



IN CAMERA

ADMINISTRATIVE REPORT

Report Date: January 2, 2019
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VanRIMS No.: 08-2000-21
Meeting Date: March 12, 2018

TO: Vancouver City Council

FROM: General Manager of Arts, Culture, and Community Services (ACCS) and
General Manager of Real Estate and Facilities Management

SUBJECT: Nominal Lease of City-Owned Capital Asset to WISH for Women's
Homeless Shelter

IN CAMERA RATIONALE

This report is recommended for consideration by Council on the In Camera agenda as it relates to Section 165.2(1) of the *Vancouver Charter*: (e) the acquisition, disposition or expropriation of land or improvements, if the Council considers that disclosure could reasonably be expected to harm the interests of the city; and (k) negotiations and related discussions respecting the proposed provision of an activity, work or facility that are at their preliminary stages and that, in the view of the Council, could reasonably be expected to harm the interests of the city if they were held in public.

RECOMMENDATION

- A. THAT Council authorize the Director of Real Estate Services to negotiate and execute a lease ("the Lease") with the non-profit WISH Drop-In Society ("WISH") at a nominal rent for three (3) years, with option for renewal, and as set out in the basic lease terms attached as Appendix A, and for City-owned property situated at 342 Alexander Street (the "Premises"), legally described as:

Parcel Identifier: 015-605-485
Legal Description: Lot 9, Block 40
District Lot 196
Plan 196

The Lease will permit WISH to operate a women's homeless shelter with approximately 40 beds. WISH is in discussion with the British Columbia Housing Management Commission ("BC Housing") regarding securing operational funding

for the women's homeless shelter, and any operational agreements will be between WISH and BC Housing.

The Lease is to be based on the City's Precedent Lease for Non-Profit Entities (Nominal Rent), drawn to the satisfaction of the Director of Real Estate Services, the Director of Legal Services and the Managing Director of Homelessness Services and Affordable Housing Programs.

As the rent under the Lease for the Premises will be below the applicable market rate and includes rent-in-lieu of property taxes, Recommendation A constitutes a grant valued at approximately s.17(1) per annum.

- B. THAT Council approve a grant of up to s.17(1) plus applicable taxes to WISH for tenant improvements required for the Premises; source of funds is the Arts, Culture, and Community Services (ACCS) Homelessness Services budget. The scope of work undertaken for tenant improvements is to be approved by the General Manager of ACCS, and would be up to s.17(1), per the discretion of the General Manager of ACCS.
- C. THAT, pursuant to Section 206 (1) (j) of the Vancouver Charter, Council deem that WISH, as a non-profit operator of the proposed women's homeless shelter is contributing to the health and welfare of the city, in addressing the needs of women experiencing homelessness.
- D. THAT no legal rights and obligations are created by the approval of Recommendations A and B above unless and until all legal documentation has been executed and delivered by the respective parties.

The grants in Recommendation A and B require the affirmative vote by 2/3 of all Council members, pursuant to section 206(1) of the *Vancouver Charter*.

REPORT SUMMARY

This report recommends Council authorize staff to enter into a nominal lease of the Premises with WISH as tenant on the terms set out in this report. Staff understands that WISH will receive funding from BC Housing for the operation of an approximately 40-bed women's homeless shelter at the Premises.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

Pursuant to Section 206(1) (j) of the Vancouver Charter, not less than two-thirds of all members of Council must approve a resolution for a grant to any organization deemed by the Council to be contributing to the culture, beautification, health or welfare of the city. A lease of City-owned property at less than market rent is considered to be a grant.

Housing Vancouver Strategy 2018-2027 and Housing Vancouver 3 Year Action Plan 2018-2020:

The Housing Vancouver Strategy (2018-2027), as well as the Housing Vancouver Three Year Action Plan (2018-2021), outline goals to work with partners to create temporary

shelters to provide immediate support to homeless individuals while transitional and permanent social housing is made available to foster pathways out of homelessness.

