



ADMINISTRATIVE REPORT

Report Date: May 1, 2018
Contact: Kevin McNaney
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RTS No.: 12524
VanRIMS No.: 08-2000-20
Meeting Date: May 15, 2018

TO: Vancouver City Council
FROM: General Manager of Planning, Urban Design and Sustainability
SUBJECT: 2018 Downtown Eastside (DTES) Capital Grant Program Allocation

RECOMMENDATION

- A. THAT Council approve the matching grant allocation of \$752,900 to Downtown Eastside (DTES) non-profit organizations (as detailed in Appendix A) to strategically advance the social, economic and environmental objectives of the approved DTES Plan. Source of funds is the 2018 DTES Capital Budget.
- B. THAT Council approve the allocation of \$100,000 matching grant for the implementation of the Pilot Community-Serving Retail program (to upgrade one society-owned retail space as detailed in Appendix E). Source of funds is the 2018 DTES Capital Budget.

Approval of grant recommendations requires eight affirmative votes.

REPORT SUMMARY

The main grant allocation is for the DTES Capital Matching Grant Program. An additional allocation is recommended to support the implementation of a Community-Serving Retail pilot program to be launched in late 2018 managed by the SBIA with matching funding.

Council approved the *Downtown Eastside (DTES) Plan* in March 2014 setting out the policies, strategies, Quick Start and Short Term actions needed to achieve the long term vision that "the neighbourhood will be made up of mixed-income communities with a range of affordable housing options (including social housing) for all residents, local serving commerce, social services and cultural activities where all feel welcome, valued and at home".

The proposed capital grants are to be used to broaden implementation efforts to achieve this vision. In this way, City staff work with non-profit organisations to improve the lives of low

income residents and revitalise the area without displacing vulnerable residents and valuable community assets.

For the DTES Capital Matching Grant Program, staff invited applications in early March 2018. A total of twenty-four applications were received and twenty two are recommended for funding. This report recommends grants be approved for four projects related to Community Economic Development (CED), seventeen projects related to Community Asset Management initiatives and one for Neighbourhood Improvements. Two applications are not recommended for approval at this time.

The proposed projects range from building improvements for non-profit organizations to training and job creation for individuals facing barriers to employment. Projected benefits expected from these capital projects include the following examples:

- an improved facility that provides 24 hour care and housing for 48 individuals with mental health and addiction challenges,
- an improved kitchen facility where 40,000 meals are served annually to the community,
- support for young people and families living in the DTES/ Strathcona community through the provision of social supports and services with the aim to breaking the cycle of poverty,
- a multi-tenant cultural hub, providing an estimate 40 non-profit social and cultural workers with below market rent for community and artistic activities.
- renovated washroom and shower facilities in a historic residential building in Chinatown that houses over 100 low-income residents, including many seniors, and
- an upgraded building to improve women's and overall safety for drop-in members, shelter residents and staff.

In addition, following the potential positive outcome from a 2017 Matching grant proposal, the Pilot Community-Serving Retail program will help to reduce the impacts resulting from the loss of legacy businesses and improve the sustainability of the Chinese Society buildings. It is anticipated this will improve society building retail spaces and provide affordable leased space to non-profit groups and social enterprises.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

- In December 2016 Council approved the *DTES CED Strategy (Phase 2)*.
- In October 2014 Council approved the *Healthy City Strategy 2014-25*.
- In March 2014 Council approved the *Downtown Eastside Local Area Plan (DTES Plan and Social Impact Assessment (SIA))*.
- *In July 2012, Council approved the Chinatown Neighbourhood Plan and Economic Revitalization Strategy.*

- In January 2012 Council received for information the *Vancouver Economic Action Strategy*.
- In July 2011 Council approved the *Greenest City Action Plan 2020*.

REPORT

Background/Context

The Downtown Eastside (DTES) comprises the seven mixed income neighbourhoods of Gastown, Victory Square, Chinatown, Downtown Eastside Oppenheimer District, Thornton Park, Strathcona and the Industrial Lands.

Based on 2006 Census data, at least half of the 18,500 residents earn below the estimated median income of \$13,700 per annum (compared to the city wide median of \$47,300). Despite the high level of poverty and vulnerability, the DTES is a very creative, diverse area with close-knit communities, a mix of land uses, unique heritage assets and cultural amenities. The *DTES Plan* provides the 30 year vision, strategies and policies needed to achieve a better quality of life for the residents, and improved opportunities for businesses and industries.

A significant number of Quick Start and Short Term projects were approved as part of the DTES Plan (refer to Appendix B for a summary table) and the proposed grants provide an opportunity to work with various partners, including non-profit societies and Business Improvement Associations, to implement these projects.

