



ADMINISTRATIVE REPORT

Report Date: May 6, 2009  
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Meeting Date: May 21, 2009

TO: Standing Committee on City Services and Budgets

FROM: Director of Planning

SUBJECT: Chinatown Society Buildings Rehabilitation Strategy Update and Extension of the Society Buildings Planning Grant Program (Phase II)

**RECOMMENDATION**

THAT Council approve Phase II of the Chinatown Society Buildings Planning Grant Program, in accordance with the Program's Policies and Procedures (Appendix A) at a cost of \$500,000; source of funds to be the 2009 Capital Budget (Downtown Eastside), subject to approval of the 2009 Basic Capital Budget. Staff will report back to Council for approval of the grants.

**GENERAL MANAGER'S COMMENTS**

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

**CITY MANAGER'S COMMENTS**

The City Manager RECOMMENDS approval of the foregoing.

**COUNCIL POLICY**

On February 14, 2008, City Council endorsed the Society Buildings Rehabilitation Strategy as part of the Chinatown Community Plan and approved the Phase I Chinatown Society Buildings Planning Grant Program as a key element of the Rehabilitation Strategy.

**PURPOSE AND SUMMARY**

The purpose of this report is to provide Council with an update on the Chinatown Society Buildings Rehabilitation Strategy, and to seek Council approval of Phase II of the Society Buildings Planning Grant Program.

## **BACKGROUND**

The Chinatown Vision approved by Council in 2002 identified protecting the area's heritage and culture while bringing in new energy and investment as an important direction. In February 2008 (RTS #06114), City Council approved the Chinatown Society Heritage Buildings Rehabilitation Strategy ("the Strategy"), which recognizes that the rehabilitation of heritage buildings owned by Societies and Benevolent Associations is of critical importance to the long-term revitalization of Chinatown, as they contribute significantly to its distinct urban and cultural identity. The following section outlines the implementation progress of the various elements of the Strategy.

### **Chinatown Society Buildings Planning Grant Program**

As part of the Strategy, the Chinatown Society Buildings Planning Grant Program ("the Grant Program") was created to provide grants for the preparation of Rehabilitation Plans for Society-owned heritage buildings. There are 12 Society-owned heritage buildings in Chinatown, and Phase I of the Grant Program, also approved in February 2008, provides grants of up to \$100,000 for five Societies to prepare Rehabilitation Plans. All five grants were approved by Council on July 10, 2008 for the following five Societies:

- Lim Sai Hor Kow Mock Benevolent Association (531 Carrall Street)
- Mah Society of Canada ("Asia Hotel" at 137-139 E. Pender Street)
- Shon Yee Benevolent Association of Canada ("May Wah Hotel" at 254 E. Pender Street)
- Yee Fung Toy Society of Canada (226 E. Georgia Street)
- Chinese Nationalist League of Canada (525 Gore Avenue)

The Societies have since engaged consultant teams to undertake the preparation of their Rehabilitation Plans, which will include an overall vision for their Society building, a Conservation Plan, Business Plan (including a proforma cost estimate of the rehabilitation) and Implementation Plan for the building's rehabilitation. Two Societies have completed their Rehabilitation Plans, with the remaining three Societies expected to have complete plans in the near future.

A major consideration for the Societies as they explore building rehabilitation options is the potential cost involved. As the City's heritage incentive program for the area (Heritage Building Rehabilitation Program) is currently on hold, City staff and the Societies have been exploring alternative opportunities for funding partnerships. This is important given the ongoing challenges of the use of City incentives, particularly transferable density. Two of the five Societies participating in the grant program own heritage buildings that are designated under the Single Room Accommodation bylaw, therefore partnership opportunities with BC Housing are being explored. In addition, discussions with financial institutions are being held to explore construction financing arrangements that may be suitable to the particular needs of the volunteer-based, non-profit Societies. Staff and the Societies will continue to look for partnerships to enable and support the rehabilitation of these important heritage buildings.

### **Community Capacity Building**

In addition to the Grant Program, the Strategy also sought to build capacity within the Societies for the rehabilitation of their buildings. In addition to limited financial resources, the Societies also have complex decision making processes and limited development and

construction management experience. Chinatown planning staff have thus been working with the community in several ways, as described below, to help the Societies gain the knowledge and tools they will require to undertake the major endeavour of rehabilitating their heritage buildings.

