



ADMINISTRATIVE REPORT

Report Date: December 17, 2009
Contact: Rob Whitlock
Contact No.: 604.873.7432
RTS No.: 08529
VanRIMS No.: 08-2000-20
Meeting Date: January 19, 2010

TO: Vancouver City Council
FROM: Managing Director, Social Development
SUBJECT: Grant to Circle of Eagles Lodge Society: Renovations to 1470 East Broadway

RECOMMENDATION

- A. THAT Council approve a grant of \$160,000 (\$10,000 per unit) to the Circle of Eagles Lodge Society (COELS) for the renovation of 1470 East Broadway [Parcel Identifier: 014-870-762, Lot 11, Block 160, Plan 1142, DL 264A NWD of Lot B & Plan 177], to be secured by a Housing Agreement requiring that the property be owned and operated by a non-profit housing society for core-need households, for a term of 20 years, as set out in this report. The source of funds is to be the Affordable Housing Fund.
- B. THAT no legal rights or obligations shall arise or be created from approval of Recommendation A until all the required legal documentation is executed in full and on terms and conditions to the satisfaction of the Director of Legal Services.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services recommends approval of Recommendations A and B.

COUNCIL POLICY

Council policy is to preserve and maintain a stock of market rental housing, and to maintain or increase the stock of affordable and social housing in the city. 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.

In situations where the development of non-market housing projects are not viable because of high land or construction costs in the city, or a City contribution will assist in meeting the needs of core-need households, Council has provided grants to non-market sponsors to ensure they can proceed.

The approval of grants requires eight affirmative votes of Council members.

PURPOSE

This report seeks Council approval of a \$160,000 capital grant to Circle of Eagles Lodge Society (COELS) towards the renovation of 1470 East Broadway subject to registration of a Housing Agreement that will require the property to be owned and operated by a non-profit housing society and units are to be occupied by individuals in core-need households.

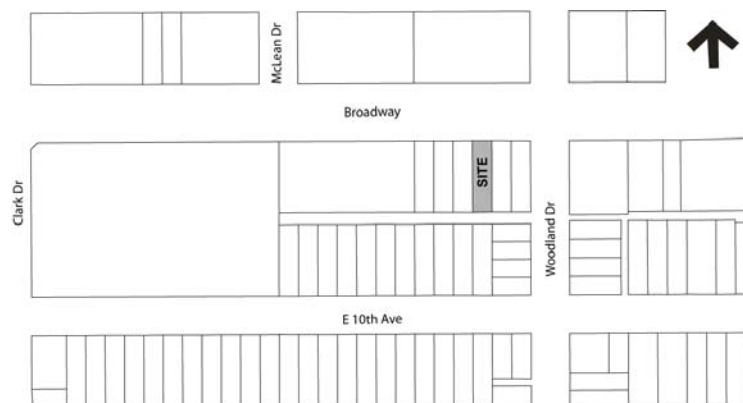
BACKGROUND

Society Background: COELS assists ex-offenders in becoming more productive, contributing members of society. Recognized & respected for its work by both the Aboriginal & non-Aboriginal community, COELS helps to reduce the number of Aboriginal repeat offenders through its highly effective residential halfway house & rehabilitation services. COELS provides counselling, vocational and employment training, liaison, shelter and food.

1470 East Broadway: The Society has been operating a 16-bed half-way house for men of aboriginal descent at this location for approximately 30 years. By the late 1990s, the building was in need of significant repair. The Society evaluated a number of options, including redevelopment with an adjoining site; however, this option was not viable due to high land cost for the adjoining site. Relocation was considered to be unlikely given the possible expense of purchasing an alternate site and the likely extended nature of the approval process for such a use. Renovation, while less efficient and expensive, was determined to be the most viable option. The Society has been working since 2004 on capital funding for the renovation work.

The site is located in the Grandview-Woodlands neighbourhood as shown in Figure 1 below.

