



IN CAMERA

REPORT

Report Date: November 1, 2022
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VanRIMS No.: 08-2000-21
Meeting Date: November 8, 2022

TO: Vancouver City Council

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

SUBJECT: Licence Agreement Terms for two sites as part of Temporary Modular Shelter - East Hastings Encampment Response: (1) a portion of 1500 Main Street and 1591 Western Street, and (2) a portion of 2132 Ash Street and 525 West 2nd Avenue

IN CAMERA RATIONALE

This report is recommended for consideration by Council on the In Camera agenda as it relates to Section 165.2 of the *Vancouver Charter*.

(1)(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

(2)(b) the consideration of information received and held in confidence relating to negotiations between the city and a provincial government or the federal government or both, or between a provincial government or the federal government or both and a third party.

RECOMMENDATIONS

Recommendations A and B relate to approval of license agreements at a nominal basic rent and therefore constitute grants and, pursuant to Section 206 of the Vancouver Charter, require eight affirmative votes of Council.

- A. THAT Council approve the Provincial Rental Housing Corporation (“PRHC”) as the licensee of two City-owned sites, the first located on a portion of 1500 Main Street and 1591 Western Street, legally described as:

PIDs: 011-086-947, 011-086-963, 011-086-971, 011-086-980, Lots 10-13, all Block A2 District Lot 2037 Plan 5703

and the second located on a portion of 2132 Ash Street and 525 West 2nd Avenue, legally described as:

PID: 023-421-061

Parcel 186, Except Part In Plan LMP28217, False Creek, New Westminster District, Plan LMP28216; and

PID: 023-421-070

Parcel 187, Except Part in Plan LMP28217, False Creek New Westminster District Plan LMP28216

(each a “Site” and together, the “Sites”)

- B. THAT, if Recommendation A is approved, Council authorize the Director, Real Estate Services to negotiate and execute a licence agreement (each a “Licence”) of each Site with PRHC, to enable the construction, operation and deconstruction of temporary modular emergency shelters (the “Project”) on the following terms:
- i) An initial term of 3 years (the “Initial Term”) and thereafter, at the City’s sole discretion, on a year-to-year basis to a maximum of 5 years inclusive of the Initial Term;
 - ii) A nominal prepaid basic rent of \$10.00 plus applicable property taxes or an amount equivalent to property taxes;
 - iii) PRHC as licensee must only use the Sites for Project-related due diligence and preparations, construction, operation, and deconstruction of temporary modular emergency shelters, along with ancillary uses required for that operation (outdoor amenity space, parking etc);
 - iv) Pay to the City as licensor (the “Licensor”) an amount equal to all costs and expenses incurred by the Licensor (and any affiliate of the Licensor, including the Vancouver Affordable Housing Agency Ltd.) in connection with the Project;
 - v) Develop a Management Plan for the construction, management, operations, maintenance, repair and supervision of the Project;
 - vi) All such other terms and conditions as are considered reasonable, satisfactory and consistent with the above terms and conditions and those referred to in this report by the General Manager of Arts, Culture and Community Services, the General Manager of Real Estate and Facilities Management, the Director of Finance, and the Director of Legal Services.
- C. THAT, prior to its execution by the Director, Real Estate Services, such Licence be approved by the General Manager of Arts, Culture and Community Services, the General Manager of Real Estate and Facilities Management, the Director of Finance, and the Director of Legal Services.
- D. THAT Council’s decision to commence negotiations and execute the Licences will not, in any way, limit Council or the City and its officials in exercising their

regulatory discretion in respect of any permitting of the Sites or the operation of the temporary emergency shelters thereon.

- E. THAT no legal rights or obligations will arise or be created by Council's adoption of Recommendations A and B unless and until all legal documentation has been executed and delivered by the City and PRHC.
- F. THAT, following the execution of the Licences, the Director, Real Estate Services, subject to the prior approval of the General Manager of Arts Culture and Community Services, Director of Finance and Director of Legal Services, be authorized to negotiate and execute all such further amendments to the Licences and ancillary legal documents as are consistent with the terms and conditions set out in this Report, including permitting PRHC to name an operator(s) of the temporary modular emergency shelters (provided PRHC remains fully legally liable to the City for all obligations under the Licences), and such other administrative modifications and amendments as are considered reasonable and consistent with the objectives of this Report.

REPORT SUMMARY

This report seeks Council approval to enter into two license agreements with PRHC to construct, operate and deconstruct temporary, emergency shelter as outlined in this report (the "Project"). The Project is an opportunity to support the British Columbia Housing Management Commission ("BC Housing") in the rapid deployment of temporary modular emergency shelters to provide emergency shelter in the form of fixed-term transitional housing to respond to the encampment along East Hastings Street and homelessness in the surrounding areas, including CRAB Park.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

In November 2017, Council approved the Housing Vancouver Strategy and Housing Vancouver Action Plan. 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 (RTS 12153).