The grants program is designed to build partnerships with non-profit organisations, charities, social enterprises, Societies and Business Improvement Associations to help implement the Quick Start and Short Term projects in the DTES Plan. Eligible projects must include at least one of the following criteria as set out in the *2018 DTES Capital Grant Program Guidelines* (refer to Appendix D), allowing the funds requested to be used for the following:

- Expenses associated with building asset improvements, upgrades to premises and/or facades needed to implement the Plan.
- Capital improvement related "soft costs" for feasibility studies, investigations, project management etc., to build capacity leading towards capital related improvements.
- Strategic opportunities where projects have potential for substantial outcomes that meet Council and DTES priorities.
- Movable assets such as machinery, tools, equipment, appliances, etc.

Applications were also compared to the *DTES Plan Social Impact Objectives* for example:

- Ensure that developments and businesses fit the DTES neighbourhood context, offer needed, locally-serving uses, and do not significantly exclude or negatively impact the low-income community.
- Improve the overall quality, accessibility and inclusiveness of the public realm in the DTES, recognizing the uniqueness of each sub-area.
- Maintain diversity of existing businesses and commercial uses and support affordable commercial spaces for social enterprises, micro enterprises and small businesses providing low-cost goods and services for residents.

- Retain, preserve and celebrate local heritage, arts and culture for all.
- Maintain adequate health and social services within the community, as well as community amenity and gathering spaces to serve the needs of the diverse local population.

Capital Grants

A total of 24 applications were received and twenty two are recommended for funding to a total of \$752,900. A multi-departmental staff team reviewed the applications and considered the benefits to the neighbourhood that would be created through the proposals including local hiring, job creation, value-added local serving retail, micro enterprises, upgraded SRO building, improved access to services, cultural asset maintenance and related opportunities.

Community-Serving Retail

In March 2017, the Strathcona Business Improvement Association (SBIA) received a DTES Capital Grant of \$32,000 to explore opportunities for affordable and culturally relevant retail and micro-enterprises in underutilized Chinese society buildings. This comprised phase 1 of a program designed to support the local economy, rejuvenate the public realm, provide entry-level employment opportunities, help Chinese societies build their capacity and, restore disused vacant main floor space into community serving retail business and/or social enterprises.

In phase 2 (Interim-refer to details in Appendix E) it is intended to secure participation of at least one society during 2018, design required interior upgrades and derive cost estimates, find viable and appropriate entrepreneurs, secure the participation of other Chinese societies, build capacity of the local business community and motivate funding for a larger program.

Strategic Analysis

The DTES Capital Grants Program presents a strategic opportunity to implement the *DTES Plan* in three key priority areas identified in the planning process: protecting community assets, neighbourhood improvement and community building, and community economic development. The program also supports the *DTES Community Economic Development Strategy* which reinforces the local economy as a livelihoods continuum, from survival and informal work to supported employment, formal employment and entrepreneurship.

The grants recommended in this report align with Council priorities and strategies, in particular the *Healthy City Strategy*, the *Greenest City Action Plan* and the *Vancouver Economic Action Strategy*. The grants focus mostly on the *Healthy City Strategy*, an inspirational strategy for all residents of Vancouver, particularly to the diverse neighbourhoods of the DTES. This strategy aspires to the vision of a "Healthy City for All" through three focus areas of "Healthy People" (taking care of basics) "Healthy Communities" (cultivating connections) and "Healthy Environments" (ensuring liveability now and into the future).

Most of the applications are related to Community Asset Management priority areas. All applications support the DTES Plan's vision to improve the lives of low income residents and revitalise the area without displacing vulnerable residents and valuable community assets.

The DTES Capital grants will also support partnerships to build capacity and leverage additional matching funding (at least 50%) through the sourcing of other funds. With these series of applications, the amount of funds leveraged is just over three times the amount granted. All projects will be monitored regularly and the matching funds leveraged for each application will be confirmed before the final grant is released.

The Pilot Community-Serving Retail program for one Chinese Benevolent Society building supports Council priorities and local businesses in Chinatown. It also assists existing community-based societies to better serve the community and to be self-sustaining. At the end of the pilot there would be improved capacity of the Chinese Societies to recruit and retain community-serving tenants, more affordable options for tenants to stay or to occupy vacant storefronts and a developed plan to scale-up the program to include more society buildings.

Financial

The foregoing recommendation seeks approval for twenty two grants amounting to of \$752,900 and in addition, a grant of \$100,000 to be administered through the SBIA for the Community-Serving Retail pilot program. Source of funds is the 2018 Capital Budget for the Downtown Eastside.

Once the grants have been approved by Council, a Letter of Understanding will be signed between the applicants and the City of Vancouver outlining the terms, conditions, budget, and grant release details including confirmation of matching funds.

The program area of the recommended grant applications are summarized in Table 1 - (See Appendix A for a more detailed description of each project and Appendix E for a description of the pilot project).

