



ADMINISTRATIVE REPORT

Report Date: December 10, 2013
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Meeting Date: December 18, 2013

TO: Standing Committee on City Finance and Services
FROM: General Manager of Community Services
SUBJECT: Lease Terms and Other Arrangements for Temporary Supportive Housing at 3475 East Hastings Street

RECOMMENDATION

- A. THAT Council authorize the Director of Real Estate Services to negotiate and execute a lease (the "Lease") with Community Builders Benevolence Foundation (2013)(CBBF) for the operation of the city-owned property at 3475 East Hastings Street, legally described as PID 010-768-645 Lot 1, Block 48, Plan VAP363 Part S 1/2, District Lot THSL New Westminster Land District, on the following terms and conditions, and other conditions satisfactory to the Managing Director of Social Development and the Directors of Real Estate Services and Legal Services:
- i. A term of 10 months;
 - ii. An option to extend for 3 months with approval from the Chief Housing Officer;
 - iii. A nominal prepaid rent;
 - iv. CBBF to have responsibility for day to day repairs and maintenance of the premises; payment of utilities; tenant management; tenant support services; provision of breakfast daily;
 - v. Agreement that the City will pay for the maintenance of larger items including elevator and heating/ventilation system;
 - vi. Agreement by CBBF that tenants will be primarily people staying at shelters, particularly 201 Central Street (operated by Aboriginal Friendship Centre Society) who are assessed as ready for housing and more independent living; and
 - vii. Agreement by CBBF to work in partnership with Vancouver Aboriginal Friendship Centre Society who will provide the services outlined in Recommendation B below.

- B. THAT Council authorize the Director of Legal Services to execute an agreement with Vancouver Aboriginal Friendship Centre Society for the provision of services of the following type, with consideration paid up to \$120,000 from a BC Housing contribution and other possible donors and other conditions satisfactory to the Managing Director of Social Development and the Director of Legal Services including:
- i. Tenant Support services such as, but not limited to, referrals to community services;
 - ii. Tenant program development such as, but not limited to;
 - a. Coordination for onsite health clinician
 - b. Coordination with employment services
 - c. Coordination for dental services
 - d. Coordination for educational services
 - e. Coordination for onsite training programs
 - f. Coordination for spiritual space with support and guidance from Elders
 - iii. Provision of a daily community dinner; and
 - iv. Tenant selection such as, but not limited to:
 - a. Development of a selection process
 - b. Coordination of tenants to income supports
 - c. Coordination of tenant move in/move out
- C. THAT Council authorize the transfer of \$160,000 to the Property Endowment Fund (PEF) as compensation for the 10 month lease of the Subject Property pursuant to Recommendation A above, source of funding to be the 2014 Capital Budget for Non Market Housing - Affordable Housing Opportunities (subject to Council approval of the 2014 Capital Budget).

The lease at a nominal rent constitutes a grant and requires 8 affirmative votes.

REPORT SUMMARY

This report seeks Council authority to enter into a lease with Community Builders Benevolence Foundation (2013) for the operation of the City-owned site at 3475 East Hastings Street as temporary supportive housing, to make arrangement with Vancouver Aboriginal Friendship Centre Society for the provision of resident support services on the terms discussed in the body of the report, and to ensure the PEF is adequately compensated.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

- Housing and Homelessness Strategy 2012-2021
- Supportive Housing Strategy 2007

A lease at nominal rent, requiring the approval of 8 members of Council.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

Supportive housing is an important part of the City's housing continuum and plays a key role in helping individuals stabilize their lives and move towards greater independence and

contribute to their community. The units at the former Ramada Hotel on East Hastings will make a significant contribution to the lives of the homeless or those at risk of homelessness. Aboriginal homelessness in particular has been consistently high with each Homeless Count, and the supports provided by the Vancouver Aboriginal Friendship Centre Society (VAFCS) at this building will take a step forward in addressing the needs of this community.

