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ADMINISTRATIVE REPORT

Report Date: March 6, 2012
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Meeting Date: April 17, 2012

TO: Vancouver City Council

FROM: Managing Director of Social Development

SUBJECT: Grant to Atira Women's Resource Society; 502 Alexander Street Affordable Housing

RECOMMENDATION

THAT Council approve a grant of up to \$92,000 towards the construction of a 12-unit housing development for low-income residents in the Downtown Eastside at 502 Alexander Street. [Block 42 PLAN VAP 196 District Lot VAP196 NWD Parcel A, Group 1. PID: 028-357-957)]; the source of funds is the 2012 Capital Budget for Housing;

FURTHER THAT no legal rights or obligations shall arise or be created from approval of the above recommendation until all the required legal documentation is executed in full and on terms and conditions to the satisfaction of the Director of Legal Services.

REPORT SUMMARY

This report seeks approval of a capital grant of \$92,000 (\$7,667 per unit) towards the construction/completion of a 12-unit social housing development for low income residents in the Downtown Eastside at 502 Alexander Street, 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.

GENERAL MANAGER'S COMMENTS

The development of this project will result in the creation of twelve new social housing units. The tenant rent contribution for six of these units will be at the shelter component of welfare (currently \$375).

The General Manager of Community Services recommends approval of the foregoing recommendations.

REPORT

Background/Context

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.

The project aligns with Council-approved policies laid out in *the Homeless Action Plan* (June 2005) and the *Housing Plan for the Downtown Eastside* (October 2005) by increasing the supply of self-contained social housing units

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

Atira Women's Resource Society (Atira) is a non-profit organization established in 1983 providing a range of housing and services to women who are marginalized. Their programs include counseling, legal advocacy, addictions recovery and employment training as well as the operation of 14 housing projects for both men and women. On January 23, 2012, the Development Permit Board approved the Development Application for this 12 unit multiple dwelling (DE414592), subject to the registration of a Housing Agreement for 60 years or the life of the building, whichever is greater, complying with the exemption provisions for social housing in the DCL By-law, and subject to a no separate sales covenant and a non-stratification covenant, with half of the units to be secured with rent controls, all satisfactory to the Director of Legal Services and the Managing Director of Social Development.

Strategic Analysis

Atira owns the subject site and will operate the building to provide social housing to marginalized women from the neighbourhood. The funds requested in this report will permit Atira to finish construction of a 12 unit affordable modular "container housing" development that will provide self-contained dwelling units. The City funds will enable Atira to set tenant contribution for rent at the shelter component of welfare (currently \$375/month) for 6 of the units. The remaining six units will be rented at rents affordable to core need income individuals.

Project sponsors include BC Hydro and MC Quarters. Both sponsors have provided significant support by providing 4 of the proposed 12 units. The remaining 8 units will be purchased by Atira.

One of the BC Hydro units was designed as a 'green' prototype residential dwelling unit. The unit was named The House of The Future due to its energy efficient attributes. The unit was exhibited to the general public during the 2010 Vancouver Winter Olympics.

The City of Vancouver is providing support to the project through relief of Development Cost Levies, and the grant recommended by this report, subject to Council approval and registration of a housing agreement securing core-need housing on this site for a period of 60 years or the life of the building whichever is greater.

The City funds requested by the society, and recommended to be approved in this report, are to address higher than originally anticipated construction costs, related in part, to the application of the City's Building By-law to this new form of construction.

The Housing and Homelessness Strategy 2012-2021 identifies a need for 5,000 social housing units and if the grant is approved, this project will accommodate 12 units toward that target.

	TARGETS		CURRENT PROJECTS			GAP
	Long Term (2021)	Near Term (2014)	Proposed/ In Progress	Completed	Total	(2014 Target)
Supportive Housing Units	2,900	2,150	1,313	546	1,859	291
Additional New Social Housing Units	5,000	1,500	767	5	772	728
Total Social Housing Units	7,900	3,650	2,080	551	2,631	1,019

Staff recommend that Council approve a grant of \$92,000 (\$7,667 per unit) to Atira to facilitate the construction of 502 Alexander Street. The total development cost of the project is estimated at \$1,712,090. The development cost levy (DCL) waiver on the new floor area (3,832 sq. ft.) for this project would be \$43,420. Should the grant be approved, the City's contribution (DCL waiver and grant) would be approximately 7.9% of the total development cost of the project.

Financial Implications

The 2012 Capital Budget includes \$200,000 for grants to new non-market housing projects. The recommended grant for \$92,000 to Atira is proposed to be funded from this Capital Budget.

CONCLUSION

The Managing Director of Social Development recommends that the City assist Atira Women's Resource Society to facilitate the construction of 502 Alexander Street thereby adding much needed social housing stock to 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.

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