



## ADMINISTRATIVE REPORT

Report Date: April 21, 2009  
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Meeting Date: May 5, 2009

TO: Vancouver City Council  
FROM: Managing Director, Social Development Department  
SUBJECT: Housing Agreement - 601 East Hastings Street

### *RECOMMENDATION*

- A. THAT the housing agreement with Union Gospel Mission (UGM) for 601 East Hastings Street as summarized in this report be approved in principle, subject to finalization to the satisfaction of the Director of Legal Services and Managing Director of the Social Development Department, provided that this resolution does not create any legal right or obligations and that none shall arise until the agreement as authorized by by-law is signed.
- B. THAT the Director of Legal Services be instructed to bring forward a by-law to authorize the housing agreement.

### *GENERAL MANAGER'S COMMENTS*

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

### *COUNCIL POLICY*

Council's housing priorities are 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.

### *PURPOSE*

This report seeks Council's approval to enter into a housing agreement with Union Gospel Mission (UGM). The housing agreement will require that the building continue to be used as social housing for the life of the building.

## ***BACKGROUND***

UGM is a registered non-profit organization providing various services to the low-income community. They have twelve centres throughout the Lower Mainland with their main facilities located in Vancouver's Downtown Eastside. For nearly 70 years, UGM has provided exemplary services to the most needy residents in the area.

UGM is the owner of the site at 601 East Hastings Street. A development permit (DE409938) was approved by the Development Permit Board on December 17, 2007 for UGM to develop the site with a six-storey mixed use building containing retail, residential and special needs residential facility group living (SNRF) uses. The new facility would provide 43 overnight shelter beds for men; 54 alcohol and drug recovery units for men; and 37 abstinence-based independent living units for low-income residents receiving income assistance from government. It would also provide educational and employment services, and a meal service for residents in the alcohol and drug recovery units and those in need in the community, both housed and homeless. Total cost for the project is estimated at \$29 million. UGM owns the land and has received approval of \$5 million in grant and \$7.093 million in loan from BC Housing. The rest of the capital cost and operating cost will be funded through donations. The Society has recently requested a capital grant from the City to assist with the construction of this building and the renovation of another building across the lane on Cordova Street. Staff will consider this request and report to Council.

The development permit has been issued and the Society intends to begin construction in approximately 4 - 5 weeks, subject to issuance of a building permit.

## ***DISCUSSION***

Under the Vancouver DCL By law, "Social Housing" is defined as housing where a minimum of thirty per cent (30%) of the units are to be occupied by households with incomes below core-need, where a covenant restricts the use to such housing, and where the owner, if a non-profit organization, is eligible for a government shelter subsidy.

Those portions of the project that come within the definition of "Social Housing" will not be subject to DCLs. A housing agreement is needed to secure the social housing for the life of the building.

Section 565.2 of the Vancouver Charter enables Council to authorize the City, through a by-law, to enter into a housing agreement providing social housing. The major features of the proposed housing agreement are noted below:

1. The building will provide:
  - 43 overnight shelter beds for men;
  - 54 alcohol and drug recovery units for men;
  - 37 abstinence-based independent living units for low-income residents receiving income assistance from government.
2. These residential units will remain non-stratified.
3. The housing agreement will be registered on the land title.
4. The term of the housing agreement is for the life of the building.

***FINANCIAL IMPLICATIONS*** The non-commercial component of this building qualifies for social housing and as such is exempt from paying DCLs. The value of this exemption is estimated at \$403,000. The commercial component of the project will not be exempt.

***CONCLUSION***

It is recommended that Council approve the housing agreement in principle. The housing agreement ensures that the site will be used as social housing for the life of the building.

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