



## ADMINISTRATIVE REPORT

Report Date: March 19, 2013  
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Meeting Date: April 9, 2013

TO: Vancouver City Council  
FROM: General Manager of Community Services  
SUBJECT: Capital Grant to Immigrant Services Society of BC for a Housing Development of 26 units (with 98 lockable rooms) at 2610 Victoria Drive

### **RECOMMENDATION**

THAT Council approve a grant of up to \$490,000 to Immigrant Services Society of BC (ISS) to help assist with the construction of a transitional supportive housing project providing short and medium term accommodation for refugees at 2610 Victoria Drive ((PID: 009-403-531; Lot A Block A of Block 163 District Lot 264A Plan 10421); (The Lands)

FURTHER THAT the grant be subject to the registration of a lease of the lands to ISS and subject to the registration of a Housing Agreement securing all units proposed to be developed on the lands, as social housing for 60 years or the life of the building, whichever is greater; and subject to the funding commitment from Immigrant Services Society and other community partners and foundations being secured. Source of funding for the \$490,000 is a reallocation from the previously approved project budget for Immigrant Service Society Land Acquisition, to be added to the 2013 Capital expenditure budget from the 'timing uncertain' category.

### **REPORT SUMMARY**

This report seeks approval of a capital grant of up to \$490,000 (based on \$5,000 per lockable room) to ISS for the construction of a "Welcome House Centre" providing short term and transitional housing with supports at 2610 Victoria Drive for recently arrived refugees with 98 flexible, lockable rooms which can be combined in a variety of configurations, down to 26 "self-contained units" allowing ISS to flexibly house larger or smaller families as well as singles, as need arises.

### ***COUNCIL AUTHORITY/PREVIOUS DECISIONS***

On July 28, 2011 Council endorsed the Housing & Homelessness Strategy 2012-2021 which includes Strategic Direction 1: Increase the supply of affordable housing and Strategic Direction 2: Encourage a housing mix across all neighbourhoods that enhances quality of life. 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.

Council approved a rezoning of this site following a Public Hearing on November 13, 2012, with the condition that the lease of this city owned site to ISS for the purpose of developing the site for the proposed transitional supportive social housing be registered. This grant is subject to the lease being registered.

The approval of grants requires that eight members of council vote in the affirmative.

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

This project enables the City an opportunity to partner with ISS to provide much needed housing for recently arrived refugees who face multiple barriers to accessing housing, and who as a result are often at a high risk of homelessness. The project includes 98 flexible, lockable rooms of transitional supportive housing which can be combined in a variety of configurations, down to 26 "self-contained units" allowing ISS to flexibly house larger or smaller families as well as singles, as need arises. All the units will rent at the shelter component of income assistance.

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 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 renovation 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 housing providers. Such contributions help ensure the projects can proceed, and help ensure that rents in these properties can be reduced to be affordable to low income or core-need income households.

ISS provides accommodation to approximately 800 Government Assisted Refugees per year. Finding suitable and affordable housing is the single biggest challenge facing newcomers, especially refugees. ISS presently owns a building at 530 Drake Street where they have just 12 units of housing. Due to the restricted size of their facility on Drake Street they are occasionally obliged to rent rooms in nearby hotels. The relocation of their current services to 2610 Victoria Drive will allow ISS to sell their Drake Street site which will bring equity to this larger project. An additional consideration for relocating the housing and associated services is the lack of affordable shopping and services in the Yaletown area. The 2610 Victoria Drive location will allow newcomers to access more affordable shops and services along nearby Commercial Drive, as well as access specialized health and social services, as well as provide easy access to transit.

### *Strategic Analysis*

The City's Supportive Housing Strategy supports provision of social and supportive housing throughout the city in locations where there is accessibility to transit, shopping and community services. The City's Housing and Homelessness Strategy, approved in July 2011, reaffirmed Council's housing priorities to maintain and expand housing opportunities in Vancouver for low and modest income households, with priority for those who are homeless or at risk of homelessness.

Refugee claimants are among the highest population at-risk of homelessness in our city. Most come to the city without any resources or knowing anyone. Many are unaware of shelters as their English language skills tend to be limited. Because refugees are without status for a period of time, they are excluded from many of the protections and services that someone with status might access such as, social housing, social assistance, work permits, and provincial health insurance. While some refugees are placed or find emergency shelters, they often do not know these services or supports exist. Homeless counts and frontline staff are reporting increasing instances of refugees living on streets or in parks.

The Profile of Absolute and Relative Homelessness Among Immigrants, Refugees, and Refugee Claimants in the GVRD Final Report (May 2005) found that the vulnerability associated with refugee status as well as the macro and micro barriers faced by all immigrants, results in a high degree of homelessness, in one form or another. The situation is more extreme for [refugee] claimants, who face deeper levels of deprivation than the average immigrant. The main findings of their research include:

- Refugee claimants have a greater disadvantage in the housing and labour markets.
- There is a discrepancy between what refugee claimants are receiving in basic aid, and the average cost of renting an apartment in Vancouver. In addition, the vacancy rates for smaller, more affordable accommodations are particularly low.
- Inadequate and substandard living conditions, overcrowding and safety concerns represent three major components of relative homelessness among refugee claimants.

