



ADMINISTRATIVE REPORT

Report Date: February 10, 2015
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Meeting Date: February 18, 2015

TO: Standing Committee on Planning, Transportation and Environment
FROM: Chief Housing Officer
SUBJECT: Capital Grant to Community Builders Group for 100 Interim Affordable Housing Units (1060 Howe Street)

RECOMMENDATION

- A. THAT Council approve a capital grant of \$1 million to Community Builders Group to enable delivery of 100 interim affordable housing units with onsite supportive services at 1060 Howe Street for a period of five years; source of funding to be the 2015 Housing Capital Budget - Grants for Non-market Housing (subject to Council adoption of the 2015 Budget on March 3, 2015). Disbursement of the grant to be no later than March 6, 2015.
- B. THAT Council authorize City staff to negotiate and enter into a Grant Agreement with Community Builders Group, and any other required ancillary legal agreements, on terms and conditions that meet the objectives of the grant contemplated in Recommendation A as further set out in this report and that are satisfactory to the Chief Housing Officer and the General Manager of Community Services.
- C. THAT the Director of Legal Services be authorized to execute on behalf of the City the contracts contemplated by Recommendation B and that no legal rights or obligations will be created by Council's adoption of Recommendations A and B above unless and until such contracts are executed by the Director of Legal Services.
- D. THAT staff be directed to continue to work with Community Builders Group to pursue other funding opportunities, e.g. BC Housing, to enhance affordability and long-term viability of the project.

REPORT SUMMARY

This report seeks approval of a capital grant of \$1 million to Community Builders Group to enable delivery of 100 units of interim affordable housing with onsite support services at 1060 Howe Street for a period of five years. The City's contribution is intended to leverage additional partnership funding to restore and reopen the rooms for use as interim affordable housing. Interim housing plays a significant role in meeting Council's goal of ending street homelessness.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

On July 28, 2011 Council endorsed the Housing & Homelessness Strategy 2012-2021. Priority actions that relate to this grant request are to optimize the City's use of grants to lever and support housing partnerships.

Council policy is 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 households; seniors on fixed incomes or in need of support; SRO residents; and those with mental illness, addictions and physical challenges.

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

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

This project provides an opportunity for the City to support Community Builders Group to partner with St Paul's hospital and the Housing Outreach Team to provide much needed interim affordable housing until more permanent housing can be built. All of the 100 rooms benefitting from this capital grant will rent at rates more affordable to homeless or low income households.

The Chief Housing Officer RECOMMENDS approval of the foregoing.

REPORT

Background/Context

The Bosman at 1060 Howe Street is privately owned and until 2009, operated as a tourist hotel. In 2009, Portland Hotel Society (PHS) leased the building for an initial period of 3 years to support a research demonstration project by the Mental Health Commission of Canada (At Home/Chez Soi) that assessed ways of supporting homeless people with mental illness and increasing their quality of life. BC Housing continued to support the project for a further two years until 2014.

In support of the initiative, Council approved a \$500,000 grant to the Mental Health Commission of Canada (RTS 08469). Other partners to the project included, Streethome (\$825,000), and the Vancouver Foundation (\$275,000).

The owner's initial plans to redevelop the site to mixed use/residential following the end of the lease with PHS have been delayed. The owner has now entered into a 5-year lease with Community Builders Group to renovate and re-open 100 rooms to provide much needed interim affordable housing for homeless and low-income tenants.

Strategic Analysis

The City's Housing Strategy supports provision of social and supportive housing throughout the city in locations where there is accessibility to transit, shopping and community services.

Community Builders Group (CBG) is a non-profit organization whose network of local partners includes Community Builders Foundation, Community Builders Benevolence Group and the Anhart Foundation. CBG has 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. Its approach to affordable housing includes lean operational management with a self-sufficient philosophy, innovative partnerships with social service providers and altruistic professionals who provide pro bono services and, community building in tenant populations by using an integration model that increasingly involves tenants in helping manage the building with some eventually getting employed to do so.

CBG will also collaborate with community partners to provide mental health supports, home support services and crisis intervention for tenants who may require assistance. CBG has entered into a lease with the owner of 1060 Howe Street for a period of five years commencing March 1, 2015 to operate 100 renovated rooms. The following services will be provided within their operating revenue plan:

- One full time support worker - seven days per week;
- One live in caretaker - on site for overnight services;
- Daily janitorial services;
- A home support worker to provide life skills and medical support;
- Maintenance - three days per week; and
- Mental Health support service - as needed.

CBG have entered into a funding and support agreement with St Paul's Hospital to provide 6 rooms for individuals who are ready to be discharged from hospital, but need medical and other supports including further assistance to find permanent housing.

The Housing Outreach Team will provide assistance with referring homeless and low-income individuals to CBG and supporting them with the move-in process, including assessment of need and supports. In addition they will provide around 30 rent supplements (funded by BC Housing) in order to make the rents more affordable to some of those individuals.

Affordability

Without further fundraising, rent supplements and/or grant support, CBG will not be able to offer many of the interim housing units at affordable rents. The lack of affordable rents is a barrier to homeless and low-income individuals finding and maintaining homes. Council approval of this capital grant would enable CBG to secure 100 units of interim housing and make as many of these units as possible affordable and accessible to homeless and low-income individuals.

The estimated monthly rent with the City's contribution is as follows:

- 24 rooms up to \$600
- 30 rooms up to \$575
- 30 rooms up to \$475
- 10 rooms up to \$375
- 6 rooms for St. Paul's Hospital

CBG will continue to pursue fundraising and other partnerships, including requests to BC Housing, to further enhance affordability and long-term viability of the project.

Financial Implications

The overall project cost for delivering 100 units of interim affordable housing, including lease and facility-related costs as well as housing programming and onsite supportive service costs, is estimated to be \$4.35 million, which is equivalent to \$870,000 (2015\$) a year or \$725 per unit per month.

Staff recommend that Council approve a capital grant of \$1 million to CBG, which represents 23% of the estimated overall costs over five years; source of funding to be the 2015 Housing Capital Budget - Grant for Non-market Housing (subject to Council adoption of the 2015 Budget on March 3, 2015).

Staff will work with CBG to pursue other funding opportunities, including BC Housing and other charitable organizations, to further enhance affordability and long-term viability of the project.

CONCLUSION

This report seeks approval of a capital grant of \$1 million to Community Builders Group to enable delivery of 100 units of interim affordable housing at 1060 Howe Street for five years. Approval of this grant supports the Housing and Homelessness Strategy (2012-2021) and Councils goal of ending street homelessness by 2015.

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