



ADMINISTRATIVE REPORT

Report Date: September 19, 2017
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Meeting Date: October 17, 2017

TO: Vancouver City Council

FROM: General Manager of Planning, Urban Design and Sustainability

SUBJECT: Downtown Eastside (DTES) Projects Funding Update: Chinese Society Buildings Matching Grant Program Final Report and Community Economic Development (CED) Funding Allocation

RECOMMENDATION

- A. THAT Council approve the allocation of \$23,186 from unspent matching grants funds (Appendix A) to the Yue Shan Society to support unforeseen structural repairs beyond the scope of their 2015 matching grant.
- B. THAT Council approve the re-allocation of \$404,866 from unspent matching grants funds (Appendix A) from the *Chinese Society Buildings Matching Grant Program* to the *Chinese Society Legacy Program*.
- C. THAT Council approve the allocation of \$60,000 to hire a consultant for a study focused on unpermitted vending in the Downtown Eastside and areas near transit stations; source of funding is the 2017 DTES Capital Budget.

Recommendation A requires 2/3 affirmative votes of all Council members per Vancouver Charter S. 206(1)

REPORT SUMMARY

This report is comprised of two parts. Part one is the final report to re-allocate unspent funds from the *Chinese Society Buildings Matching Grant Program*, which provided funding to Chinese Societies in the Downtown Eastside (DTES) to allow for critical renovations to Society buildings in need of repair.

This report recommends that Council allocate \$23,186 to the Yue Shan Society in matching funds to support unforeseen structural repairs beyond the original scope of their 2015 grant.

The remaining \$404,866 in unspent funds (Appendix A) is recommended to be re-allocated to the *Chinese Society Legacy Program* to further build capacity for the rehabilitation of important heritage and cultural assets in Chinatown.

Part two includes allocating funding to hire a consultant to study unpermitted vending in the DTES and areas near transit stations, as a way to better understand the quality of life of DTES residents.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

Part 1: Chinese Society Buildings Matching Grant Program

- On July 25, 2012, Council approved the *Chinatown Neighbourhood Plan and Economic Revitalization Strategy*, which includes a priority to restore Chinese Society buildings.
- On March 15, 2014, Council adopted the DTES Plan, which includes a policy to pursue the rehabilitation of the Chinese Society buildings, and a quick-start action to develop the *Chinatown Society Buildings Matching Grants Program*.
- On July 9, 2014, Council approved the *Chinese Society Buildings Matching Grant Program* and a budget of \$2.5 million to provide critical capital upgrades to buildings owned by Chinese Societies in the Downtown Eastside.
- On December 17, 2014, Council approved the first round of grant allocations for the *Chinese Society Buildings Matching Grant Program*.
- On May 13, 2015, Council approved the second round of grant allocations for the *Chinese Society Buildings Matching Grant Program*.
- On December 2, 2015, Council approved the reallocation of unspent funds from withdrawn applications to implement the 2016 round of *Chinese Society Buildings Matching Grant Program*.
- On December 10, 2015, Council approved the *Chinese Society Legacy Program* for the rehabilitation of twelve Society heritage buildings in Chinatown.
- On May 4, 2016, Council approved the third and final round of grant allocations for the *Chinese Society Buildings Matching Grant Program*.

Part 2: Community Economic Development Funding Allocation

- On March 15, 2014, Council approved the *Downtown Eastside Plan*, which includes policies to support inclusive employment opportunities in the DTES.
- On October 29, 2014, Council approved the *Healthy City Strategy 2014-25*.
- On November 30, 2016, Council approved the *Downtown Eastside Community Economic Development Strategy (DTES CED Strategy) Phase II*.

REPORT

Background/Context

Part 1: Chinese Society Buildings Matching Grant Program

The primary objective of the *Chinese Society Buildings Matching Grant Program* is to support critical capital upgrades to buildings owned by Chinese family clan and benevolent societies in the DTES. There is a focus on work that enhances and extends the life of the building or improves conditions or security of tenure of any affordable housing in the building.

All applicants must meet the following requirements:

- Member-based Chinese family clan and benevolent society.
- Registered non-profit society status.
- Ownership by the Society of a building located in the DTES.
- Commitment to a 50-50 cost-sharing arrangement with the City.
- Work completed to City standards, with proper permits as required.