- Claimants tend to be socially isolated. The minimal levels of financial, documented human, and social capital of individuals in this group is associated with extreme vulnerability to homelessness. The situation is quite different for those immigrants and refugees who have access to social networks and support systems.

The proposed project aims to provide the network of supports which reduces vulnerability to homelessness and consists of a "Welcome House Centre" with 98 lockable rooms which can be combined in a variety of configurations, down to 26 "self-contained units" allowing ISS to flexibly house larger or smaller families as well as singles, as need arises. Refugees served at the Welcome House Centre will include both government-assisted refugees (GARs), and asylum seekers and will be a fully integrated service hub addressing the immediate needs of refugees and immigrants arriving in the Vancouver area. The facility will also house the staff of Immigrant Services Society of BC, the Inland Refugee Society of BC (IRS), the Vancouver Association of Survivors of Torture, Settlement Orientation Services (SOS), and the Mount Pleasant Family Centre. Other services will include banking assistance, government outreach, language classes, medical care and housing / settlement services.

IRS has been the primary source for housing placements for refugee claimants coming into Vancouver. Currently, they serve approximately one thousand refugee claimants annually (individuals and families). In 2011-12, IRS provided housing placements for 190 people. 25% of the 190 were referred to shelters. But shelters have been a last resort for IRS housing placement as a high percentage of asylum seekers came with family members or were unsuited for shelters.

Another organization serving refugee claimants is Settlement Orientation Services (SOS), which provides legal, health and other social services. SOS estimated 60-70% of their clients have used shelters when they first arrive in the city.

The Housing and Homelessness Strategy 2012-2021 identifies a need for 5,000 social housing units. If this grant is approved, it will facilitate the completion of 98 flexible, lockable rooms of transitional supportive housing which can be combined in a variety of configurations, down to 26 "self-contained units" allowing ISS to flexibly house larger or smaller families as well as singles, as need arises. These 26 units are included under Current Projects (Supportive Housing) totals presented in the table below.

	TARGETS		CURRENT PROJECTS	GAP
	Long Term (2021)	Near Term (2014)	Proposed, In Progress and Completed	(2014 Target)
<b>Supportive Housing Units</b>	2,900	2,150	1,845	305
<b>All Other Non-Market Housing Units</b>	5,000	1,500	1,200	300
<b>Total Non-Market Housing Units</b>	7,900	3,650	3,045	605

(1) Targets are established in the 2011 City of Vancouver Housing and Homeless Strategy.

In addition to the grant request from the City, other project partners include Citizenship and Immigration Canada and BC Housing, VanCity Credit Union and private donors.

### *Financial Implications*

The project capital is estimated at \$24.7 million, including land and construction. Anticipated funding sources are as follows:

#### **Capital Costs**

Land		\$2.70M
Construction (including non-housing DCLs)		<u>\$22.00M</u>
		<u>\$24.70M</u>

#### **Sources of Funding**

City of Vancouver		
60-year Nominal Land Lease	\$2.70M	
Capital Grant	<u>\$0.49M</u>	\$3.19M
Immigration Services Society (sale of existing property)		\$5.50M
Mortgage Financing		\$6.61M
Other Community Partners & Foundations		
VanCity Foundation		\$8.20M
Ismaili Council of BC		\$1.00M
Lado Family Foundation		<u>\$0.20M</u>
		<u>\$24.70M</u>

The site is subject to the City-wide Development Cost Levy (DCL) and it is anticipated that the project will generate approximately \$334,200 in DCLs. The social housing component of the project is exempt from paying DCLs. The value of this exemption is estimated to be approximately \$279,700.

The City's overall contribution of \$3.47 million through nominal land lease, capital grant and DCL exemption is equivalent to ~14% of total project capital, representing a contribution of \$133,462 for each of the 26 self-contained units, or \$35,408 per lockable room. Source of funding for the \$490,000 is a reallocation from the approved budget for Immigrant Service Society Land Acquisition, to be added to the 2013 Capital Budget from the 'timing uncertain' category. This funding was originally part of the 2009-2011 Capital Plan.

The disbursement of this grant is subject to:

- registration of the Land Lease to ISS and the Housing Agreement securing all units as social housing for 60 years or the life of the building; and
- funding commitment from Immigrant Services Society and other community partners and foundations being secured.

The housing project will be owned and operated by the Immigrant Services Society with continued operational and program funding coming from the Federal and Provincial governments. A forthcoming lease report to Council will describe the proposed terms of the land lease to ISS.

### ***CONCLUSION***

The Managing Director of Social Development recommends that the City provide a grant to ISS towards the development of 2610 Victoria Drive which will provide much needed affordable secure transitional housing with supports for recently arrived refugees, who because they face multiple barriers to accessing housing, are vulnerable and at a high risk of homelessness.

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