



## ADMINISTRATIVE REPORT

Report Date: April 9, 2013  
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Meeting Date: May 28, 2013

TO: Vancouver City Council

FROM: General Manager of Community Services in consultation with the Director of Real Estate Services

SUBJECT: WISH Drop-in Centre Society at 334 Alexander Street: Capital Grant and Modification of Lease

### *RECOMMENDATION*

- A. THAT Council authorize the Director of Real Estate Services to negotiate and execute a modification of an existing lease ("Modification of Lease") with WISH Drop-in Centre Society ("WISH") to lease additional premises within a City-owned building having a civic address of 330 - 342 Alexander Street, legally described as Lots 9, 10, 11 and 12, Block 40, District Lot 196, Plan 196, (PIDs: 015-605-469, 015 605-477, 015-605-485, 015-605-493) (the "Building") to incorporate the following modifications:

Additional Lease Area: 3,255 square feet of additional premises located on the ground floor of the western half of the Building, having a civic address of 334 Alexander Street (the "Premises").

Use: Provide support services for survival sex trade workers.

Other Terms and Conditions: The Modification of Lease is to be provided on the City's standard form, drawn to the satisfaction of the Directors of Legal and Real Estate Services and including such terms and conditions as the Directors of Legal and Real Estate Services deem necessary, it being noted that no legal right or obligation will be created and none shall arise until the Modification of Lease document is fully executed by both parties.

As the rent for the Premises will be below the applicable market rate and includes rent-in-lieu of property taxes, RECOMMENDATION A constitutes a grant valued at approximately \$800,000.

- B. THAT Council approve a Capital Grant of up to \$400,000 to WISH to help with expansion and renovation of program space, to consolidate and better accommodate the services provided to vulnerable survival sex workers under one location. Source of funding to be a reallocation of \$250,000 from the approved budget for Immigrant Service Society Land Acquisition and a reallocation of \$150,000 from the approved budget for Emerging Initiatives Oppenheimer, to be added to the 2013 Capital Budget from the 'timing uncertain' category.

FURTHER THAT the Capital Grant be subject to the execution of the Modification of Lease.

Pursuant to Section 206(1) of the Vancouver Charter, approval of the grants contained in Recommendations A and B requires eight affirmative votes.

### ***REPORT SUMMARY***

This report seeks approval of a Modification of Lease and a Capital Grant of up to \$400,000 to WISH for the renovation and expansion of program space at 330 Alexander Street, to better accommodate the services currently provided to vulnerable female survival sex workers.

The Capital Grant will permit WISH to consolidate its operations at one location, by moving its administrative offices on West Pender Street where it pays higher rents, to the Drop in Centre currently located at 330 Alexander Street, directly above the Premises, thereby facilitating more accessible service delivery while reducing administrative costs (which the City contributes towards through grants). The consolidation of services and the associated reduction in costs will help stabilize and extend service delivery.

WISH serves a client base of approximately 400 women in the community on a regular on-going basis through the Drop-in Centre and other programs offered. Many of their clients are homeless or live in unstable housing; are marginalized within the community and often have serious health issues including some form of addictions.

In 2006, following an extensive consultation process by City staff, WISH, the Vancouver Police Department, and community stakeholders, to find a location for the Drop-in Centre, the facility at 330 Alexander Street was identified as the preferred location.

Safety support services for sex trade workers is one of the key themes coming out of The Report of the Missing Women Commission of Inquiry as well as the City's Sex Trade Task Force.

### *COUNCIL AUTHORITY/PREVIOUS DECISIONS*

In July 2003, Council approved the inclusion of all City-owned buildings occupied by social service, community or cultural tenants as Capital Assets in the City's structural and Physical Plant Upgrading Program in future Capital Plans.

In June 2005, Council approved a Capital Grant of \$250,000 with the aim of achieving a 24 hour a day, 7 day a week, drop-in centre.

In December 2006, Council approved a lease for the western half of the upper floor of the Building, having a civic address of 330 Alexander Street, which is a City-owned capital asset, for ten years to WISH for nominal rent; along with an implementation plan to report back to Council on a lease and renovation for the Premises for WISH, when it became available.

The lease for the upper floor was finalized in April 2008 for an initial term of 10 years, plus two renewal options of five years each.

On July 29, 2009, Council passed a motion directing staff to report back on a strategy for the City to address the negative impacts of the survival sex trade in Vancouver neighbourhoods.

On September 22, 2011, Council passed a report that included the establishment of a Task Force, and endorsed a comprehensive framework and actions, to address sexual exploitation and sex work through enhanced prevention, opportunities for exiting, and improved health and safety for all Vancouver citizens and neighbourhoods.

On January 29, 2013, staff presented to Council the Missing Women Commission of Inquiry recommendations and provided an update on the City's Task Force efforts.

