

## ADMINISTRATIVE REPORT

Report Date: February 10, 2012  
Contact: Jim De Hoop  
Contact No.: 604.873.7479  
RTS No.: 9477  
VanRIMS No.: 08-2000-20  
Meeting Date: February 28, 2012

TO: Vancouver City Council

FROM: Managing Director of Social Development

SUBJECT: Capital Grants to Kitsilano Neighbourhood House and Japanese Language School

### *RECOMMENDATION \**

- A. THAT Council approve a capital grant of up to \$1.6 million to Association of Neighbourhood Houses operating as Kitsilano Neighbourhood House (KNH), for expansion of the neighbourhood house, and improving the indoor and outdoor childcare area, as outlined in this report; sources of funds are the 2009 and 2011 Capital Budgets for Kitsilano Neighbourhood House Renewal and the 2010 Capital Budget for Neighbourhood House Renewal.
- B. THAT Council approve a capital grant of up to \$500,000 to the Vancouver Japanese Language School & Japanese Hall Society (VJLS) for expenses related to renovation of the heritage building to create 25 licensed childcare spaces for three-to-five year olds, as outlined in this report; source of funds is the 2011 Capital Budget for DTES Strathcona Childcare Centre (project subsequently renamed Japanese Language Hall Childcare).

### *REPORT SUMMARY \**

This report recommends approval of two capital grants anticipated and provided for through the 2009 - 2011 Capital Planning process. The expansion of Kitsilano Neighbourhood House will include improved and expanded general programming space to serve the diverse range of area residents, as well as a 25-space licensable, full-time childcare centre, and after school care.

The Japanese Language School & Japanese Hall Society project involves the restoration and renovation of the heritage structure formerly used as a language school, to create 25 spaces of licensable childcare for three-to-five year olds and two pre-school program spaces, each able to accommodate 20 children at a time.

Both grants are subject to conditions consistent with policy and practice for City capital grants to non-profit societies.

***COUNCIL AUTHORITY/PREVIOUS DECISIONS \****

September 2008 Council approved the 2009 - 2011 Capital Plan including provisions for neighbourhood house renewal and childcare in Strathcona.

February 1, 2011 approval of 2011 Capital Budget including VJLS and Kitsilano Neighbourhood House Renewal projects.

***Approval of grants requires eight affirmative votes.***

***CITY MANAGER'S/GENERAL MANAGER'S COMMENTS \****

The General Manager and City Manager recommend approval of the foregoing.

***REPORT***

***Background/Context \****

As part of the 2009-2011 Capital Plan Vancouver City Council approved provisions for neighbourhood house renewal and creation of additional childcare spaces in Strathcona. The Capital Budget for 2011 identified the Japanese Language School & Hall Society as the site/operator of the Strathcona childcare project, while Kitsilano Neighbourhood House was identified as a high priority neighbourhood house for capital upgrading. KNH is the only neighbourhood house serving the diverse population on the west side of Vancouver. The KNH facilities include a small heritage house and another aging heritage structure inadequate for the much-needed programs to serve that population.

Both proposals are consistent with Council's policies on heritage retention. The KNH project will also contribute much needed affordable seniors' housing on Vancouver's over-heated West side, improve the existing childcare area, and expand the neighbourhood house space. The VJLS project will improve functionality of the busy cultural community centre and add much needed licensable childcare spaces in Strathcona. Strathcona was identified in the Health and Early Learning Project (HELP) at UBC as one of Vancouver's highest need neighbourhoods for supports to families with young children. Licensed group childcare has been shown to improve school-readiness and over-all school success.

**Capital Grants and Conditions**

This report recommends a capital grant of up to \$1,600,000 to The KNH Society for the Neighbourhood House Project and up to \$500,000 to the VJLS project. The City contribution to these projects will leverage funding from other levels of government

and private donors. The total estimated budget for the KNH project is \$15 million, while the total estimated budget for the VJLS project is \$1.5 million.

Capital grants, including those for projects that include a childcare as these, are subject to the following conditions:

1. Release of 50% of the funds subject to confirmation that the Society has received the remainder of the funds required to complete the project, or alternative arrangements for securing such funds acceptable to the Managing Director of Social Development;
3. Release of 40% on completion of the project, and issuance of Occupancy Permits;
4. Release of final 10% upon receipt of invoices or other evidence of eligible expenses for the Project; and
5. All renovations and construction to meet applicable City by-laws, permit requirements, and City guidelines including the intent of the City of Vancouver Childcare Design Guidelines.

### *Strategic Analysis \**

The City awards capital grants to non-profit organizations that provide an array of social and childcare facilities that must be maintained and expanded to meet the priorities of Council and the community. These grants typically generate matching funds at a ratio of at least 3 to 1 from other levels of government and/or private sources. These facilities enhance the City's livability and support the development of social capital for the City's residents and will contribute to Council's objective to add 500 new childcare spaces in the next three years.

The City's contribution to the KNH project will be approximately 10% of the total project budget. While the City will contribute approximately 33% to the VJLS project budget for the heritage restoration of the old language school, the Vancouver Japanese Language School & Japanese Hall Society completely renovated and reconstructed a community centre adjacent to this site without City support in the early 2000s. Total cost for that project was approximately \$5 million. The community hall is a vibrant hub of activity that supports the Japanese and local non-Japanese community with a variety of arts, recreation, cultural, education and related programming. Their contribution to the vibrancy and livability of Japantown cannot be over-estimated.

Twenty five of the childcare spaces created by these two projects will also count towards the City's objective for an increase of 500 new childcare spaces between 2012 and 2014.

Contribution to 2012-2014<sup>[1]</sup> childcare target for 500 new spaces

	Infant	Toddler	3 to 5	School Age	Preschool	
Included in target						
Kitsilano Neighbourhood House			25	30	20	
Vancouver Japanese Language School			25		40	
Number of improved / replacement spaces			25	30	60	115
Number of new spaces eligible for target			25			25
Number of spaces needed to meet 2012-2014 target						500
Number remaining after completion of KNH and VJLS <sup>[2]</sup>						475

*Implications/Related Issues/Risk (if applicable)*

The 2009 and 2011 Capital Budgets included a total of \$1 million for Kitsilano Neighbourhood House Renewal. Sufficient funding for the remaining \$600,000 for the recommended grant to KNH is available in the 2010 Capital Budget for general Neighbourhood House Renewal.

The 2011 Capital Budget included \$500,000 for the creation of childcare spaces at the Japanese Language School renovation project in Japantown (DTES/Strathcona).

The conditions for the grants include a provision that City funds not be released until other funding has been secured to the satisfaction of the Managing Director of Social Development.

The City has provided Community Services Grants to KNH. In 2011 the grants amounted to \$76,000. This capital grant will not affect the Community Services Grants.

<sup>1</sup>[1] Spaces eligible to be counted towards the 500 space target include

- non-profit-operated, licensed group and school age childcare (preschool excluded from count)
- facilities that have received an Occupancy permit as of January 2012

<sup>2</sup>[2] Eligible spaces will be counted towards the target **on the date when an occupancy permit is issued** for the childcare facility.

*CONCLUSION* \*

Provision was made in the 2009, 2010, and 2011 Capital Budgets for grants to renew non-City owned neighbourhood houses, and to support the development of licensed childcare spaces in Strathcona. This report recommends approval of two capital grants: a grant of up to \$1.6 million in support of a heritage restoration and expansion of Kitsilano Neighbourhood House, and \$500,000 to the Vancouver Japanese Language School for renovation of the old language school to create a 25-space licensable, full-time childcare centre.

\* \* \* \* \*