Table 1: Recommended DTES Capital grants

Program Area	Objectives	Number of Grants	% of Grants	Total Funding
Community Economic Development	A vibrant and inclusive economy through Community Economic Development	4	18%	\$144,271
Community Asset Management	Retention and improvement of valuable assets identified in the DTES Plan and SIA	17	74%	\$566,629
Neighbourhood Improvements	Improvements to the neighbourhood places and spaces for community wellbeing, safety and walkability	1	4%	\$42,000
Total		22	96%	\$752,900
Retail Community-Serving Pilot Program	Assists existing community-based societies to better serve the community and to be self-sustaining	1	4%	\$100,000
Grand Total		23	100%	\$852,900

CONCLUSION

The grants and funding recommendations in this report align with the policy objectives of the DTES Plan and will help the City to address its priorities of fostering community economic development, protecting community assets, neighbourhood improvement, and community building. These projects will assist greatly in implementing various Quick Start and Short Term projects identified as priorities in the DTES Plan.

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2017 DOWNTOWN EASTSIDE CAPITAL GRANTS
Recommended

No	Organization	Project Description	Outcomes	Quick Starts (see Appendix B)	Amount Recommended
1	221A Artist Run Centre Society	Interior and exterior renovations to 236 E Pender Street to create a multi-tenant cultural hub in Chinatown.	Below market space for 40 non-profit social and cultural workers for community and artistic activities.	Culture (D2)	\$50,000
2	The Bloom Group Community Services Society	Replacement of old existing boiler with an energy efficient one for Victory House, a DTES facility that provides 24 hour care and housing.	Reliable and energy efficient boiler and improved space for 48 individuals with mental health and addiction challenges	Housing (B1)	\$28,729
3	Vancouver Chinatown Foundation for Community Revitalization	Renovations of 6 washrooms and 6 showers as part of the upgrading and restoring the historic May Wah Hotel.	Six upgraded washrooms and showers in the May Wah Hotel for over 100 low-income residents, including many seniors.	Housing (B1)	\$50,000
4	3h Craftworks Society	To scale our operations with expertise from the local textile manufacturing sector to build our skill development, marketing and administrative capacity.	Improved ability to provide opportunities for participants who have disabilities and/or other barriers to acquire and apply sewing skills in a flexible and supportive environment.	Economy (C6, C8,C9)	\$20,000
5	Downtown Eastside Neighbourhood House Society	To renovate and improve the kitchen in the DTES Neighbourhood House which offers 40,000 meals annually to the community.	Upgraded to kitchen providing 40,000 meals annually 6 days a week.	Well-being (A1, A2, A3)	\$10,000

No	Organization	Project Description	Outcomes	Quick Starts (see Appendix B)	Amount Recommended
6	Downtown Eastside Women's Centre Association	Furniture renewal for the Downtown Eastside Women's Centre's busy Drop-In Centre.	Safer and improved space for the DEWC Drop-In Centre for the 380 women and children accessing services daily.	Well-being (A1, A3)	\$39,050
7	Eastside Movement For Business and Economic Renewal Society (EMBERS)	To purchase equipment for EMBER's Pilot Power of Work Program housed at the Eastside Works location at 57 East Hastings St.	Pilot program Power of Work assisting youth, youth leaving care, indigenous people, persons with disabilities, recent immigrants, older workers, moms returning to the workplace and ex-offenders to the labour market.	Economy (C6, C8,C9)	\$40,000
8	First United Church Community Ministry Society	To improve both women's safety and overall safety in their buildings.	Security upgrades to buildings and will benefit drop-in community members, shelter residents and staff alike.	Well-being (A1, A2, A3)	\$25,000
9	Hope Action Values Ethics Culinary Training Society (HAVE)	HAVE Culinary Training Society propose to upgrade their existing commercial kitchens by replacing the current exhaust and fire suppression systems to be in compliance with City bylaws.	Upgraded commercial kitchens to continue to run training program and café/catering social enterprises to benefit individuals of the DTES.	Economy (C6, C8,C9)	\$72,000
10	Hives for Humanity Society	Purchase of mobile honey extraction, wax craft kits and other equipment to support the growth of the Hives for Humanity Bee Space workshop's production capacity.	Growth of Hives for Humanity Bee Space workshop production capacity and creating opportunities for inclusive economic development for re-entry into the work continuum.	Economy (C6, C8,C9)	\$10,060