Homelessness is one of the most significant issues facing Vancouver today. The City, together with its partners, has made significant progress in taking action to address homelessness, including increasing the supply of social and supportive housing, interim Housing First housing (temporary modular housing), and ensuring access to emergency low-barrier services such as temporary shelters, warming centres, and homeless outreach to connect people to income, housing, and supports. Council policy is to maintain services for the homeless and at-risk individuals, while working on a Poverty Reduction Strategy, with the awareness that a major underlying cause of homelessness is poverty.

Women's Equity Strategy 2018-2028:

The Women's Equity Strategy, along with the Housing Vancouver Strategy, identifies specific service gaps for women, especially those fleeing violence.

Women fleeing domestic violence and trauma sometimes find it impossible to secure housing in the highly competitive and expensive Vancouver market. A low income context can escalate risk of homelessness for women. The City has committed to gather a better understanding of the extent of women's hidden homelessness. A means of doing this is creating spaces where women can connect to services (i.e., homeless shelters).

Trans, Gender Diverse and Two-Spirit Inclusion and LGBTQ2+ Advisory Committee:

Since 2015, Council has committed to working with the LGBTQ2+ Committee to address issues of concern, including matters that require action by the City. Recommendations include increasing access to homeless shelters and housing as a key priority for City staff to work on. Staff are working with BC Housing and its other non-profit service partners to maintain and increase homeless shelter capacity for specialized populations, including women fleeing domestic violence, LGBTQ and trans*, gender diverse and two-spirit people (TGD2S).

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager concurs with the recommendations.

REPORT

Background and Context

Background

The City-owned building at 342 Alexander Street (the "Premises") is an 8,000 sq. ft. two-storey building that has been leased by Downtown Eastside Women's Centre ("DEWC") as a temporary 50-bed women's homeless shelter while DEWC's permanent space at 412 East Cordova Street underwent renovations. The City leased the Premises to DEWC from November 2017 until February 19, 2019 – the renovation period – for the nominal amount of **s.17(1)** per year. The imminent relocation of DEWC's homeless shelter

from this temporary location to its completed permanent location creates an opportunity for this space to continue to be used as a women's homeless shelter.

Prior to DEWC's temporary occupancy of 342 Alexander, the City undertook s.17(1) in tenant improvements to make the space suitable to operate as a temporary shelter, including ensuring safety standards were met for the specific population it serves. Improvements included construction of washrooms with modified washroom doors, camera surveillance, gate systems, to ensure women's safety both onsite, and when exiting and entering the shelter.

Whereas DEWC used both levels of the building (upper and lower), WISH intends only to occupy the upper floor of the building, use of the Premises as planned by WISH will require additional improvements (see Appendix C). There are improvements required to adapt the space for use as a shelter on the top floor only, including a pass through from existing WISH drop-in space at 330 Alexander St. to the proposed WISH Shelter at the Premises. The estimated costs of these improvements are approximately s.17(1). The costs associated with these additional improvements are proposed to be paid for by the City. Funds for shelter tenant improvements are available in ACCS Homelessness Services 2019 operating budget. As per standard practice, all improvements to be completed by the City will be outlined in the Lease.

