



ADMINISTRATIVE REPORT

Report Date: July 18, 2016
Contact: Abi Bond
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RTS No.: 11588
VanRIMS No.: 08-2000-20
Meeting Date: July 26, 2016

TO: Vancouver City Council
FROM: General Manager of Community Services
SUBJECT: Grant Request - Atira Women's Resource Society - 561 East Hastings Street

RECOMMENDATION

- A. THAT Council approve an increase in grant from \$38,000 (previously approved) to \$70,000 to Atira Women's Resource Society to manage and operate 39 rooms at the Patrick Anthony Residence, located at 561 East Hastings St., for a period of one year; source of funding for the additional grant (\$32,000) to be the 2016 Operating Budget for Interim Housing.
- B. THAT the grant noted in A above be subject to the execution of agreements with the Owner of the Patrick Anthony Residence securing Atira Property Management Inc. (Atira's wholly owned property management arm) as the operator and securing the use of the 39 rooms for these purposes for one year, on terms approved by the Chief Housing Officer and the Director of Legal Services.

Council approval of grant recommendations requires eight affirmative votes.

REPORT SUMMARY

In response to the Oppenheimer encampment in the summer of 2014, the City of Vancouver leased the vacant Quality Inn at 1335 Howe Street (157 rooms) for a period of two years to serve as interim housing for the homeless. The lease expires November 5th, 2016, as the site is being demolished and redeveloped, and the City is actively identifying relocation options for the existing tenants at the Quality Inn.

Earlier this year, staff identified 39 vacant rooms at the Patrick Anthony Residence, located at 561 E Hastings, as one housing option for some of the residents relocating from the Quality Inn. On April 19, 2016, Council approved a grant of \$38,000 to Atira

Women's Resource Society to operate the 39 rooms, subject to Atira's property management arm entering into a property management contract with the owner of the building for a period of one year.

The grant amount of \$38,000 was approved by Council to offset the additional staffing and maintenance costs required to adequately manage a fully tenanted building (an additional 39 rooms). Since the approval of that grant, a revised financial budget by Atira has projected that a larger grant of \$70,000 will be required to fully subsidize the incremental maintenance cost of bringing the building to full occupancy. Given the time sensitive nature of tenant relocation and the cost effectiveness of this housing option, this report recommends approval of an additional \$32,000 grant to Atira Women's Resource Society, totaling a City contribution of \$70,000, in order to adequately offset the additional costs required to successfully rehouse 39 tenants from the Quality Inn for a period of one year.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

- On April 19th, 2016, Council approved a grant of \$38,000 to Atira Women's Resource Society (RTS 11400) to manage and operate 39 rooms at the Patrick Anthony Residence, located at 561 East Hastings St., for a period of one year. The grant was subject to the execution of agreements with the Owner of the Patrick Anthony Residence securing Atira Property Management Inc. (Atira's wholly owned property management arm) as the operator and securing the use of the 39 rooms for these purposes for one year.
- On July 28, 2011 Council endorsed the Housing & Homelessness Strategy 2012-2021 which includes three strategic directions:
 1. Increase the supply of affordable housing;
 2. Encourage a housing mix across all neighborhoods that enhances quality of life; and,
 3. Provide strong leadership and support partners to enhance housing stability.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

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

REPORT

Background/Context

In November, 2014, the City of Vancouver responded to the homeless encampment at Oppenheimer Park through the addition of 157 units of interim housing at the vacant Quality Inn Hotel at 1335 Howe Street. The City entered into a two-year lease with the owners of the site, which was slated for redevelopment, in order to house 171 homeless and at-risk low-income adults. The Quality Inn is operated by Community Builders Group, who provide 24 hour staffing and supports.

The lease between the City and the owners of the site expires on November 5th, 2016, as the site is being demolished and redeveloped into secured market rental housing. Over the last year, City staff have been assessing various relocation options for the tenants at the Quality Inn in order to continue to provide them with the appropriate housing and any necessary supports. Tenant relocation has begun where opportunities exist and it is expected that all tenants will be moved by the end of October.

Strategic Analysis

Earlier this year, staff identified the Patrick Anthony Residence, located at 561 E Hastings, as one feasible housing option for residents requiring relocation from the Quality Inn. The building has a total of 67 newly renovated rooms, 39 of which are vacant and can be made available immediately to tenants at rents of \$375/month. On April 19, 2016, Council approved a grant of \$38,000 to Atira Women's Resource Society to manage and operate the rooms for a period of one year. The grant was subject to the execution of a one-year property management contract between the owner of the building and Atira Property Management Inc. (Atira's wholly owned property management arm), meaning that Atira would be responsible for managing and tenanting the building, as well as collecting rent.

The initial grant request was made on the basis that \$38,000 would sufficiently offset the additional staffing and maintenance costs required to adequately manage a fully tenanted building (an additional 39 rooms). Since the approval of that grant, further financial analysis by Atira outlining rent revenue and operating costs demonstrated that the maintenance costs associated with bringing the building to full occupancy are anticipated to be higher than was initially indicated, increasing the required subsidy amount to \$70,000. Staff are in agreement that the revised cost accurately reflects the maintenance fees associated with the addition of 39 tenants. Given the time sensitive nature of tenant relocation and the cost effectiveness of this relocation option, staff recommend the approval of an additional grant of \$32,000, totalling a City contribution of \$70,000, in order to adequately offset the additional staffing and maintenance costs required to manage the additional 39 rooms. Approval of this grant will enable 39 tenants to relocate from the Quality Inn and reside at the Patrick Anthony Residence at a cost to the City of \$150 per tenant per month over a period of one year.

The property management contract will be in place for a minimum of one year. During this time period, Atira will be exploring other funding opportunities in an effort to secure the long term sustainability of the housing arrangement. Staff will examine all potential options, including approaching BC Housing to see if they would support a longer-term funding arrangement beyond the City's initial investment.

*Implications/Related Issues/Risk (if applicable)**Financial*

Staff recommend that the grant be increased from \$38,000 (approved on April 19, 2016) to \$70,000 to address additional building maintenance requirements determined through further analysis; source of funding for the incremental grant (\$32,000) to be the 2016 Operating Budget for Interim Housing. This City's contribution represents \$150 per tenant per month for a year.

CONCLUSION

The 39 rooms at the Patrick Anthony Residence will provide much needed housing for some of the tenants who will need to be relocated from their current residence at the Quality Inn due to redevelopment of the site. This report commends approval of an additional grant of \$32,000 to Atira Women's Resource Society in order to adequately subsidize the cost of tenanting an additional 39 rooms and bringing the building to full occupancy.

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