REPORT

Background/Context

In July 2011, Council endorsed the Housing and Homelessness Strategy (2012-2021) with two key goals, ending street homelessness by 2015 and increasing affordable housing choices. The strategy has three strategic directions: increase the supply of affordable housing; encourage a housing mix across all neighbourhoods that enhances quality of life; and provide strong leadership and support partners to enhance housing stability.

To further the goal of ending street homelessness by 2015, the City purchased the Ramada Hotel at 3475 East Hastings Street in September 2013. The City will open around 40 of the 58 rooms at the hotel as temporary supportive housing for an initial period of 10 months, until more new permanent supportive housing units are complete. These new supportive housing units include over 600 units located in the Downtown, Mouth Pleasant and Downtown Eastside under the 14 sites MOU (2007) with BC Housing which are anticipated to open by the summer of 2014, including 56 units at Taylor Manor in the Hastings Sunrise neighbourhood. The temporary units at the Ramada are intended to provide a transitional step for those currently residing in shelters, and those who may be homeless or at-risk living in the Hastings Sunrise area, before moving to new permanent housing units coming on stream. The City has signed an MOU with BC Housing for the Winter Response Strategy for 2013-14. Included in this MOU is a grant towards the operating costs at 3475 East Hastings Street.

The City, Community Builders Benevolence Foundation and Vancouver Aboriginal Friendship Centre Society have generally agreed to the terms and relationships outlined in this report whereby the City will lease the former Ramada Hotel building at 3475 East Hastings Street to CBBF, and the City will enter into a Services Agreement with VAFCS for the 10 month period.

Strategic Analysis

Council has a goal of ending street homelessness by 2015, and increasing affordable housing options for everyone. This project will provide around 40 units of temporary supportive housing, moving people out of shelters and off the street. Tenants moving in directly from existing shelters will create spaces for others to come in from the cold into the shelters. This temporary housing project brings together two non-profit groups in partnership to manage the operations of the building and provide support services at 3475 East Hastings Street. Both groups have a proven track record, CBBF in single room occupancy (SRO) management and VAFCS in managing a year round shelter. Due to the shortness of time available to select a non-profit group and prepare the building for tenanting, staff selected the lessee and support services provider based on their suitability to the project and experience with the specific tenant population.

The CBBF is a group of humanitarian organizations, whose network of local partners includes Community Builders Foundation, Community Builders Benevolence Group and the Anhart

Foundation, with 12 years of experience operating affordable and supportive housing in Vancouver. As a housing provider, they create and maintain a wellness-focused and cost-effective low-income housing environment. They will utilize applicable elements of their 'Whole Life Housing' plan in operating this building. This model includes supportive housing administration, building management, tenant support coordination, community resource liaison services, concurrent disorder supports, building maintenance, housekeeping services, advanced pest management, free laundry, specialized hoarding and waste management series, one community meal and tenant leadership development.

Vancouver Aboriginal Friendship Centre Society has been providing services to aboriginal people transitioning to an urban setting for over fifty years. On a broad basis, they provide services in health, welfare, social services, human rights, culture, education, recreation and equality. Since January 2009, they have been managing a 100 bed low-barrier shelter at 201 Central Street. They provide mats, blankets and two meals a day, a connection to services provided by Vancouver Coastal Health, and have developed relationships with a number of businesses and organizations in order to better serve the shelter occupants. They have been proactive in working with neighbouring businesses to manage any concerns.

While Vancouver has seen a decrease in street homelessness through increased shelter capacity, aboriginal homelessness has not decreased. Aboriginal homelessness makes up a significant percentage of the homeless population with each Homeless Count and has seen little change over the years. It is expected that a number of tenants will come from the HEAT shelter which currently operates at 201 Central Street. Many of these shelter residents have worked with VAFCS staff for several months, and some over the course of several years. The VAFCS staff's involvement with the shelter occupants will provide options for the aboriginal community and will allow continuity from shelter to supportive housing.