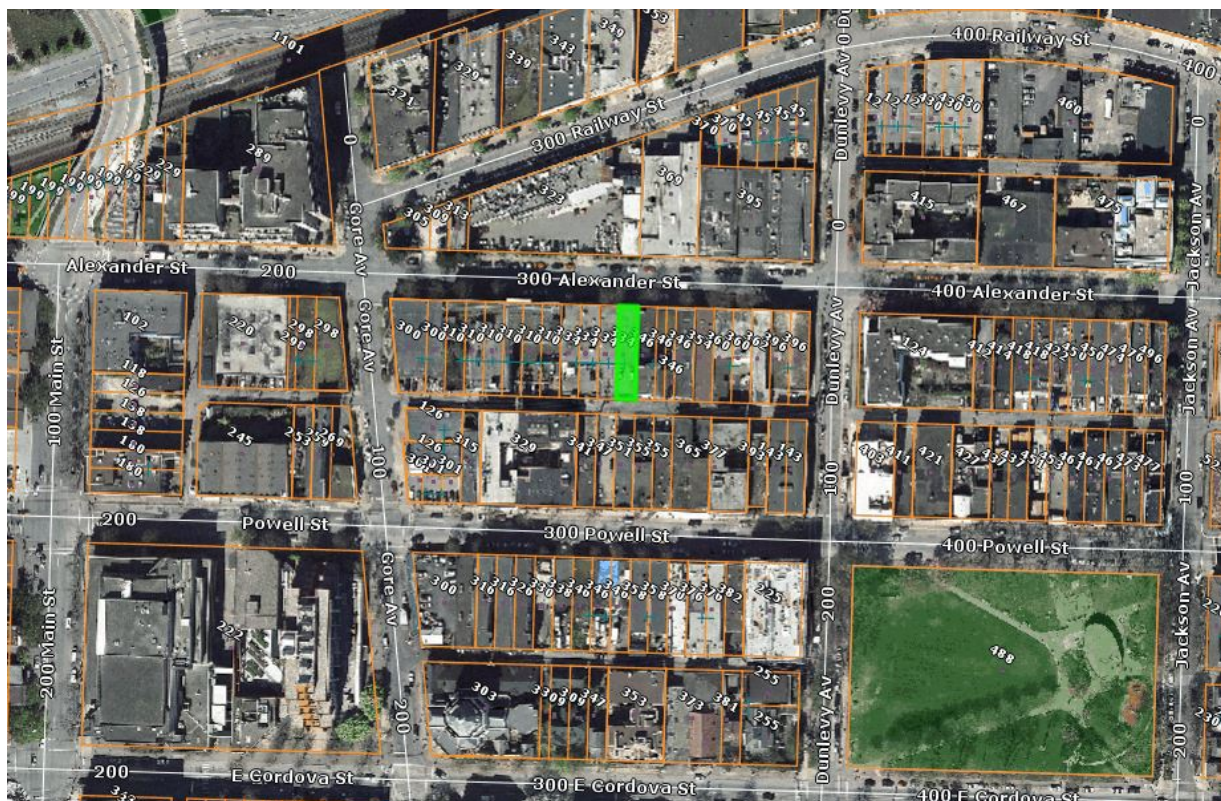
The site has an active Development Permit, which allows the space to be used as a social service centre, operating as a shelter, until May 31, 2019, with options for extension, as necessary.

Opportunity: A Permanent Women's Homelessness Shelter

Due to the February 2019 lease end, City staff approached WISH and BC Housing to explore interest in the continued use of the Premises as a women's homeless shelter, recognizing the urgent need for increased shelter capacity for women. Based on BC Housing Shelter Guidelines of a minimum required floor space per person, approximately 40 beds is recommended for the on-going use of the Premises as a shelter.

BC Housing has expressed a commitment to funding operations of a women's homeless shelter in the Premises. With a commitment from the City for the nominal Lease, WISH can occupy and operate the Premises for use as BC Housing funded 40-bed women's shelter, offering 24-hours per day of service.

This commitment represents the creation of approximately 40 new homeless shelter beds for women.



Strategic Analysis

Homelessness in Vancouver

The City of Vancouver's 2018 point-in-time homeless count found 2,181 people homeless in Vancouver on March 14, 2018 with 1,522 people sheltered and 659 people sleeping on the streets. Since 2005, homelessness has risen at an average of 5% per year, while the city's general population has grown at an average of 1.1% per year.

The Homeless Count data found that women represented 24% of the homeless population overall, but reports from the community, agencies and women-serving organizations are that women tend to be part of the hidden homeless population, often staying with families and friends or in unsafe situations rather than staying on the streets or accessing traditional services for the homeless, and thus are under-represented in formal homeless counts. Therefore estimates by women's advocates indicated higher rates of women's homelessness, including hidden homelessness.