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

This Modification of Lease and Capital Grant funding provides the City with an opportunity to partner with WISH to consolidate its operations and programs, where the drop-in centre is located. These programs include the Mobile Access Project Van (Map Van) that provides street health and safety outreach as well as an Aboriginal women's program. This consolidation will create efficiencies, and provide the organization with improved capacity to provide support services for survival sex trade workers at the WISH Drop-In Centre at 330 Alexander Street. Safety support services for sex trade workers is one of the key themes coming out of The Report of the Missing Women Commission of Inquiry as well as the City's Sex Trade Task Force.

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

## *REPORT*

### *Background/Context*

In 1987, WISH established a small drop in facility at the First United Church at the corner of Gore and Hastings Street to help respond to the needs of survival sex workers in the DTES. The aim of WISH was to provide a point of contact with social services and to help establish relationships between women in the survival sex trade and to provide a safe haven for women. Council has approved Community Services Grants to help fund WISH's operations since 1991.

The Report of the Missing Women Commission of Inquiry identified 67 women who went missing from the Downtown Eastside between January 23, 1997 and February 5, 2002 (the Inquiry's terms of reference). In 2003 VanCity Credit Union responded to the urgent and growing need for support services by investing \$1M towards establishing a 24- hour drop-in centre. This leveraged another \$550,000 from the City as follows:

- In 2005 Council approved a \$250,000 grant from the DTES Capital Fund.
- In 2006 Council approved \$300,000 from the 2006 DTES Revitalization Program Capital Budget.

In 2006, following an extensive consultation process by City staff, WISH, the Vancouver Police Department (the "VPD") and community stakeholders, to find a location for the Drop-in Centre, the western half of the upper floor of the Building, 330 Alexander Street, was identified as the preferred location. More than 18 potential sites were given serious consideration before it was concluded that 330 Alexander Street was the most feasible and acceptable location.

At the time the lease for 330 Alexander Street was approved, the VPD crime evidence storage facility was located on the lower floor. To accommodate the service program at 330 Alexander Street in the interim, WISH administrative spaces were separated from program space and located at 119 West Pender Street. The longer term plan approved by Council in December 2006 envisioned WISH to consolidate its administrative and program spaces at 334 Alexander Street as soon as the lower floor space became available. As that space is no longer required by the VPD, WISH can expand into the space as originally planned.

The City continues to provide Community Service Grants to WISH to help fund their operations. The current year grants were approved by Council on March 13, 2013 as follows:

- 1) **Direct Social Services Grant - \$81,284** for program staff positions at the WISH Drop-In Centre as well as for a portion of the Society's administrative expenses. Program staff duties include preparing hot meals; maintaining the programming space and facilities; providing supervision and ensuring the safety of all participants, staff and volunteers. Program staff also refer women to shelters, health and medical professionals and other specialized service providers that can effectively address the complex needs of women in crisis.
- 2) **Social Responsibility Fund Grant - \$50,000** for the Mobile Access Project to maintain this essential service that for eight years has provided overnight support to women engaging in survival sex work on the streets of Vancouver. The funding

requested from the City of Vancouver was to cover the costs of operating the van seven nights a week for 7.5 hours each night. The Province of BC, (Victim Services), provides for the staffing costs of the MAP van and a City grant covers the operating costs of the van, including fuel, insurance, repairs and maintenance, and supplies.

***WISH Programming and Service Delivery:*** WISH serves a client base of approximately 400 women in the community on a regular on-going basis through the Drop-in Centre and other programs offered. Many of their clients are homeless or live in unstable housing; are marginalized within the community and often have serious health issues including some form of addictions. Each of the programs that WISH provides is specific to women survival sex workers and focuses on their health and safety in a non-judgmental, respectful manner. For many women, WISH is their only point of contact off the street and is a place where they know they will be connected with nursing care, emergency services, referrals to shelters, and other appropriate service providers.

Over the years, WISH has demonstrated the ability to raise sufficient operating budgets with funding from various levels of government, and through fundraising events and donations, but has not yet achieved its goal of 24 hrs / 7 days per week operations at its drop-in Centre. The Report of the Missing Women Commission of Inquiry urged the Provincial Government to commit to provide funding to existing centres to extend hours of operation. The Provincial government recently announced that they would be committing to \$750,000 of annual core program funding to expand hours of operation for the benefit of women engaging in sex work. This program funding has allowed WISH to extend its operating hours from 5 hours to 17 hours (6pm to 11am).

WISH has received a great deal of support within the community from residents, service agencies, health care providers and church groups. WISH also has active partnerships for service delivery with PACE Society, Vancouver Native Health, BC Centre for Disease Control, Vancouver Coastal Health, BC Centre for Excellence in HIV/AIDS, Capilano College and has links with many community organizations that serve women working in the survival sex trade.