To date, Council has approved funds for 40 matching grants over three rounds of applications:

- Round 1, Dec 2014: \$1,160,000 allocated to 17 Societies (\$649,855 spent).
- Round 2, May 2015: \$927,500 allocated to 13 Societies (\$653,417 spent).
- Round 3, May 2016: \$496,000 allocated to 10 Societies (\$368,676 spent).

The grants covered critical repairs such as structural reinforcement, roof replacement and weatherproofing to help stabilize old buildings. The investment enabled by this program advances community priorities in the *Chinatown Vision*, *Chinatown Neighbourhood Plan*, and *Downtown Eastside Plan* on heritage preservation, affordable housing, and cultural assets. Through the matching grants program, upgrades were made to buildings that include:

- 13 buildings on the Vancouver Heritage Register.
- 276 units of housing, including single-room accommodations (SRA) renting at below shelter rates.
- Community meeting halls and ancestral shrines.
- Renewed commercial retail units that act as a source of revenue for Societies.

The approximate value of the repairs completed through the program is \$6.4 million. The City's contribution totals \$2.1 million or 32% of the total project value (\$2.5 million original allocation less approximately \$400,000 in unspent funds), with the remaining \$4.3 million in investment leveraged from the Societies themselves. Some Societies pursued further upgrades to their buildings through DTES Capital Grants. Applicants for the *Chinese Society Buildings Matching Grant Program* completed their program requirements in summer 2017 with the submission of their final report.

To continue to support Chinese Societies beyond matching grants, Council approved the *Chinese Society Legacy Program* in December 2015, which focuses on rehabilitating twelve Society heritage buildings in Chinatown. Work on the program is ongoing. The Societies are currently working with a consultant for the program to develop a global fundraising campaign,

pursue fundraising commitments, and establish a community bond structure. This is expected to take six to eight months to complete. As more progress is made, staff will report back to Council with an update and proposals to distribute the City's funding commitment.

Part 2: Community Economic Development Funding Allocation

According to 2006 Census data, approximately 7,640 individuals in the DTES are on social assistance rates that provide \$610 per month for singles and \$910 for people on disability (including \$375 for shelter). As a result, the rate of persons falling below the low income measure continues to be much higher in the DTES (61%), than citywide (21%). Although the new Provincial government has increased welfare rate for both singles and people on disability by \$100 per month, a significant gap still exists between welfare rates and cost of living that has significantly increased in the past 10 years. Many residents in the DTES are still struggling to pay for basic needs. Significant actions are needed to address issues of persistent poverty.

The DTES Plan includes policies to support the creation of low-barrier jobs as a way to generate income for local residents. Further, the CED Strategy, approved by Council in 2016, emphasizes that low-income self-employment, such as binning and vending, are important ways for DTES residents to make ends meet in the face of stagnant welfare rates or limited earnings exemptions.

The CED Strategy included grants to partnering non-profit organizations for 15 quick start projects. One of the quick start actions is a low-income self-employed needs assessment. This assessment was completed and laid the ground work for the study to better understand unpermitted vending recommended in this report.

Strategic Analysis

Part 1: Chinese Society Buildings Matching Grant Program

\$428,052 in unspent funds remain in the *Chinese Society Buildings Matching Grant Program*. The full accounting of the funds for all 40 matching grants can be found in Appendix A. This report recommends that these unspent funds be re-allocated as follows:

Additional Funds for the Yue Shan Society

This report recommends the allocation of additional funds for the 2015 matching grant to the Yue Shan Society. The Society was approved for a \$7,500 matching grant in 2015. As work on the building progressed, unexpected structural issues were identified that required repairs beyond the original scope. The additional work would have been eligible to be covered by the matching grant. Staff recommend the allocation of \$23,186 in additional matching funds to cover these upgrades.

Re-allocation of Funds to the Chinese Society Legacy Program

\$404,866 remain in the matching grants budget after accounting for the additional funds for the Yue Shan Society. These funds are recommended to be re-allocated to the *Chinese Society Legacy Program*, which supports the further rehabilitation of twelve Society heritage buildings on historic Pender Street. This program advances key Council priorities, such as providing

structural upgrades for heritage buildings and improving affordable SRA units. It includes an opportunity for capacity building and partnership development amongst the Societies, resulting in a sustained, long-term benefit.