Figure 1: Location of 1470 East Broadway



Renovations costs are estimated to be \$2.26 million, of which all but \$160,000 has been committed:

HPI (Homeless Partnership Initiative)	\$ 500,000 (federal)
AHI (Aboriginal Homelessness Initiative)	\$1,500,000 (federal)
<i>City Grant</i>	\$ 160,000 (municipal)
Other transfers	\$ 100,000 (COEL internal transfer)
 Total	 \$2,260,000

Renovation work has already commenced, as funding from the AHI has been provided in the amount of \$1.5 million, along with mortgage financing from both VanCity Credit Union and BC Housing.

DISCUSSION

The Circle of Eagles has asked the City to contribute \$160,000 (\$10,000/unit) towards the renovation of the building, costs of which will total approximately \$2.26 million. The City's contribution will be limited to the amount requested.

In return COELS has agreed to enter into a Housing Agreement that would:

1. restrict the use of 1470 East Broadway to the provision of non-market housing for core-need households (households that would have to pay more than 30% of their gross household income to rent a market unit of appropriate size in decent condition); and
2. maintain rents at core-need thresholds for a minimum of 20 years term.

Staff recommend that Council approve a grant of \$160,000 to the Circle of Eagles conditional upon execution and registration of the Housing Agreement.

FINANCIAL IMPLICATIONS

The source of funds for the City's grant of \$160,000 to the Circle of Eagles Lodge Society would be the Affordable Housing Fund.

CONCLUSION

The Managing Director of Social Development recommends that the City assist the Circle of Eagles with the renovation of 1470 East Broadway. The City's contribution would be \$160,000.

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CIRCLE OF EAGLES LODGE SOCIETY

1470 East Broadway, Vancouver, British Columbia, V5N 1V6 Tel: (604) 874-9610
Fax: (604) 874-3858

November 2, 2009

City of Vancouver
Social Development Department
310, East Tower
555 W. 12th Avenue
Vancouver BC
V5Z 3X7

Attention: Dennis Carr
Assistant Director, Social Infrastructure

Dear Dennis:

Re: Circle of Eagles Lodge Society
1470 E. Broadway, Vancouver

Further to our Society's letter/grant application to Jill Davidson dated June 5/09, we wanted to update you on the progress of our project.

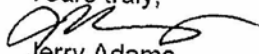
Since June we have made great strides in getting the final pieces of the financing together: we have received a mortgage commitment letter from VanCity to refinance our existing mortgages at a lower interest rate; BC Housing has provided a mortgage commitment letter for construction financing at 0% interest to bridge us until the AHI funds committed to our project are available, and; we have recently been advised that our application to Service Canada for a \$500,000 grant under the Homelessness Partnership Initiative has now been recommended to the Federal Minister. Now we understand that the City Staff report on the \$160,000 grant requested from the City is going to Council in November. This is the final piece of the financing necessary for the success of our project.

In addition to the forward strides on financing, our building permit has been issued and the contractor is now into the 5th month of construction work.

Per your request I have attached a budget summary for the project showing the capital costs and financing.

We look forward to a positive response from the City on our grant application. If there is any further information that you require please do not hesitate to contact me or Rob O'Dea.

Yours truly,


Jerry Adams
Executive Director

cc. Armin Amrolia – Regional Manager – BC Housing

Circle of Eagles Lodge Society
Renovation Budget Summary - 1470 E. Broadway Ave.

<u>Capital Costs</u>	<u>Budget</u>	<u>Comments</u>
Land	\$ 725,000	Value of current mortgages.
Soft Costs and Taxes	\$ 799,932	Includes consultants, security & temp housing, GST, insurance, etc.
Construction Cost	\$ 1,458,030	Includes construction contract value and work at the temporary housing location.
Contingency	\$ 92,038	6 months into construction the contingency has not yet been touched
Total Capital Cost	\$ 3,075,000	
<u>Financing</u>		
Land (Society equity)	\$ 815,000	Financing in place through existing mortgage. To be refinanced at lower interest rate freeing up addl. \$90,000.
City Grant	\$ 160,000	
HPI Grant	\$ 500,000	Application has been recommended to the Federal Minister
AHI	\$ 1,500,000	Final Commitment achieved March/09
Lu'ma AHI transfer	\$ 100,000	Lu'ma is working towards \$100,000 in construction/contingency savings. If not achieved they will provide an AHI grant transfer from another project.
Total Financing	\$ 3,075,000	