The project related to the Modification of Lease and Capital Grant recommended with this report involves the renovation of the Premises to accommodate expanded WISH office space and programming space. The current WISH office space at 119 West Pender is 1,300 sq. ft. in area. The new space will add 3,255 sq. ft. in area to the existing 3763 sq. ft., for a total combined area of 7,018 sq. ft. which will provide:

- Dedicated Mobile Access Project (MAP) office space;
- Dedicated Aboriginal Program office space;
- Meeting room space;
- Filing cabinet, photocopier space;
- Storage, pantry house and small kitchen space;
- Office space; and
- Washroom space.

As much as possible, WISH will hire from the local community (through EMBERS) to undertake the work that will provide people with mental health/addictions issues in recovery will gain access to employment.

### *Strategic Analysis*

The Capital Grant and Modification of Lease recommended in this report will enable WISH to better accommodate the services they provide to vulnerable female survival sex workers at 330 Alexander Street. These services work towards achieving a safer and more inclusive community and are a priority of Council. The City's task force on Sex Work and Sexual Exploitation identified services for survival sex workers including 24/7 drop-in services that WISH is working towards providing, is a key priority and a vital service. This project is also aligned with both the draft findings of the Social Impact Assessment and the emerging directions of the DTES Local Area Planning process (LAPP) by protecting community assets and prioritizing support for the most vulnerable groups (namely women and children). The sustainability of this vital social support service would be secured by making available City owned assets and resources. This strategic intervention will also mitigate against the risks of the effects of gentrification which often raises market rental rates, causing service agencies such as WISH to close. The City-owned Building meets locational criteria established by WISH, working closely with staff from Planning, Social Policy, Real Estate Services and the VPD to secure an appropriate site.

For WISH, this two-storey, 7,000+ square foot space is ideal and can be renovated to reflect the needs of the organization. In addition, the site has a fenced, outdoor space at the rear where women can be outside in a safe, protected area. It is also away from the retail area and Oppenheimer Park and adjacent to other facilities serving the low income community - Evelyne Saller Centre and the Lookout Emergency Shelter.

While the Premises formerly served as the VPD evidence warehouse, the western half of the upper floor, 330 Alexander Street, was renovated to house WISH's outreach programs. The longer term implementation plan approved by Council in December 2006, envisioned WISH to expand to occupy the western half of the lower floor of the Building as soon as the space became available. As the space is now surplus to VPD needs, WISH can now expand into the space as originally planned.

### *Financial Implications*

The Modification of Lease recommended in this report adds the Premises to WISH's existing leased area at nominal rent for up to 15 years, aligning with the remaining 5 years of the initial term to March 31, 2018 plus two 5 year renewal options.

The total estimated cost of the expansion renovation is \$465,000, with funding from other project partners as follows:

Design Consultants (In-Kind)	\$35,000
Central City Foundation	\$30,000
<b>TOTAL FUNDING FROM OTHER PARTNERS</b>	<b>\$65,000</b>

The shortfall is \$400,000, which is the Capital Grant amount recommended in this report. The disbursement of this grant is subject to execution of the Modification of Lease.

The source of funding for the \$400,000 Capital Grant is a reallocation of \$250,000 from the approved budget for Immigrant Service Society Land Acquisition and a reallocation of \$150,000 from the approved budget for Emerging Initiatives Oppenheimer, to be added to the 2013 Capital Budget from the 'timing uncertain' category. This funding was originally part of the 2009-2011 Capital Plan.

Real Estate Services has determined the value of the rental grant (inclusive of Rent in lieu of Taxes) is \$805,612, based on the additional ground floor area of 3,255 square feet being leased for a total lease term of 15 years, inclusive of the 5 years remaining on the initial term and assuming both of the 5 year renewal options are exercised.

Under the Modification of Lease, the City will retain responsibility for base-building preventative maintenance and property insurance. The increased cost of base building maintenance is estimated at \$8,000 annually. Routine maintenance of the Premises will continue to be the responsibility of WISH. The Building is included in the City's Facilities Strategic Plan and will have access to major maintenance through the capital plan process.

**Potential project risks and mitigation strategies:**

*Budget risk:* The work will be undertaken by a private sector sub-contractor. Preliminary renovation costs have been estimated by the WISH construction manager. Exact pricing will not be known until mid-2013 following a tender undertaken by WISH and its construction manager. If the sub-trade bids are higher than the available construction budget, the scope of work will be reduced and/or, WISH will fundraise to make up the difference. In addition, as with all renovations, unknown conditions can result in additional costs. The project budget includes a contingency to account for this possibility.

*Timeline risk:* This is an interior renovation, and is not affected by weather conditions. The WISH service space at 330 Alexander Street will remain open and operational during construction.

**CONCLUSION**

It is recommended that the City approve the Modification of Lease and Capital Grant of up to \$400,000 to WISH Drop-in Centre Society for capital cost upgrades to help consolidate their administrative space with their program space as well expand and renovate program space to better accommodate the services provided to vulnerable survival sex workers.

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