No	Organization	Project Description	Outcomes	Quick Starts (see Appendix B)	Amount Recommended
11	Mission Possible	The purchase of equipment to outfit additional landscaping team.	New landscaping equipment for social enterprise to employ more individuals facing barriers of poverty in the DTES.	Economy (C6, C9)	\$22,211
12	Pacific Community Resources Society	Tenancy improvements, renovations, and capital purchases associated with move to a new space in Chinatown.	Enhanced ability to support young people and families living in the DTES/Strathcona community through the provision of social supports and services with the aim of breaking the cycle of poverty..	Well-being (A3)	\$50,000
13	SBIA Retail/ Benevolent Association	Research to create opportunities for retail and micro-enterprises in benevolent association buildings to scale up the program to 5 Chinese society locations.	Scale up program to create retail and services that serve the community, strengthen the local culture, provide employment and improve the public realm.	Economy (C3) Culture (D4)	\$42,000
14	SBIA Urban Heat Islands	Engage with local residents on the issue of urban heat islands, its effect on local communities within the DTES, and to have students develop one or two design proposals for a demonstration project.	The demonstration project will provide local employment opportunities, create local gathering spaces, improve public realm and provide a place of safety.	Parks & Open Space (E1, E4) Well-being (A1)	\$42,000
15	Union Gospel Mission	Invest in a heat-based treatment solution (bed bug heaters) to reduce the cost of treating their housing facilities, and temporary shelter for bed bugs.	More cost-effective bed bug treatment system to redirect funds for other residential programs.	Well-being (A3) Housing (B1)	\$12,000

No	Organization	Project Description	Outcomes	Quick Starts (see Appendix B)	Amount Recommended
16	WePress Community Arts Space Society	Purchase of a 3-D printer and translation machine to expand capacity to address accessibility issues and the numerous barriers to art-making.	New 3-D printer and translation equipment to expand capacity to address accessibility art-making through inclusive opportunities like story-telling and art-making workshops with Chinese seniors.	Well-being (A3) Economy (C7)	\$20,000
17	Wong's Benevolent Association	Interior renovation to their aging heritage building, as well as the launch of a new social enterprise.	A safe and accessible building for their senior members. A new co-working space to increase social connections between the elders and youths and to provide a small revenue stream.	Well-being (A3) Culture & Heritage (D2, D4)	\$23,650
18	Yue Shan Society	Maintenance and restoration project to repair the residential units and to replace a hot water tank.	Improved safety and livable conditions for the senior residents as well as upgraded building condition.	Housing (B1) Culture (D4)	\$21,200
19	Chau Luen Kon Sol Society	Interior and exterior upgrades, replace 27 sets of refrigerators and stoves and to install CCTV.	Safer building and improved livability for the residents.	Housing (B1)	\$50,000
20	WestCoast Technology & Innovation Foundation	A resource and a cultural hub for citizens and community groups working on Chinatown related projects,	Chinatown House - a resource and cultural hub for the Chinatown community including co-working space, resource library, small retail space and kitchen for inter-generational cooking.	Well-being (A3) Culture (D2)	\$50,000

No	Organization	Project Description	Outcomes	Quick Starts (see Appendix B)	Amount Recommended
21	Ray-Cam Community Association	Ray-Cam Community Centre will use the grant to support continued work on the Ray-Cam Renewal needs assessment community-led visioning.	Community needs assessment to support future work on the Ray-Cam Community Centre Renewal Project.	Well-being (A3)	\$25,000
22	Urban Promise Ministries	A renovation of a space in the Oppenheimer/ DTES to serve the people living in this neighbourhood .	A renovated space to serve , particularly youth and families, focus on those from the Coast Salish people and other aboriginal ancestry, immigrants, and low income people from various cultures.	Well-being (A3)	\$50,000

2018 DOWNTOWN EASTSIDE CAPITAL GRANTS
NOT Recommended

No	Organization	Project Description	Amount Requested	Comments
1	Eastside Boxing Club (ESB)	Support the implement and outcomes tracking software solution for ESB's after-school youth program to centralize the collection of data across the ESB team to improve their impact on youth.	\$11,227	The after-school youth program is a small part of their business. Does not fully meet the objectives of the DTES Capital fund. This project may be more appropriate for a grant from Social Policy.
2	Ecotrust Canada - The Amp	The expansion of their current washroom facilities that are currently deemed insufficient for the number of people who work out of our space.	\$50,000	Private owned building. Not considered a suitable priority for the DTES Capital funds and does not meet the mandate of serving the DTES residents.

QUICK START ACTIONS and SHORT TERM PROJECTS
(Summary of Section 18.6 - Action Plan 2013-43 of the approved DTES Plan)