### *Chinatown Society Heritage Buildings Association (CHSBA)*

The CHSBA is a non-profit organization established by the Chinatown Societies that own heritage buildings. A primary goal of the organization is to share information regarding the rehabilitation of the Society heritage buildings, as well as to collectively build support and partnerships with the broader community to facilitate this goal. Promotion of the Societies as the cultural foundation of historic and modern Chinatown is also a key focus of this organization. Chinatown planning staff have liaised with the CHSBA on a number of initiatives, as described below.

- *National Historic Site of Canada Application for Historic Chinatown*

In April 2008, Council supported the Chinatown Society Heritage Buildings Association in its effort to secure a UNESCO World Heritage listing for Vancouver's Chinatown. As National Historic Site (NHS) designation is the first step towards this goal, Heritage and Chinatown planning staff worked with the community, including the CHSBA, to prepare a NHS nomination package which was submitted to the federal government in March 2009.

- *Chinatown Cultural Development Strategies Study*

The CHSBA has launched the Chinatown Cultural Development Strategies Study to identify and connect the wide breadth of arts and cultural activities and groups that take place in Chinatown, many which are housed by the Societies. Planning staff are supporting the CHSBA in this work, which will create an inventory of cultural organizations and facilities in Chinatown, and will explore opportunities to further enhance Chinatown as a hub of Chinese-Canadian and other cultures.

- *"Chinatown and Beyond" International Conference*

This international conference will take place at SFU Harbour Centre Downtown Campus on May 13-15, 2009. It will have an inter-disciplinary examination of the historical development, global significance, key characteristics, evolution and future of the world's Chinatowns. Staff will join CHSBA in hosting a panel discussion on Chinatown's planning work as well as a Gala Dinner called "Chinatown: Past, Present and Future" to celebrate the living cultural legacy of Chinatown in Vancouver's increasingly diverse society.

### *Design and Development Research Centre*

As part of the Strategy, staff have been working with the community and UBC School of Architecture and Landscape Architecture Community Studio (UBC-SALA Studio) in exploring the feasibility and options to set up a community-based Design and Development Research Centre. It is a concept to establish an external, non-profit organization that would focus on assisting the community with research of urban development issues as well as implementation of heritage and other community-based redevelopment projects.

Prof. Inge Roecker of UBC has been leading this initiative and has conducted a number of studies of Vancouver's Chinatown and Society Buildings over the past several years. In part to test the Design and Development Research Centre concept, Professor Roecker's UBC-SALA Studio has been working on tenant improvements for 29 W. Hastings Street, a Single Room Occupancy hotel. Requiring minimal investment by the property owner, working with a non-profit tenant, and using the project as a design-build learning opportunity for students, UBC-SALA Studio has proposed and undertaken improvements that will revitalize this building by returning active use to the ground floor. The new tenant "Lu's Pharmacy" will soon be open. Additional information on this project can be found online here: [www.sala.ubc.ca/category/tags/lus-pharmacy](http://www.sala.ubc.ca/category/tags/lus-pharmacy)

This collaborative approach to design development and project implementation continues to be explored for application to the rehabilitation of Society buildings through the establishment of the Design and Development Research Centre.

## DISCUSSION

### *Chinatown Society Buildings Planning Grant Program: Phase II*

Through the implementation of Phase I of the Grant Program, additional Societies have expressed interest in the preparation of Rehabilitation Plans for their heritage buildings. As all five grants available in Phase I have been allocated, Staff recommend that the Grant Program be extended to accommodate the additional interest and further encourage the rehabilitation of Chinatown's Society heritage buildings.

It is proposed that Phase II of the Grant Program allow for an additional 5 grants of up to \$100,000 each, to assist with the development of Rehabilitation Plans for Society-owned heritage buildings. Policies and Procedures for Phase II of the Grant Program would be similar to Phase I, as outlined in Appendix A, and the Grant Program will be administered by Chinatown planning staff in the Central Area Division of the Planning Department.