Part 2: Community Economic Development Funding Allocation

Unpermitted Vending in the DTES and areas near transit stations

Staff are looking to hire a consultant to evaluate the current state of unpermitted vending in the DTES and near transit stations in the neighbourhood. Unpermitted vending is expanding from the Downtown Eastside to Grandview-Woodland and other areas in the city without a complete understanding of the current conditions or potential policy options.

The aim of the study is to understand the current conditions and forces (positive or negative) that affect those who participate in unpermitted vending, as well as the impacts to tourism, business vitality and City resources. Included will be a best practice review from other cities in how they manage and support the growing sharing economy. The work will be co-managed by Community Services and Engineering Services and is anticipated to start in 2018.

Implications/Related Issues/Risk

Financial

Part 1: Chinese Society Buildings Matching Grant Program

In July 2014, Council approved the *Chinese Society Buildings Matching Grant Program* with a total budget of \$2.5 million. This funding was spent through three rounds of matching grants in 2014, 2015 and 2016, as described in Table 1 below.

Of the unspent funds, this report recommends that \$23,186 be re-allocated to the 2015 matching grant for the Yue Shan Society. The remaining \$404,866 in unspent funds are recommended to be re-allocated to the *Chinese Society Legacy Program* to further advance the rehabilitation of heritage buildings.

Table 1: Chinese Society Building Matching Grants Program funds

Total approved budget	\$2,500,000
Program Consultant (approved Jul 2014)	(\$400,000)
Round 1 - 2014 Matching Grants funds spent (approved Dec 2014)	(\$649,855)
Round 2 - 2015 Matching Grants funds spent (approved May 2015)	(\$653,417)
Round 3 - 2016 Matching Grants funds spent (approved May 2016)	(\$368,676)
Remaining unspent funds available for re-allocation	\$428,052
Funds for Yue Shan Society (Recommendation A)	(\$23,186)
Funds for the <i>Chinese Society Legacy Program</i> (Recommendation B)	(\$404,866)
Remaining balance of funds in the matching grants program	\$0

Part 2: Community Economic Development Funding Allocation

The DTES Capital Budget is a strategic fund used to implement the DTES Plan in three priority areas: protecting community assets, neighbourhood improvement and community building, and community economic development.

This report seeks Council approval to allocate \$60,000 for a study on unpermitted vending in the DTES and areas near transit stations. Source of funds is the 2017 DTES Capital Budget.

CONCLUSION

Part 1: Chinese Society Buildings Matching Grant Program

Established upon the ideals of solidarity, mutual dependence and charitable services, Societies have been part and parcel of the Chinatown community for over 100 years. They have deep ties in the community and given the right tools and support, they will remain key contributors for the next century.

The City has directed strategic investments toward these key community assets through the *Chinese Society Buildings Matching Grant Program* and the *Chinese Society Legacy Program*. The rehabilitation of these structures helps support a host of community priorities beyond just buildings: providing affordable housing, celebrating intangible and living heritage, honouring Chinese seniors, building a sense of community, and commemorating Chinese-Canadian culture and history.

The recommendations included in this report will allow for continued investment into the Society buildings, ensuring their longevity and building a sustainable future for Chinatown.

Part 2: Community Economic Development Funding Allocation

An important goal of the DTES Plan is to ensure that residents are given opportunities to earn a living that at a minimum can pay for their basic needs. The CED Strategy outlines priority actions to help create jobs and income-earning opportunities.

The recommendations included in this report contribute to the implementation of priority actions in the DTES Plan, the CED Strategy and the Healthy City Strategy by understanding the current conditions and opportunities for supporting the creation of low-barrier jobs for local residents.

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Appendix A: Summary of Matching Grant Funds

Table 2: Summary of Matching Grants funds (40 grants total)