A - Well-Being
1. Enhance residents sense of safety, inclusion and belonging, including implementing actions from the City's Task Force on Sex Work and Sexual Exploitation and Missing Women's Inquiry
2. Improve access to affordable, nutritious, and culturally-appropriate foods
3. Continue to prioritize that the safety of women, children, seniors, and culturally-diverse groups through well-designed spaces and inclusive programs
B - Housing
1. Offer grants to non-profits to upgrade SROs while maintaining affordability
2. Continue working with the Residential Tenancy Branch to improve tenant/landlord relations.
3. Amend the SRA By-law and clarify the fee Council can attach to an SRA permit.
4. Explore creative financing using a 'cost-benefit' approach for scattered supportive housing sites.
C - Economy
1. Investigate regulatory changes and building code modifications to accelerate small conversions and renovations of business premises (especially in older buildings that are costly to maintain) to allow business owners who wish to make physical improvements.
2. Work with the four Business Improvement Associations to create a neighbourhood-wide business characteristics survey.
3. Work with VEC and BIAs to attract suitable new enterprises with retail strategies
4. Use City-owned properties, affordable leases, and revitalization tax supports to provide affordable goods and services to the area.
5. Undertake a study of vending alternatives and the establishment of neighbourhood market-selling facilities.
6. Facilitate social and green enterprise practices and innovative business methods to achieve Social Impact objectives and Greenest City Action Plan objectives
7. Innovate and support opportunities for market-selling, small business and micro-enterprise opportunities for DTES residents to build the survival economy
8. Identify, secure and maximize economic/business assets that serve the low-income community (particularly in the CBDA)
9. Increase local employment encouraging inclusive local hiring opportunities.

D - Arts & Culture and Heritage
1. Stabilize key existing physical assets and secure ownership in public domain
2. Retain/create flexible multi-use neighbourhood spaces such as studios, offices, rehearsal/production and indoor/outdoor space
3. Support community efforts to recognize Aboriginal First Nations heritage and the Salish Sea Civilization concept
4. Support community initiatives such as raising the stature of the Japanese Canadian heritage, preservation and rehabilitation of the Chinatown Society buildings, identify, preserve and improve places with social and cultural meaning to the community, such as CRAB Park, Pigeon Park, Oppenheimer Park, Powell Street (Japantown), Chinatown, Strathcona, historic lane ways and alleys.
5. Initiate the work on updating the Vancouver Heritage Register.
6. Create a framework and business plan for a Chinatown Society Building Grants Program
E - Parks & Open Space
1. Convert over-paved or under-used areas into mini-parks or plazas where possible.
2. Review existing street trees to fill gaps and replace ailing trees, and prioritize planting new trees in areas with few or no existing street trees.
3. Make existing parks more useable by adding new features
4. Enhance the public realm to improve walkability, and reinforce the distinct identity of historic areas
F - Community Place-Making
1. Adopt a Social Impact Management Framework to protect and enhance identified community assets, and manage neighbourhood change to provide benefits and opportunities for local resident
2. Hastings Street and Kiwassa Urban Design Framework and Public Realm Plan
3. Undertake improvements to Water Street and Maple Tree Square, including the public realm, pedestrian, cyclist, and traffic safety, and introduce amenities for community programming and celebrations.
G - Well-Managed Growth & Development
1. Amend land use and development policies and bylaws to support plan implementation, including the adoption of a new DTES Rezoning Policy and Social Impact Objectives



2018 DTES Capital Grant Program

Deadline: 4:00 pm - Tuesday April 3, 2018

PROGRAM SUMMARY & APPLICATION GUIDELINES

1. INTRODUCTION

The Planning Department is accepting applications to its 2018 Downtown Eastside (DTES) Capital Matching Grant Program. We are looking for a small number of projects that will achieve the Social Impact Objectives (DTES Plan - page 11) and support the implementation of DTES Plan through Quick Start, and other actions as set out in Chapter 18 of the Plan.

Key priority areas of the DTES Capital Grants are also to be linked to the DTES Plan by:

- Supporting community-based initiatives (for example; micro enterprise establishment, youth outreach, child care and co-op projects etc.),
- Fostering community economic development (CED) (for example; retail space improvements, façade upgrades, storefront activation, social enterprise equipment and fittings etc.)
- Protecting community assets (for example; upgrades to space occupied by social or cultural service providers, social enterprise premises and support to the SRO upgrading program etc.),
- Improving the walkability and safety of the neighbourhood (for example; street improvements, furniture, lighting, signage and information boards etc.).