The 2013-14 Winter Response Strategy is a partnership between the City and BC Housing. Both parties have signed an MOU for the 2013-14 winter season for the development and operation of 2 temporary winter shelters, interim housing options, and rent supplements at scattered sites throughout the City. BC Housing has made a financial commitment of \$100,000 towards the operations of this temporary supportive housing site. These monies, in addition to rents collected from tenants each month shall provide the basis for an operating budget for CBBF and VAFCS. This funding will support costs related to staffing, service delivery and a meal program. Tenants will be provided with two meals a day and links to additional health and other supports. Staff has reviewed the pro-forma provided by CBBF, in addition to the proposed staffing costs and budget provided by VAFCS and feel confident that the building can operate in a sustainable manner for the duration of the lease. The City's funding contribution to this project may be further offset by additional grant/donor opportunities' being sought.

The Operations Management Plan (OMP) for the building outlines how the building will be managed. Appropriate staffing levels will be maintained onsite at all times, and the community will be provided with a 24/7 contact number should they have any concerns. The OMP requires that a Community Advisory Committee be established, which brings together residents, businesses and other community organizations with the lessee and support services provider, the City, Vancouver Police Department and other key stakeholders to mitigate any concerns that may arise, and ensure the building and its residents are successfully integrated into the community.

Minor renovations to the property will be complete in December 2013. Tenanting of the building is expected to begin following signing of the final lease agreement mid-December 2013 and be complete by mid-January 2014. CBBF and VAFCS will be working to move residents in to the new permanent supportive housing buildings as appropriate, opening in the spring and summer of 2014. The tenant selection process will be ongoing in order to prepare for ending of the program. In the longer term the Ramada East Hastings site is anticipated to be a future redevelopment site. The City owns numerous properties throughout the city, and has purchased this site as land for housing acquisition strategy.

Implications/Related Issues/Risk (if applicable)

Financial

i) Nominal Lease

Real Estate Services has assigned a value of \$160,000 to the 10 month lease at a nominal rent based on 40 units. As the Subject Property was originally acquired by the PEF, the PEF will be compensated for the value of the lease, with the source of funding to be the 2014 Capital Budget for Non Market Housing - Affordable Housing Opportunities (subject to Council approval of the 2014 Capital Budget).

By way of the lease, CBBF as the sublandlord will be responsible for all day to day repairs and maintenance of the premises, payment of all utilities, tenant management, tenant support services, and provision of breakfast daily. The City will be responsible for major capital repairs such as mechanical, electrical, plumbing, air conditioner, elevator and general fire and safety maintenance, in addition to start-up costs.

ii) Operating Budget

The temporary supportive housing operation will be funded primarily through rent revenues, supplemented by contributions from the Province (\$100,000 from BC Housing) and the City's contribution towards the 2013-14 Winter Response Strategy (\$96,200).

Estimated Costs (10 mths):

Facility Lease	\$	160,000
Facility Operating Costs	\$	182,200
Resident Staffing	\$	104,000
Meal for Residents	\$	60,000
Total	\$	506,200

Proposed Funding Sources:

City Contribution		
- Nominal Lease	\$	160,000
- Facility Contributions	\$	96,200
BC Housing	\$	100,000
Rent Revenues (\$375/room/month)	\$	150,000
Total	\$	506,200

It is City policy that all housing projects pay property taxes with the exception of Class 3 - Supportive Housing, including the CoV/BC Housing partnership on the 14 sites where, by provincial designation, their assessed values are reduced to \$2 each and pay no taxes. As such, this housing project will qualify.

CONCLUSION

Staff recommend that Council approve Recommendations A and B and C of the report, leasing the city-owned property at 3475 East Hasting Street to Community Builders Benevolence Foundation for the purpose of operating temporary supportive housing, to make arrangements with Vancouver Aboriginal Friendship Centre Society for the provision of resident support services, and ensuring the PEF is compensated.

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