As with the first phase, Phase II of the Grant Program will enable Societies to work with consultants in order to review rehabilitation options, undertake detailed planning of the rehabilitation project, and prepare a business and implementation plan that responds to the individual Society's future needs as well as the Chinatown Vision. The estimated cost for this work is approximately \$100,000 to \$120,000 per Society building. To receive the grant, each Society will be required to commit a minimum of \$20,000 to the rehabilitation plan costs. The total City cost for the second phase of the Program is \$500,000.

As with Phase I of the Grant Program, the Chinatown Society Heritage Buildings Association will also provide funding support to Societies participating in the Grant Program, to further assist and encourage them. These funds have been used to offset the Societies' contribution to the planning work.

Through the implementation of Phase I and II of the Grant Program, up to 10 Society heritage buildings will have Rehabilitation Plans prepared. In addition to assisting the Societies explore the rehabilitation options for their heritage buildings, the Grant Program also helps each Society to better understand the current condition of their building and making strategic decisions regarding priority maintenance and capital investment. Although there are 12

Society-owned heritage buildings in Chinatown, staff recommend that Phase II be the final phase of the Grant Program, as 10 grants will likely be sufficient to accommodate the interested Societies.

#### **FINANCIAL IMPLICATIONS**

The proposed cost of the Chinatown Society Heritage Buildings Planning Grant Program: Phase II is \$500,000. Source of funds is the 2009 Capital Budget (Downtown Eastside), subject to approval of the 2009 Basic Capital Budget.

#### **CONCLUSION**

The rehabilitation of heritage buildings owned by Societies and Benevolent Associations is of critical importance to the long-term revitalization of Chinatown, as they contribute significantly to its distinct urban and cultural identity. City Council's approval of the Chinatown Society Heritage Buildings Rehabilitation Strategy in February 2008 has guided staff work with Societies over the past year, and has included successful implementation of the Chinatown Society Buildings Planning Grant Program ("the Grant Program").

This report recommends an extension of the Grant Program. Through Phase I (2008) and Phase II (2009) of the Grant Program, up to 10 Society heritage buildings will have Rehabilitation Plans prepared. In addition to assisting the Societies explore the rehabilitation options for their heritage buildings, the Grant Program also helps each Society to better understand the current condition of their building and making strategic decisions regarding priority maintenance and capital investment.

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## CHINATOWN SOCIETY BUILDINGS PLANNING GRANT PROGRAM: PHASE 2

### DRAFT POLICIES & PROCEDURES

Family Associations, Benevolent Societies, and their heritage buildings, are critical to the cultural legacy of Chinatown. Successful rehabilitation of these important buildings will ensure that current and future space and programming needs of the societies are met, and the buildings are preserved for future generations.

The Chinatown Society Buildings Planning Grant is available to eligible Chinatown societies to assist in development of a Rehabilitation Plan for their buildings that responds to their vision, programming and operational needs, heritage building condition, and resources.

Five grants of \$100,000 each are available for 2009. This will be the final Phase of the Planning Grant Program.

### PURPOSE

- To foster the cultural legacy of Chinatown through the rehabilitation and revitalization of Society buildings.
- To build capacity within Chinatown Societies to undertake the successful rehabilitation of their heritage buildings.

### OBJECTIVE FOR PHASE 2 (2009)

- To assist five Societies with the preparation of a Rehabilitation Plan specific to their heritage building, programming and operational needs.

### ELIGIBILITY CRITERIA

- Member-based organization (Family Association or Benevolent Society)
- Registered non-profit society status
- Ownership of a building, located in Chinatown (HA-1 and HA-1A), that is listed on the Vancouver Heritage Register (VHR)
- Interest in undertaking a full building rehabilitation (major upgrade) of the heritage building
- Minimum commitment of \$20,000 towards the cost of preparing the Rehabilitation Plan.

### APPLICATION PROCESS

Applications for the Society Buildings Planning Grant shall be submitted in two stages. Details regarding the submission requirements and process are outlined under the "Procedures" section of this document.

Expressions of Interest and Full Proposals shall be submitted by hand or courier to:

Chinatown Society Heritage Buildings Planning Grant Program  
c/o Central Area Division - Planning Department  
City of Vancouver  
#406 - 515 West 10<sup>th</sup> Avenue  
Vancouver, BC V5Z 4A8

## PROCEDURES

### 1. Application

Applications for Society Buildings Planning Grant will be made in two stages:

**A. Expression of Interest** - Expressions of Interest will be date-stamped as received. The first five Societies to submit a complete Expression of Interest will be notified and invited to prepare a Full Proposal.