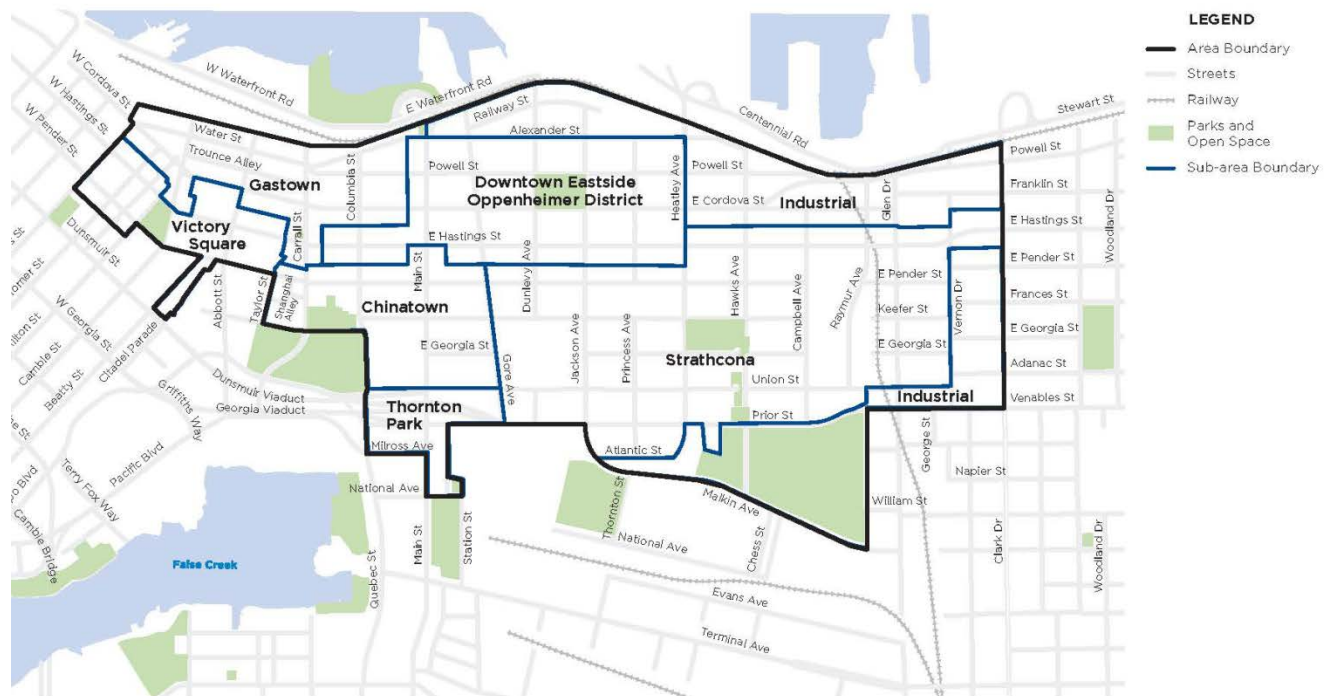
2. PROGRAM SUMMARY

- Matching grants are available in the range of \$5,000 to \$50,000.
- Grants are for capital projects in the DTES (see map).
- Projects are to be completed by December 2018.
- Applicants need to be Vancouver-based non-profit organizations or social enterprises.
- Applicants should share 50% of the project cost.

3. ELIGIBLE ORGANIZATIONS

We welcome applications from Vancouver-based organizations that are:

- Registered non-profit societies.
- Business improvement associations.
- Community service co-ops.
- Charities registered with Canada Revenue Agency (CRA).
- Social enterprises wholly owned by a non-profit society.
- Faith-based organizations.



In addition, organizations must:

- Be in good standing with the Registrar of Societies, be financially stable with sound administration and have a proven track record of public service.
- Have an independent, active governing body composed of volunteers whose main responsibilities shall be program and policy development and fundraising. The Board is held responsible for the effectiveness of services provided and the financial accountability for funds received from all sources. Voting members of the Board of Directors of a Society may not be remunerated for services to the society, but they may be reimbursed for expenses.
- If in City-owned or leased facilities when applying, assure work to be done is in accordance to the terms and conditions in the lease.

We do **NOT** fund organizations that:

- Focus mainly on health care or education (excluding childcare or out-of-school care)
- Exclude certain people or groups because of their religion, ethnicity, gender, age, sexual orientation, language, disability, or income.

4. ELIGIBLE PROJECTS

Your organization may apply if your project is located in the Downtown Eastside and is for:

- Improvements to building assets, upgrades to premises and/or facades that lead to community economic development and enhancing social connections etc.
- Feasibility studies, investigations, skills development, project management etc. and can be funded to build capacity leading to capital related improvements or CED.
- Movable assets such as machinery, tools, equipment, appliances, furniture.
- Flexibility could be made for time-sensitive, strategic projects that will produce significant outcomes that meet the DTES Plan, subject to City Council's final approval.

Your project must align with the DTES Plan in regards to the Social Impact Objectives (Page 11), or help implement a Quick Start project in the DTES Plan (Chapter 18).

You can read the DTES Plan at <http://vancouver.ca/files/cov/downtown-eastside-plan.pdf>

Funding will **NOT** pay for projects already completed.

5. APPLICATIONS REVIEW

Your application will be reviewed by staff and we may invite your organization for an interview. We will review your application based on these considerations:

- a. How the project supports the Social Impact Objectives of the DTES Plan (Chapter 1); applicants should describe how all or some of the objectives would be met.
- b. For CED projects, how would they:
 - Maintain diversity of existing businesses and commercial uses and supporting affordable commercial spaces for social enterprises, micro enterprises and small businesses providing low-cost goods and services for residents.
 - Encourage the use of local goods and services in the construction, operation and maintenance of the proposed development or business.
 - Encourage local and inclusive hiring in the construction, operation and maintenance phases of the improvement.
 - Establish new CED initiatives or strengthening of social and micro enterprises.
- c. The ability, effectiveness and type of service offered by your organization and project partners.
- d. Data and targets that measure project outcomes (for example: number of local jobs created, number of people trained, or amount of local-serving retail space).
- e. The amount of financial support secured from other sources as matching funds.
- f. The cost of the project and past grant applications.

