



## ADMINISTRATIVE REPORT

Report Date: October 24, 2019  
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Meeting Date: November 6, 2019

TO: Standing Committee on City Finance and Services  
FROM: General Manager of Arts, Culture and Community Services  
SUBJECT: The Metson Rooms Grant Report

### **RECOMMENDATION**

- A. THAT, pursuant to Section 206(1)(a) of the Vancouver Charter, Council approve a money grant of up to \$1,000,000 (the "Grant") from the 2019 Housing Capital Budget – Grants for "SRO Grants (Privately Owned SRO Stock)". to be dispersed no later than January 31, 2020 to Community Builders Benevolence Group ("CBG"), which is a charity registered with the Canada Revenue Agency, to enable the continued operations of 100 interim affordable housing rooms, with onsite services, at 1060 Howe Street, for a period of five years;
- B. THAT the Grant made to CBG be subject to CBG executing and delivering to the City of Vancouver (the "City") a grant agreement;
- C. THAT the grant agreement executed by CBG be on the terms generally outlined in this Report and otherwise satisfactory to the City's General Manager of Arts, Culture and Community Services and the City's Director of Legal Services;
- D. THAT, on behalf of the City, the City's General Manager of Arts, Culture and Community Services be authorized to execute any grant agreement governing the terms of the Grant;
- E. THAT no legal rights or obligations are created by the approval of Recommendation A above unless and until an actual grant agreement is executed and delivered by the City and CBG; and
- F. THAT City staff be directed to continue to work with CBG to pursue other funding opportunities with the Provincial and Federal Governments to enhance affordability, service-delivery, and on-going viability of CBG's work.

Approval of Recommendation A constitutes a money grant and therefore requires a resolution passed by not less than two-thirds of all Council members pursuant to Section 206(1)(a) of the *Vancouver Charter*.

## **REPORT SUMMARY**

This report seeks approval of a capital grant of \$1,000,000 to CBG, to enable the continued operations of 100 rooms of critical interim affordable housing, with onsite support services, and 40 shelter beds, at 1060 Howe Street for a period of five years. Temporary supportive and affordable housing plays a significant role in meeting Council's goal of providing homes to individuals experiencing homelessness, and provides immediate housing relief while the City and partners work to develop permanent social and supportive housing city-wide.

## **COUNCIL AUTHORITY/PREVIOUS DECISIONS**

On February 18, 2015 Council approved a capital grant of \$1 million to CBG to enable delivery of 100 rooms of interim affordable housing with onsite supportive services at 1060 Howe Street for a period of five years; source of funding was the 2015 Housing Capital Budget - Grants for Non-market Housing.

**Housing Vancouver Strategy** - In November 2017, Council approved the Housing Vancouver Strategy (2018–2027) and 3-Year Action Plan (2018-2020). The strategy seeks to shift the supply of new homes toward the right supply, with targets for new units along a continuum of housing types and tenures. The Housing Vancouver targets were based on the core goals of retaining the current diversity of incomes and households in the city, shifting housing production towards rental to meet the greatest need, and coordinating action with partners to deliver housing for the lowest income households. Overall, 72,000 new homes are targeted for the next 10 years.

The Housing Vancouver Strategy set a new, higher target for social, supportive, and co-operative housing of 12,000 homes to meet the needs of lower income residents. Of the 12,000 homes, 5,900 will be social housing, 2,000 will be created in the form of co-ops and 4,100 will be supportive housing. This target exceeds the previous social and supportive housing targets set in the Housing and Homelessness Strategy (2012-2021) by 50 percent.

**Capital Contributions for Social/supportive Housing** - Council has approved previous capital contributions to support and partner with BC Housing in the provision of social/supportive housing. Past capital contributions supported the delivery of non-market housing units at 288 E Hastings, 211 Gore Street and 3595 Kingsway. In July 2018, Council approved a capital contribution to BC Housing to support the re-opening of the Jubilee Rooms by BC Housing, to be operated by Raincity, to meet the rehousing needs of former residents of the Regent Hotel and prevent homelessness.

The approval of grants requires that eight or more members of Council vote in the affirmative.

## **CITY MANAGER'S/GENERAL MANAGER'S COMMENTS**

In 2015, the City approved a capital grant to catalyze CBG to provide much needed interim affordable housing at this former motel site while advancing the development of permanent housing. Since 2015, all of the 100 rooms that benefitted from this capital grant rented at rates affordable to homeless or low income individuals. In addition, the site implemented a unique partnership with St Paul's Hospital to address the housing needs of patients at risk of being discharged into homelessness. CBG were also able to secure Provincial funding to operate a 40 bed shelter at this location. The private owners of the site are willing to extend the lease for another five year term. The capital grant that is proposed in this report can

ensure this critical interim housing is sustained, while the City and its partners continue to work together to address the housing and homelessness crisis.

The General Manager of Arts Culture and Community Services recommends approval of the foregoing.

## **REPORT**

### **Background**

The Metson Rooms, at 1060 Howe Street originally operated as a tourist hotel. In 2009, Portland Hotel Society (PHS) leased the building (then called The Bosman) 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 private owners' initial plans to redevelop the site to mixed use/residential following the end of the lease with PHS were delayed. In 2015, Prima Properties entered into a 5-year lease with CBG to renovate and re-open 100 rooms providing much needed interim affordable housing for homeless and low-income tenants.