**B. Full Proposal** - Full Proposals will be evaluated for completeness and reasonableness by City staff, and will be taken to Council for grant approval.

### 2. Submission Requirements

#### Expression of Interest

An Expression of Interest letter (maximum of five pages) must be signed by the Society chairperson or a similar officer and submitted along with a completed application form. The letter must be submitted in hard copy (one copy required), and must include the following information:

- Overview of Society (brief history, number of current members, list of key services and activities, etc.)
- Description of the Society's involvement in Chinatown revitalization initiatives and events
- Description of current and/or proposed programming activities that contribute to revitalization of Chinatown
- Description of heritage building (building name, address, age, current use, physical condition, etc.)
- Description of possible scope of rehabilitation work that could be undertaken and any specific redevelopment ideas the Society may have to date (if any)
- Acknowledgement of the minimum financial commitment (\$20,000) required by the Society for the Rehabilitation Plan project
- Acknowledgement of the Payment of Grant conditions
- Other information deemed relevant by the Society

#### Full Proposal

Full proposals must be submitted in hard copy (one copy required) and must include the following:

- Society's project management structure (including the identification of one Society member as the key contact for the project)
- Proposed consultant team and roles (include consultant profiles/CVs)
- Detailed work program and timeline
- Detailed budget (including amount of grant requested, and the amount the Society will put towards the project)
- Contact information (key contacts for the Society and consultants)
- Letter of Commitment (from the Society indicating the availability of \$20,000 for the study)
- Title Search (copy of current title search from the Land Title Office, for each parcel affected by the proposal)
- Other information as deemed appropriate by the Society and consultants

#### Deadline for Full Proposals

The first five Societies to submit a complete Expression of Interest will be notified and invited to prepare a Full Proposal. Societies will have eight weeks from this notification to submit their Full Proposal. If a Full Proposal is not received by the required deadline, the Society whose Expression of Interest was received next will be invited to submit.

### **Application Costs**

The costs of preparing and submitting an Expression of Interest or Full Proposal, including any consultant fees, are the sole responsibility of the Society. These costs may be recovered as part of the Rehabilitation Plan budget, if the grant is approved.

### **3. Proposal Evaluation**

Staff will review the Full Proposal for completeness, reasonableness, and consistency with the Expression of Interest, and will meet with the Society to discuss any adjustments that may be needed.

### **4. Council Approval**

Council approval of the five grants will be sought based on the five full proposals submitted and any recommended revisions by staff.

### **5. Steps in Planning Work**

#### **A. Grant Release - Stage 1**

Once the grant is approved by Council, the Society must establish a trust account for the Rehabilitation Plan project. Proof of deposit of the Society's share of the project budget (\$20,000) into the trust account must be provided to the City of Vancouver before release of the Society Buildings Planning Grant funds will be made. Once confirmation of the trust account and deposit is received, 50% of grant (to a maximum of \$50,000) will be released (Stage 1) and the planning work can begin.

#### **B. Meeting - Review of Options**

The Society and their consultants must arrange to meet with City staff when options for rehabilitation have been developed and the preferred option has been identified.

The purpose of this meeting is to review the work undertaken to date, the various options considered, and discuss the Society/consultant rationale for the preferred option. Also required will be a status review of planned deliverables. This meeting is an opportunity to provide feedback and address any questions or issues.

#### **C. Final Report**

One copy of the final Rehabilitation Plan report and associated deliverables must be submitted to the City in accordance with the timelines identified in the work program. A meeting of staff, the Society and their lead consultant will be scheduled to discuss the Rehabilitation Plan and related deliverables, and to assess Phase 1 of the Program.

#### **D. Grant Release - Stage 2**

After the submission of the final report and presentation to the City, the Society must provide documentation of the project budget and actual costs incurred (invoices) for the Rehabilitation Plan project. Once confirmed, the final grant amount will be issued (Stage 2).

## **DELIVERABLES**

In order to qualify for the full grant amount, the Society must provide a Rehabilitation Plan that includes the components outlined below, as well as any others as deemed appropriate by the Society and their consultants. These may be submitted as separate documents or as one major document.