5. COST SHARING

The DTES Capital Matching Grants Program uses a cost-sharing arrangement with your organization in order to build capacity and leverage funding from other sources. Other funding sources could include government programs, the private sector, trusts, donations, cooperatives, applicant's own reserves and in-kind contributions.

In general, the City's contribution will not exceed 50% of the total project cost, from \$5,000 up to a maximum of \$50,000. If you have a substantial capital project that requires a grant more than \$50,000, please contact us to discuss before submitting your application.

Your organization does not need to secure all funding at the time of application. When the application is approved, you have up to one year to raise the funds and complete the project.

6. GRANT PAYMENT

After City Council has approved your project, payment terms will be determined and described in the Terms of Reference (ToR) and Letter of Understanding (LOU) agreement that is signed by The City and your organization.

A grant can only be paid after your organization has confirmed that all matching project financing and contribution is in place.

If your organization is not able to meet conditions of the grant, start or complete the project based on an agreed timeline, the project may be terminated and any funds paid to the project will need to be returned to the City.

7. CITY COUNCIL DECISION ON CAPITAL GRANTS

City Council makes the final decision on your application. City staff will review all applications and make recommendations to City Council.

8. HOW TO APPLY

Please see next page.

**APPLICATION DEADLINE IS:
4:00 PM - Tuesday April 3, 2018**

To apply, please follow these steps:

1. Complete and sign the application form.
2. Submit application either by:
 - a) **Email:** Scan the signed form, save it as a PDF document and email it with the subject "2018 DTES Capital Grants" to: dtes.grants@vancouver.ca .
 - or**
 - b) In person to: City Hall - West Annex, Main floor - 515 West 10th Avenue,
Attention: Wesley Joe - Planning

In person deliveries are accepted Monday to Friday, 8:30-4:00 pm

You may find the application form online at
<http://vancouver.ca/home-property-development/dtes-local-area-plan.aspx>

9. SUPPORTING DOCUMENTATIONS

The following documents are required as attachments to support your request:

1. A least two current detailed cost estimates.
2. Drawings and plans of the proposed project, if applicable.
3. Letter from Worker's Compensation Board confirming the applicant is registered in good standing and the registration number.
4. Letters of confirmation from other funding sources, if available.
5. A copy of your BC Registry Certificate of Good Standing, if not previously submitted in other grant applications.
6. If the property is not owned by the applicant, a copy of the lease and a letter from the landlord/property owner authorizing the proposed project. If the property is located in a City-owned facility, a letter from the City authorizing the project is not required, as staff will consult with the Facilities Department directly. However it is very strongly advised that you contact your City representative in the Facilities Department in advance of making an application to us to make them aware of your project.

If you have questions about your application, please contact Wesley Joe from the Downtown Eastside Planning Group.

Wesley Joe

Office: 604.873.7736

Email: wesley.joe@vancouver.ca

Pilot Project: Creating Community-Serving Retail in Benevolent Society Association Buildings

1. Report Summary

The Strathcona Business Improvement Association has initiated a project designed to create opportunities for retail and micro-enterprises in benevolent society owned buildings. This is intended to attract retail and services that serve the community, strengthen local culture, provide employment and improve the public realm. This project commenced in 2017 and early results indicate it could form the pilot of a larger more significant program supporting community serving retail and legacy businesses which are considered vital for the sustaining local residents and retaining the cultural assets of the neighbourhoods.

Closely aligned with the social impact objectives of the Downtown Eastside Plan and the objectives of the Chinatown Revitalization strategy, the community serving retail project seeks to secure additional matching grants to build participation of the Chinese societies into a scaled up program involving several buildings having disused retail spaces.

2. Report Background/context

In March 2017, the Strathcona Business Improvement Association (SBIA) received a DTES Capital Grant of \$32,000 to explore opportunities for affordable and culturally relevant retail and micro-enterprises in underutilized Chinese society buildings. This comprised phase 1 of a program designed to support the local economy, rejuvenate the public realm, provide entry-level employment opportunities, help Chinese societies build their capacity and, restore disused vacant main floor space into community serving retail business and/or social enterprises.

Phase 1 (Exploration) of the project (Aug - Dec 2017), looked for potential locations in Chinatown and Strathcona, assessed retail and service gaps in this area, built up partnerships with the various Chinese societies and engaged with the community and stakeholders to understand what type of enterprises to attract and how to support them.