#	Society	Year	\$ approved	\$ spent	\$ previously reallocated	\$ reallocated in this report
	Program Consultant	-	\$400,000	\$400,000.00		\$0
1	Shon Yee Benevolent Association	2014	\$75,000	\$49,600	\$25,400	\$0
2	Canada Quan Lung Sai Tong Association	2014	\$75,000	\$40,500	\$34,500	\$0
3	Chinese Social Development Society	2014	\$25,000	\$12,500	\$12,500	\$0
4	Shon Yee Benevolent Association (May Wah Hotel)	2014	\$100,000	\$0	\$100,000	\$0
5	Yee Fung Toy Society of Canada	2014	\$100,000	\$0	\$100,000	\$0
6	Ming Sun Benevolent Society (Ming Sun Reading Room)	2014	\$50,000	\$0	\$50,000	\$0
7	Yin Ping Benevolent Society of Canada	2014	\$50,000	\$0	\$50,000	\$0
8	Chau Luen Kon Sol Society of Vancouver	2014	\$50,000	\$50,000		\$0
9	Hoy Ping Benevolent Association	2014	\$25,000	\$25,000		\$0
10	Lim Sai Hor Kow Mok Benevolent Association	2014	\$100,000	\$100,000		\$0
11	Lung Kong Tien Yee Association (Sun Ah Hotel)	2014	\$100,000	\$100,000		\$0
12	Mah Society of Canada (Asia Hotel)	2014	\$100,000	\$100,000		\$0
13	Yue Shan Society	2014	\$85,000	\$85,000		\$0
14	Lung Kong Tien Yee Association	2014	\$100,000	\$16,084		\$83,916
15	Natives of Toi Shan Benevolent Society of Vancouver	2014	\$75,000	\$33,064		\$41,936
16	Kong Chow Benevolent Association of Canada	2014	\$25,000	\$14,607.15		\$10,393
17	Soo Yuen Society	2014	\$25,000	\$23,500		\$1,500
18	Vancouver Tsung Tsin (Hakka) Association	2015	\$30,000	\$18,900	\$11,100	\$0
19	Wongs' Benevolent Association (Han Shen Building)	2015	\$100,000	\$0	\$100,000	\$0
20	Chau Luen Kon Sol Society of Vancouver	2015	\$50,000	\$50,000		\$0
21	Chin Wing Chun Tong Society of Canada	2015	\$100,000	\$100,000		\$0

#	Society	Year	\$ approved	\$ spent	\$ previously reallocated	\$ reallocated in this report
22	Tse Clansman Association of Vancouver	2015	\$40,000	\$40,000		\$0
23	Lim Sai Hor Kow Mok Benevolent Association	2015	\$100,000	\$100,000		\$0
24	Mah Society of Canada (Asia Hotel)	2015	\$100,000	\$100,000		\$0
25	Chinese Benevolent Association	2015	\$100,000	\$100,000		\$0
26	Cheng Wing Yeong Tong Benevolent Society	2015	\$100,000	\$100,000		\$0
27	Wongs' Benevolent Association	2015	\$100,000	\$25,182		\$74,818
28	Ing Suey Sun Tong Association	2015	\$25,000	\$11,835		\$13,165
29	Natives of Toi Shan Benevolent Society of Vancouver	2015	\$75,000	\$0		\$75,000
30	Yue Shan Society	2015	\$7,500	\$7,500.00		\$0
31	Long Kong Tien Yee Association (Sun Ah Hotel)	2016	\$100,000	\$100,000		\$0
32	Cheng Wing Yeong Tong Benevolent Society	2016	\$100,000	\$100,000		\$0
33	Chin Wing Chun Tong Society of Canada	2016	\$100,000	\$100,000		\$0
34	Vancouver Tsung Tsin (Hakka) Association	2016	\$10,000	\$7,875.96		\$2,124
35	Hoy Ping Benevolent Association	2016	\$6,000	\$3,300		\$2,700
36	Gee How Oak Tin Association	2016	\$25,000	\$16,500		\$8,500
37	Zhongshan Lung Jen Benevolent Society	2016	\$45,000	\$41,000		\$4,000
38	Yin Ping Benevolent Society of Canada	2016	\$50,000	\$0		\$50,000
39	Hoy Yin Association	2016	\$20,000	\$0		\$20,000
40	Ing Suey Sun Tong Association	2016	\$40,000	\$0		\$40,000
			\$2,983,500*	\$2,071,948	\$483,500*	\$428,052

**Total unspent funds
available for re-allocation
in this report**

* Note: The total matching grants program budget is \$2.5 million. The total allocation is greater because \$483,500 were previously re-allocated from completed grants into new 2016 grants. The total amount spent to date and the amount to be re-allocated in this report totals \$2.5 million.

Table 3: Re-allocation of unspent funds recommended in this report

Total unspent funds available for re-allocation (from Table 2)	\$428,052
Funds for Yue Shan Society (Recommendation A)	(\$23,186)
Funds for the <i>Chinese Society Legacy Program</i> (Recommendation B)	(\$404,866)