Homeless Shelter Services

In Vancouver, there are over 980 permanent, year round homeless shelter beds. Since 2009, the City of Vancouver, in partnership with and funded by BC Housing, has opened additional temporary shelter beds over the winter months to accommodate those sleeping outside during the coldest, wettest months of the year. Over the 2018/2019 season, an additional 298 temporary shelter beds were opened, with 16 of these beds in women-only facilities. The temporary shelter beds operate at full capacity throughout

their opening months. Despite the additional temporary winter shelter beds, 659 people were identified as street homeless in the 2018 Homeless Count (held while the temporary shelters were open), indicating an overall need in Vancouver for more homeless shelter space and housing that is affordable for those experiencing homelessness. On March 4, 2019, BC Housing announced they would be extending 238 of these temporary shelter beds to year-round shelter beds until March, 31, 2020.

Services for Women Experiencing Homelessness

On-going community and stakeholder discussions have been undertaken by staff, including with WISH, DEWC, and BC Housing over recent years, not only to better understand the extent of women's homelessness, but also to create and secure safe, accessible, relevant services for women. The themes of the discussions outline the insufficient number of safe homeless shelter spaces for women, especially women who do sex work, and a continued need to provide targeted services to women who tend not to access traditional support services. Throughout the City's public consultations for the Women's Equity Strategy, recurring themes emerged and were identified as priorities to ensure women's full inclusion in the life of the city, namely: addressing safety, including violence against women, and safe and affordable housing.

A pivotal report, *Getting to the Roots, Exploring Systemic Violence against Women in the Downtown Eastside (DTES) of Vancouver*, published in 2014 by the Women's Coalition, offered key findings on women's sense of safety. The report notes that for women to be safe, they need access to safe spaces and need to be freely able to move between these spaces¹.

342 Alexander: A New Women's Shelter in the DTES

Providing a nominal lease of the Premises to WISH for operations of a homeless shelter for women with approximately 40 beds represents an important and long-needed investment in services for women experiencing homelessness in the DTES.

The Premises is particularly well-situated given its proximity and accessibility to other women's services in the neighbourhood, including WISH's existing drop-in centre, the DEWC Centre, Atira Women's Resource Society-operated housing, Empress Rooms, Sereena's, and Sisterspace Temporary Shelter. This new shelter space will provide a much needed safe, accessible space for women and will also function as a point of access to services for those who are less likely to engage with traditional services.

In creating opportunities for women's serving organizations to work in close proximity to one another, the City is supporting an increase in capacity of these organizations and spaces that ensure women's safety. Creating this opportunity at the Premises provides not only a safer space, but opportunities for women to make healthier and more positive choices by connecting to appropriate resources.

The proposed Lease is also an opportunity for the City to demonstrate its continued commitment to working with public and not-for-profit partners to maintain and increase homeless shelter capacity for specialized populations, including women fleeing domestic violence, LGBTQ and trans*, gender diverse and two-spirit people (TGD2S).

¹ <http://wish-vancouver.net/wp-content/uploads/2012/03/Getting-to-the-Roots-final-Nov-2-2014.pdf>

The Premises warrants changes to ameliorate the space from being used as a temporary shelter to a permanent shelter in order to function effectively as a women's homeless shelter.

About WISH:

WISH serves a client base of approximately 600-700 women in the DTES on a regular basis at the Drop-in Centre at 334 Alexander St. and through other, capacity-building programs offered on the streets of Vancouver. Many of WISH's clients are homeless, near homeless, and/or live in precarious or unstable housing, are marginalized within the community, and often have serious health issues including some form of addiction. Each of the programs that WISH provides is specific to self-identified women engaged in street-based sex work and focuses on their health and safety in a non-judgmental, respectful manner. For many women, WISH is their only point of contact off the street and is a safe, non-judgmental place, where they know they will be connected with hot meals, showers, nursing care, emergency services, bad date reporting, capacity-building programs, and referrals to shelters and other appropriate service providers.

WISH has leased the adjacent City-owned building having a civic address of 330 and 334 Alexander St, Vancouver BC, since 2008. The City of Vancouver and WISH executed a First Renewal of lease, effective April 1, 2018, extending the term of that lease from April 1, 2018- March 31, 2023, with an option for second Renewal of Lease option of a further 5 years, until March 31, 2028. City staff view WISH as a reliable partner and service provider in the community and are supportive of WISH being the operator of the proposed women's shelter.

