



ADMINISTRATIVE REPORT

Report Date: February 29, 2012
Contact: Jim de Hoop
Contact No.: 604.873.7479
RTS No.: 9529
VanRIMS No.: 08-2000-20
Meeting Date: March 27, 2012

TO: Vancouver City Council
FROM: Managing Director of Social Development
SUBJECT: Grant to Vancouver Native Housing Society: Vancouver Healing Lodge,
31 West Pender Street

RECOMMENDATION

THAT Council approve a grant of \$240,000 towards the completion of 24 studio units which are single room occupancy (SRO) replacement units forming part of the Vancouver Healing Lodge development currently under construction at 31 West Pender Street (PID 009-432-736, Lot B (See 363856L) of Lot 31 Block 29 District Lot 541 Plan 210); source of the funding to be the Affordable Housing Reserve.

The grant request of \$240,000 requires eight affirmative votes for approval.

REPORT SUMMARY

This report seeks approval of a capital grant of \$240,000 (\$10,000 /unit) towards the completion of 24 units in the Vancouver Healing Lodge building in the Downtown Eastside at 31 West Pender Street. The project is comprised of 24 studio apartments for low income singles and 13 Healing Lodge units and is consistent with Council's Affordable Housing and Homelessness Strategy, as well as the DTES Housing Plan.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

On July 28, 2011 Council endorsed the Housing & Homelessness Strategy 2012-2021 which includes three strategic directions:

1. Increase the supply of affordable housing ;
 2. Encourage a housing mix across all neighbourhoods that enhances quality of life; and,
 3. Provide strong leadership and support partners to enhance housing stability
- The 3-Year Action Plan 2012-2014 identifies priority actions to achieve some of the Strategy's goals. The priority actions that relate to this grant request are to optimize

the City's use of capital grants to lever and support housing partnerships; and to focus our efforts with partners on preventing and eliminating homelessness.

The 2005 DTES Housing Plan sets out a vision for housing in the neighbourhood which includes maintaining 10,000 units of low-income housing but increasing its quality over time. SROs are to be replaced with new self-contained social housing for singles, with supports provided in a portion of the units to give stability to residents.

In January 20, 2011 Council directed the City Manager to strike a community committee to "enhance and accelerate a DTES Local Area Plan (LAP) and to develop a clear strategy to implement the existing Council approved DTES Housing Plan." The LAP process is being led by the City and brings together many different representatives and voices from within the Community to create a plan that will advance progress in some key areas of concern, like housing and the local economy. The approval of grants requires that eight members of council vote in the affirmative.

DEPUTY CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

This project provides the City with an opportunity to partner with Vancouver Native Housing Society (VNHS), and to assist in resolving a funding gap for the proper completion of much needed affordable SRO replacement housing.

The Deputy City Manager RECOMMENDS approval of the foregoing.

REPORT

Background/Context

Council policy is to preserve and maintain a stock of market rental housing and to maintain and increase the stock of affordable and social housing in the city. The City's social housing priorities are the homeless, those at risk of homelessness, low and moderate income families with children; seniors on fixed incomes or in need of support; SRO residents; and the mentally ill and physically disabled.

In situations where the development or completion of non-market housing projects are not viable, or where a City contribution will assist in meeting the needs of low income and core-need households, Council has provided capital grants to non-market sponsors. Such contributions help ensure the projects can proceed, and help ensure that rents in these properties are affordable to low income households.

VNHS is a non-profit organization established 1984. VNHS provides social and supportive housing for a wide range of people with a special interest "to provide safe, secure, affordable housing for Aboriginal individuals and families living in the urban setting". VNHS currently owns and operates 15 housing complexes in Vancouver with a total of 570 Housing units for both aboriginal and non-aboriginal residents.

In 2010, Council approved an SRA Permit for the Pender Hotel, located at 31 West Pender Street, in order to construct 24 studio and 13, two-bedroom and three-bedroom Healing Lodge units (DE413839) subject to the registration of a Housing Agreement requiring the 24 studio units to be rented at a tenant contribution for rent

no greater than the shelter component of welfare for a single person (currently \$375). The Healing Lodge units will help fill the need for a culturally-sensitive medical stay facilities for aboriginal people and their companions who are required to travel to Vancouver for medical treatment.

This project has also benefited from a Building Communities Through Arts and Heritage Program public art grant in the amount of \$200,000 for the inclusion of an original totem pole in the project.

Strategic Analysis

The Housing and Homelessness Strategy 2012-2021 identifies a need for 5,000 social housing units of which 1,000 should be SRO replacement units, this project contributes 24 self-contained units as SRO replacement units to house the homeless and those at risk of homelessness.

The former Pender Hotel at 31 West Pender Street is one of 24 SRO hotels in Vancouver purchased by BC Housing to help protect and upgrade this important stock of affordable housing for people at risk of homelessness. Many of the hotels require extensive renovations and BC Housing is working in collaboration with non-profit housing providers to manage the hotels and offer the tenants support services. 31 West Pender was unable to be renovated and the site is now being transformed into 24 apartments of supportive studio units plus 13 two-bedroom and three-bedroom Healing Lodge apartments.

This project, which is under construction, is being funded through grants provided by BC Housing and the Federal Government's Infrastructure Stimulus Fund. In addition to project funding and financing, BC Housing has made the site available for the project, reducing preliminary development and HST costs. VNHS is providing \$1,750,000 in financing and equity to the project. The social housing units of the project were eligible for, and were exempted from, Vancouver Development Cost Levies valued at \$212,102. A Housing Agreement with the City, has secured the tenant contribution for rent at the shelter component of welfare (currently \$375/month).

The project has a budget shortfall of approximately \$800,000 as a result of the unanticipated loss of some of the Federal Infrastructure funding. The contribution from the City is expected to lever additional financial support from other funding partners to fully address the shortfall. If additional funding/financing cannot be found, we are confident that BC Housing or VNHS will make up the shortfall.

The total project cost of construction of the Vancouver Healing Lodge is \$11,950,000. Should the grant be approved, the City's contribution would be approximately 2% of the overall project costs. The DCL for the project was exempted for the residential portion of the building. The DCL would have been \$212,102.

Staff recommend that Council approve a grant of \$240,000 (\$10,000 per SRO replacement unit) to VNHS to facilitate the completion of the Vancouver Healing Lodge. Subject to Council approval, the City will be providing support to this project through this grant.

Implications/Related Issues/Risk (if applicable)

Financial

The source of funds for the City's grant of \$240,000 to Vancouver Native Housing Society will be the Affordable Housing Reserve.

CONCLUSION

It is recommended that the City provide a grant to Vancouver Native Housing Society towards the completion of the Vancouver Healing Lodge at 31 West Pender Street containing 24 units of affordable SRA replacement units to house the homeless and those at risk of homelessness in the Downtown Eastside. Approval of this project supports the Housing and Homelessness Strategy and the implementation of the DTES Housing Plan which is currently the focus of the DTES LAP process.

* * * * *