in development activity in the city, DCL revenue is also expected to decline. The 2009-11 Capital Plan allocated \$23,000,000 to affordable housing with \$22,000,000 to come from DCLs. The funding was to acquire four or more sites for social and supportive housing outside the downtown as recommended by the City's Supportive Housing Strategy. The reduction in DCL revenue puts the Capital Plan's affordable housing objectives at some risk.

FINANCIAL IMPLICATIONS

To ensure that the City's these objectives can be achieved it is recommended that the source of funding for the \$5,000,000 SRO partnership contribution be changed from the City-wide Development Cost Levies allocated to replacement housing to the operating surplus in the 2008 Financial Statements. The 2008 year-end results will be reported to Council on April 21, 2009 and there will sufficient funds available.

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