Implications/Related Issues/Risk

Financial

This report recommends a three(3)-year nominal lease to WISH, with option for extension. The recommended rent per annum is s.17(1). The foregone rent on the three-year lease has an estimated value of s.17(1) per year (estimated market rent). As the rent under the Lease for the Premises will be below the applicable market rate, the nominal lease rent represents a grant valued at approximately s.17(1) per annum.

ACCS Homelessness Services would commit to a one-time grant contribution of up to s.17(1) from the ACCS 2019 Homelessness Services operating budget to fund tenant improvements for the Premises. The scope of work to be undertaken for tenant improvements would be up to s.17(1), and is per the approval and the discretion of the General Manager of ACCS.

Legal

Real Estate and Facilities Management and Arts, Culture and Community Services will instruct Legal Services to prepare the Lease based on the City's Precedent Lease for Non-Profit Entities (Nominal Rent), and on terms consistent with the basic lease terms set out in Appendix A. Real Estate and Facilities Management, in consultation with Arts,

Culture, and Community Services, will oversee the negotiation of the Lease, as well as ongoing management.

CONCLUSION

Staff recommends that Council authorize staff to enter into a nominal lease with WISH for the Premises, which will include the creation of approximately 40 new homeless shelter beds for women in the DTES. Preserving the Premises as a women's shelter that is safely accessible to other women's serving organizations in the neighbourhood is vital. Increasing women's safety and access to safe spaces is a priority of the City of Vancouver, the community and women's serving organizations.

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Appendix A: Basic Lease Terms

The Lease will be based on the City's Precedent Lease for Non-Profit Entities (Nominal Rent), drawn to the satisfaction of the Director of Real Estate Services, the Director of Legal Services and the Managing Director of Arts, Culture and Community Services, amended as necessary to incorporate the following terms:

- Term: 3 years, commencement date to be determined
- Option to Renew: Renewal of the Lease for two (2) further terms of three (3) year each, with 30 days' prior written notice
- Rent: s.17(1) , including for any renewal terms;
- Permitted Purpose: Operation of a women's homeless shelter, with approximately 40 beds;
- Termination: The City may terminate the lease at any time during the Term, or any Renewal Term, on 30 days' notice, if the Tenant fails to continuously operate, or ensure operation of the Premises by an approved sub-lessee, of a women's homeless shelter, with approximately 40 homeless shelter beds in the Premises;
- The Tenant, WISH, is responsible for all aspects of shelter operation and management, including entering into and administering operating agreements;
- Lease to be a fully net lease;
- Tenant to obtain and maintain Tenant's insurance satisfactory to the City of Vancouver;
- Tenant to be solely responsible for all non-structural repairs and maintenance to the Premises identified in the Tenant/Landlord Service Level Agreement, to be appended to the Lease;
- Tenant has right to sublease to a non-profit operator for the Permitted Purpose, with prior written approval from the City of Vancouver;
- Tenant shall be wholly responsible for the consumption of any and all utilities at the Premises;
- Any and all work, renovations or alterations to the Premises are the sole responsibility of the Tenant, including obtaining all permits and licenses; with the exception of certain tenant improvements to the Premises that the City has agreed to pay for. These tenant improvements will be outlined in the Lease and shall include minor updates to the space that have been accounted for in the ACCS Homelessness Services budget;
- Other terms and conditions acceptable to the Director of Legal Services, General Manager of Community Services.

Appendix B: 342 Alexander St Site

Site:



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Appendix C: 342 Alexander St Proposed Tenant Improvements and Budget numbers

Work Site	Costs
342 Alexander Toilets, showers, modify existing shower to be handicap	s.17(1)
342 Alexander St lighting	
342 Alexander Drawings	
342 Alexander St Walls b/w 342 & 313	
342 Alexander St 2-3 Walls in space	
342 Alexander St Fill in stair	
342 Alexander St Kitchen Renovations	
TOTAL Projected Cost	