### **Executive Summary**

- Overview of Society (brief history, number of current members, list of key services and activities, etc.)



- Description of heritage building (building name, address, age, current use, physical condition, etc.)
- Overall Vision - a vision for the Society building and its integration with Chinatown
- Programming Vision - description of activities and space needs, and how the rehabilitated building will contribute to revitalization of Chinatown
- Review of options and rationale for preferred rehabilitation scheme

#### Conservation Plan

- Statement of Significance (per the *Standards & Guidelines for the Conservation of Historic Places in Canada*)
- Structural Engineer's Report - analysis of the building's existing condition and compliance with the Vancouver Building By-law
- Assessment of the building's existing condition, description of proposed rehabilitation scheme, and proposed conservation strategies and procedures
- Plans, elevations, sections to identify the building's existing condition, building elements for removal/retention/replacement, and conservation procedures.
- Other graphic materials as appropriate and possible with the available budget (i.e. photos of building facades and character defining elements, streetscape, digital models, etc.)

#### Business Plan

- Proforma for rehabilitation scheme and identification of shortfall
- Rehabilitation funding strategy including existing Society resources, options for fundraising and financing
- Operational budget & management plan for the building post-rehabilitation

#### Implementation Plan for Building Rehabilitation

- Work program for implementation of the rehabilitation scheme (next steps/key tasks), including identification of who will undertake the work and a proposed timeline

### ADMINISTRATION AND CITY ROLE

The Grant Program will be administered by Chinatown planning staff, in the Central Area Division of the Planning Department. The purpose of the Grant Program is to assist Societies in the development of a Rehabilitation Plan for their heritage buildings. Staff review of the Full Proposal, Options, and Final Report is primarily to assess completeness of submission requirements and deliverables.

During the project, staff may provide Societies and their consultants with information on City policies and procedures. However, the Societies' discussions during the planning project is not considered to be part of the City's Heritage Revitalization Agreement (HRA) or development application scoping or enquiry process, and advice given by staff does not indicate support or approval for the proposed rehabilitation project. Once the planning work is complete, the Societies may begin the formal enquiry process with the City for their rehabilitation project.

### ELIGIBLE EXPENSES

The following items are eligible expenses for the Society Buildings Planning Grant:

- Consultant fees related to, or for the preparation of:
  - Overall project management
  - Proforma analysis
  - Construction cost analysis
  - Business plan
  - Conservation plan
  - Implementation plan
- Associated production and meeting costs related to the preparation of the foregoing

Grant funds are not to be used for general administrative costs of the Society. Retroactive funding for planning work undertaken prior to submission of the Expression of Interest will not be considered. Costs incurred for preparing the Expression of Interest and Full Proposal may be considered eligible for coverage by the grant, noting that the Society must provide at least \$20,000 toward the total cost of the Rehabilitation Plan.

#### **COST SHARING**

The maximum value of the Society Buildings Planning Grant is \$100,000. The Society must also contribute a minimum of \$20,000 to the development of the Rehabilitation Plan, for a total project budget of \$120,000. If less than the full approved grant is spent on the project, the final grant amount will be reduced accordingly. However, the Society's share of costs will remain at \$20,000 regardless of the final project cost.

#### **PAYMENT OF GRANT PROCESS AND CONDITIONS**

1. The grant will be released in two stages as outlined below, with cheques made payable to the Society:

**Stage 1** - After approval of the grant by Council, the Society must provide the City with documentation showing establishment of a trust account opened by the Society for the Rehabilitation Plan project and a deposit by the Society into this account for \$20,000. Once this has been confirmed, the City will provide the Society with 50% (maximum of \$50,000) of the total grant amount.

**Stage 2** - After the final Rehabilitation Plan report and deliverables have been submitted, and the lead consultant and Society have presented to City staff, the Society must provide the City with the final project budget and actual costs incurred (invoices). Once the project costs have been confirmed, the final grant payment will be made. The size of the final payment will be based on actual costs incurred, less the Society's contribution of \$20,000 and the Stage 1 payment, to a maximum total grant value of \$100,000.

2. In the event that the funds are not used for preparation of the Rehabilitation Plan, or if there are misrepresentations in the Full Proposal, the full amount of grant funds released to the Society will be payable forthwith to the City.