



ADMINISTRATIVE REPORT

Report Date: May 17, 2013
Contact: Dennis Carr
Contact No.: 604.873.7207
RTS No.: 10138
VanRIMS No.: 08-2000-20
Meeting Date: June 25, 2013

TO: Vancouver City Council

FROM: General Manager of Community Service

SUBJECT: Grant to SUCCESS for 22 Affordable Seniors Housing Units (611 Main Street)

RECOMMENDATION

THAT Council approve a grant of \$220,000 to SUCCESS for the construction of 22 units of social housing for seniors, in the development proposed for 611 Main Street [*Lots 1 to 5 Block 18 District Lot 196 Plan 184; PIDs: 007-374-321, 007-374-348, 007-374-381, 007-374-437 and 007-374-470 respectively*]; source of funding to be the 2012-14 Capital Plan for New Non-market Housing Projects (Capital from Revenue) to be added to the 2013 Program/Project Budget.

FURTHER THAT the grant be subject to the following conditions:

- funding commitment from SUCCESS being secured;
- registration of a Housing Agreement securing all 22 units as social housing for 60 years or the life of the building, whichever is greater; and
- enactment of the CD-1 District schedule approved in principle for this site.

REPORT SUMMARY

This report seeks approval of a capital grant of \$220,000 to SUCCESS for the construction of 22 units of social housing for seniors, in the development proposed for 611 Main Street on the condition that at least 11 of the affordable housing units be rented at shelter component of income assistance and at least 6 additional affordable housing units be rented at rents affordable to Core Need Households (BCH Housing Income Limits) consistent with Council's Affordable Housing and Homelessness Strategy.

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.

Following a Public Hearing on February 21, 2013, Council approved the rezoning of this site, with the condition, among other conditions, that the applicant enter into a Housing Agreement securing as rental housing, 22 residential units within an airspace parcel, with a minimum total area of 757 m² (8,143 sq. ft.), plus two parking stalls and storage space for three electric scooters, for 60 years or the life of the building, whichever is greater.

The approval of grants requires eight affirmative votes of Council.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

This project enables the City an opportunity to partner with SUCCESS to provide much needed affordable housing for seniors in Chinatown. The majority of the 22 units will rent at or near the shelter component of welfare.

The General Manager of Community Services 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 of non-market housing projects are not viable, or where a City contribution will assist in addressing the issue of street homelessness, or 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 can be reduced to be affordable to persons on income assistance or who are otherwise low-income / core-need income households.

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.

The proposed 156 unit 17-storey mixed used market and non-market development includes 22 units of senior's rental housing to be operated by SUCCESS (United Chinese Community Enrichment Services Society). SUCCESS provides seniors care, housing, social, education, training and health services in many Lower Mainland Communities. The Society also advocates for health and housing needs for seniors and has gained recognition among other service providers, and with many government agencies.

This proposal will serve a Council priority by providing homes for low income seniors.

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 22 units of affordable social housing for seniors. At least 11 units will be rented at shelter component of income assistance and at least 6 units will be rented at rents affordable to Core Need Households (BCH Housing Income Limits). The 22 units are included in the total under Current Projects (All Other Non-Market Units) presented in the table below

Table 1: City of Vancouver Housing and Homelessness Strategy (2011) Targets (as of May 6, 2013)

	TARGETS		CURRENT PROJECTS	GAP
	Long Term (2021)	Near Term (2014)	Proposed, In Progress and Completed	(2014 Target)
Supportive Housing Units	2,900	2,150	1,844	306
All Other Non-Market Housing Units	5,000	1,500	1,377	123
Total Non-Market Housing Units	7,900	3,650	3,221	429

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

Staff recommend that Council approve a grant of \$220,000 (\$10,000 per unit) to SUCCESS. Approval of this grant will help SUCCESS lever additional funding and financing to facilitate the construction of 22 dwelling units for seniors.

Financial Implications

The construction of the 22 units of affordable senior housing is estimated to cost \$3.95 million. As outlined in the rezoning report approved by Council on February 21, 2013 (RTS#9735), SUCCESS will contribute \$2.4 million and the City will provide a refundable grant of \$1.33 million, to be secured by a financial charge on title to the units and repayable by SUCCESS to the City over time. This leaves a funding shortfall of \$220,000.

Staff recommend that Council approve a grant of \$220,000 (\$10,000 per unit) which is a standard contribution amount offered by Council to non-profit projects facing a funding shortfall. The source of funding is the 2012-14 Capital Plan for New Non-market Housing Projects (Capital from Revenue) to be added to the 2013 Program /Project Budget.

Should the grant be approved, the City's total contribution (including the \$1.33 million refundable grant) would be approximately 39% of the overall construction costs, representing a leverage ratio of approximately 1.5:1 (i.e. \$1.5 leveraged for every \$1 contributed by the City). Once the \$1.33 million refundable grant is repaid, the leverage ratio will increase to 17:1.

Disbursement of the \$220,000 grant is subject to the following conditions:

- funding commitment from SUCCESS being secured;
- registration of a Housing Agreement securing all 22 units as social housing for 60 years or the life of the building, whichever is greater; and
- enactment of the CD-1 District schedule approved in principle for this site.

CONCLUSION

This report seeks approval of a capital grant of \$220,000 to SUCCESS for the construction of a 22 unit social housing component for seniors, in the development proposed for 611 Main Street which will add affordable housing for low income seniors in Chinatown.

* * * * *