Phase 1 also achieved the following:

- Assessed which Chinese societies in Strathcona and Chinatown have underused or vacant spaces;
- Engaged with community stakeholders and partners in a well-attended workshop about what kind of micro-businesses they should attract and what support is needed;
- Built capacity in one Benevolent Association to repurpose one of their properties for community-serving retail and business (NB: this society secured tenants prior to repurposing taking place);
- Performed a professional assessment of the possibilities with the vacant property and developed three alternative layouts for repurposing the space;
- Had constructive conversations with other societies and several local (aspiring) entrepreneurs about participating in the program.

In **phase 2** (Interim) it is intended to secure participation of at least one society during 2018, design required interior upgrades and derive cost estimates, find viable and

appropriate entrepreneurs, secure the participation of other Chinese societies, build capacity of the local business community and motivate funding for a larger program.

Phase 3 (Implementation Pilot) will secure tenants, finalize capital details, execute a communications plan to engage local residents and start repurposing one or more properties according to available funding.

It is envisaged **phases 2 and 3** will be executed during 2018 and will involve the following actions:

- Close collaboration with the Benevolent Associations to progress them to implementation of the upgrades necessary to prepare at least one pilot storefront for leasing to a tenant/s;
- Building capacity among the local business community by organizing a workshop session for existing and aspiring entrepreneurs to build a pool of viable candidates for vacant or underutilized spaces and to better understand their practical needs; and
- Developing a global estimate of required time and resources to scale-up the pilot program to as many as five society buildings as input for a discussion with the City of Vancouver about additional program funding and support in 2019.

It is further proposed that the outcomes of the initial pilot be reported to Council in 2019 with further consideration to be given to scaling up the pilot to include additional society buildings.

3. Strategic Analysis

Small businesses are considered the predominant economic driver in Vancouver with the majority of all businesses being family owned and/or small scale business. There are city wide challenges through displacement of local serving businesses resulting from redevelopment, rising rents, higher taxes and ageing out of owners. The Downtown Eastside has seen many vacant storefronts and patches of low retail activity permeate through the neighbourhoods resulting in a decline in active streetscapes and attraction of litter, encampments and disorder. To counter this trend the DTES Plan (Chapter 10 pages 109 to 119) contains several strategies to support new local serving retail and small scale commercial opportunities in the neighbourhoods.

The objective of the community serving retail program is to help participating non-profit Chinese societies repurpose their vacant commercial retail space and secure sustainable rental revenue to secure local serving business tenants. This initiative will help support the revitalization of retail and commercial corridors in the Downtown Eastside and Chinatown, particularly along Hastings, Powell, Cordova and Main Streets.

4. Implementation Pilot

The early estimates from SBIA indicate that the costs of this work for each society building could range from nominal expenditure \$50,000.00 to \$ 300,000.00 depending on the circumstances of each building. It is envisaged that at least one building upgrade could be launched in late 2018 as a pilot with a city matching grant being requested up to \$100,000.00.

SBIA has not made a detailed estimate for the capital upgrade costs for any society building at this point and will make such an estimate during the Interim Phase of the project. However, to give a high level figure, SBIA applied several broad assumptions to come to the following estimate:

(typical example square footage-2,500 sq. ft. ground floor + 1,100 sq. ft. basement)

50% of space requires minor upgrades	\$35 per sq. ft.	\$65,000
50% of space requires major upgrades	\$65 per sq. ft.	\$115,000
Soft costs / project management	20% of upgrade costs	\$35,000
Allowance for HVAC / mechanical upgrade	20% of upgrade costs	\$35,000
Estimated Capital Costs:		\$250,000

These are capital costs only and exclude program costs and contingency. If a 20% allowance is provided for such costs, the estimated total would be \$300,000.

5. Financial Principles

The following financial principles for future capital upgrades will be applied during the program:

- **Capital Costs:** these include physical upgrades of the interior, required tenant improvements, soft costs / project management and (if necessary) HVAC / Mechanical upgrades.
- **Excluded Costs:** structural upgrades to the building, and furniture, fixtures and office equipment are assumed to be excluded from the program.
- **Co-Financing:** co-financing or matching of capital costs by participating Chinese societies, will be based on financial capability, challenges of the building and community value of the intended use. However, the City portion of any matching grant will not exceed \$100,000.00.
- **Tenant Improvement Allowance:** participating societies will make arrangements with tenants for tenant improvement allowances and / or rent-free periods, based on sound and fair business practices.

Other than capital costs, there are also costs related to running the program, including:

- **Project Management:** this includes overall project management, funding applications, progress reporting, developing deliverables and quality assurance.
- **Tenant Selection and Support:** attracting the right entrepreneurs and supporting them with setting up their business, getting permits, finding personnel etc.
- **Communication and Engagement:** continuous communication and engagement with the general public and specific stakeholders groups, including local residents, neighbouring businesses and Chinese societies.
- **Conceptual Design:** helping Chinese societies and entrepreneurs develop conceptual ideas to maximize space usage.