Since March of 2015, CBG has provided safe, affordable and supportive homes to over 315 residents through the Metson Rooms by offering a range of shelter rate and below market rents across the 100 supportive rooms. CBG has partnered with St. Paul's Hospital Psychiatric Department to offer six of its rooms to patients who are ready to be discharged from the hospital, but do not have a home to go to. The tenants of these six rooms stay on average 30-60 days as staff from both organizations work on securing adequate housing for the tenant to move to, thus relieving pressure on overcrowded hospital wards, where discharge is possible but a lack of housing prevents a patient from being released. To date, 124 tenants have been supported through the CBG and St Paul's Hospital partnership.

The City of Vancouver's Housing Outreach Team in Homelessness Services provide assistance by 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 provide approximately 30 rent supplements (funded by BC Housing) to some individuals.

The CBG also identified a ground-floor space at the Metson Rooms that was under-utilized and in 2017 opened a 40 bed Temporary Winter Shelter in this space with funding by BC Housing. As of April 2019, the shelter has been converted into a year-round shelter with a capacity of 40 beds and is funded until April 2020.

## ***Strategic Analysis***

A key action item in the Housing Vancouver Strategy (2017) is to increase and improve housing for very low-income residents. High rents and near zero vacancy rates cause immense housing stress that is felt most acutely for those with extremely low incomes. These Vancouverites face very limited housing choice, often live in inadequate conditions, and are most at risk of becoming and remaining homeless. A capital grant to CBG to secure 5 more years of 100 rooms of affordable and supportive interim housing at The Metson Rooms, and support the on-going delivery of a 40 bed shelter space, is an investment in meeting the critical needs of Vancouver's most marginalized citizens. Loss of these rooms and shelter beds would undermine Council efforts to address the housing and homelessness crisis.

### *Community Builders Benevolence Group (CBG)*

CBG is a non-profit housing provider whose mission is to help marginalized individuals and communities develop the tools to pursue independent and self-sustaining lives. For the past 18 years, CBG has assisted in providing both affordable and supportive housing in the Vancouver area. As of 2019, they operate 650 individual beds, rooms and units—a combination of shelter beds, affordable housing, and supportive housing —across ten housing complexes, including Temporary Modular Housing and leasing privately-owned Single Room Occupancy Hotels.

CBG has worked with private investors, as well as both non-governmental and government agencies, to tackle the complicated challenges those in marginalized communities face, including a lack of affordable housing, homelessness, poverty, mental illness, and substance abuse.

### *Staffing and Services*

Staffing is provided by CBG at the Metson between 8 am and midnight every weekday and 8am and 4pm on weekends. All their staff are trained in emergency process, non-violent crisis intervention, Vancouver Coastal Health opioid overdose response, and first aid. Staff also offers two meals a day, additional tenant support, and home support services to those who require and Whole Life Housing supports for all tenants. The following services will continue to be provided, if this grant is approved, within the 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.

### *Affordability*

CBG's aim has been to have no rents above \$575, with rents subsidies reducing the rent payable by tenants down to between \$375 and \$475. The six rooms renting at \$600 are secured and paid for by St Paul's Hospital. With the City's contribution, CBG expect to be able to maintain this rent profile moving forward.

<b>Average Rent Profile in 2019</b>	
<b>Rents Received</b>	<b>Average Number of Rooms</b>
\$375	12
\$425	4
\$475	36
\$500	4
\$525	2
\$550	1
\$575	35
\$600	6
<b>Estimated Rent</b>	~\$51,000

Without further City support, CBG would not be able to extend the lease with the owners and so they would try to rehouse existing tenants in their portfolio or with other low-income housing providers. CBG and the City continue to pursue fundraising and other partnerships, including requests to BC Housing, to further enhance affordability and long-term viability of the Metson Rooms.

While not supported directly through this proposed grant, the lease of the site by CBG enables the on-going operation of the 40 shelter beds to help address the housing and homelessness challenges in the City. The Metson Rooms is a vital resource in Vancouver’s Shelter Strategy and helps those in the Downtown Core find shelter year round. Vancouver’s Downtown Core is underserved by shelter spaces, and the closing of the Metson Rooms and its 40 shelter beds would intensify the current housing and homelessness challenges the City faces.

***Financial Implications***

The overall project cost for delivering 100 rooms of interim affordable housing for five years, including lease, facility-related costs, housing programming, and onsite supportive staffing and service costs, is estimated to be \$4.35 million.

Staff recommend that Council approve a capital grant of \$1 million, with the option of paying out this grant on an annual basis over a period of five years, to CBG to support lease renewal, which represents ~23% of the estimated overall costs over five years; source of funding to be the 2019 Housing Capital Budget – Grants for “SRO Grants (Privately Owned SRO Stock)”.

***CONCLUSION***

This report seeks approval of a capital grant of \$1 million to CBG to enable the on-going delivery of 100 rooms of interim affordable & supportive housing and 40 shelter beds at 1060 Howe Street for five years. Approval of this grant supports the delivery of Housing Vancouver (2017).