In June 2018, Council approved the Affordable Housing Delivery and Financial Strategy to deliver on the revised targets contained in Housing Vancouver over the next 10 years (RTS 12562). The strategy includes social and supportive housing targets to meet the needs of low[1]income residents.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

REPORT

Background/Context

Establishment of East Hastings Encampment

The current encampment along East Hastings Street took root and grew this summer after City staff temporarily ended the practice of twice-daily structure removal due to the July 1, 2022 withdrawal of VPD safety support for Engineering crews. Engineering and ACCS staff rapidly focussed on seeking alternative approaches to maintaining the sidewalks while concurrently reaching out to BC Housing to identify responses to people experiencing homelessness along this stretch.

On July 25, 2022, Fire Chief Karen Fry issued an Order to remove tents and structures along East Hastings Street (between Carrall Street and Gore Avenue) due to imminent structure and life safety dangers. Since then, staff have been working on East Hastings Street to balance the needs of those experiencing homelessness with the requirements of the Fire Order and staff are making steady progress in encouraging and assisting people to voluntarily remove their structures from high-priority areas along East Hastings Street. Staff also continue to work with the Vancouver Board of Parks & Recreation (“Park Board”) and other partners to address the 100 person encampment in CRAB Park which was established in March 2021.

People Experiencing Homelessness along East Hastings Street

This is a unique encampment in that it is situated on a major arterial, surrounded by residential and commercial buildings. There are a number of reasons people are congregating along East Hastings Street, including a lack of safe, secure and affordable housing for a segment of the population. The City of Vancouver’s Homelessness Services Outreach team have conducted early morning outreach since July 25 and have cumulatively spoken to over 300 people who report needing housing.

Staff have concurrently been working with BC Housing, Vancouver Coastal Health and other Provincial ministries in responding to the needs of those experiencing homelessness by developing solutions to connect them with indoor spaces, income, health services and other needed supports. Homelessness is a humanitarian crisis, which continues to grow in our city and region. Homelessness has devastating consequences for the individual and is – at its simplest – the result of the compounding impacts of lack of affordable housing, deep poverty, and an insufficient mental health support system.

Strategic Analysis

As part of the Hastings Encampment Response, the Province, through BC Housing, is proposing a number of options to create additional indoor spaces, including deploying temporary modular emergency shelters.

Proposed Temporary Modular Shelter Structures and Permitting

Prefabricated modular buildings are being proposed for this initiative:

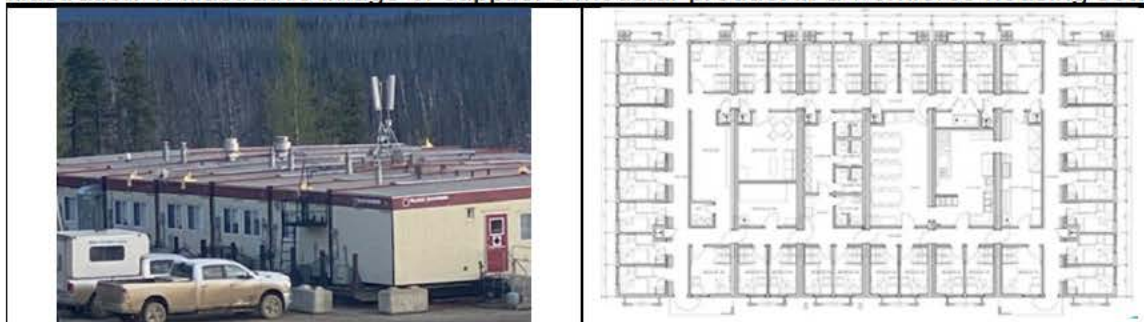
- Approximately 30-36 rooms per building including shared bathrooms and amenity spaces (including a common kitchen) all at grade.

- The temporary modular buildings will provide low-barrier, short-term emergency accommodations with congregate services and facilities and people will be transitioned into longer term stable housing.
- Approval of a temporary development permit by the Director of Planning will be required. An Operations Management Plan and Community Advisory Committee will need to be established as conditions of the temporary development permit.

BC Housing and its supplier are evaluating permit and code compliance with the City's Development Services Buildings & Licensing ("DBL") team and Chief Building Officer ("CBO"):

- Structures are intended to be modified to align with the Vancouver Building By-law ("VBBL") or seek alternative solutions approved by the CBO.
- Structures will be sprinklered to mitigate life safety risks.

Illustration 1: Illustrative image of supplier's modular product in a workforce housing setting



Source: [Remote Workforce Accommodation Rentals | Black Diamond \(blackdiamondcamps.com\)](https://blackdiamondcamps.com)

Operating Model

BC Housing will be issuing a RFP for non-profit operators (City staff will sit on the RFP selection committee). As in other emergency shelter and fixed-term transitional housing for people experiencing homelessness, the expectation is that the following services will be provided:

- At least two meals per day (must meet the standards of Eating Well with Canada's Food Guide).
- No-cost laundry (either on-site or off-site).
- Personal hygiene items, including soap, shampoo, deodorant, toothbrush, toothpaste, and feminine hygiene products.
- Referrals to mental health and other primary care services (discussions are underway with VCH to have on site services).
- Referrals to other community-based services.
- Cultural programming and activities.
- Case management plans to connect people with longer term housing, income, identification, pension/disability benefits or other needed supports and services.

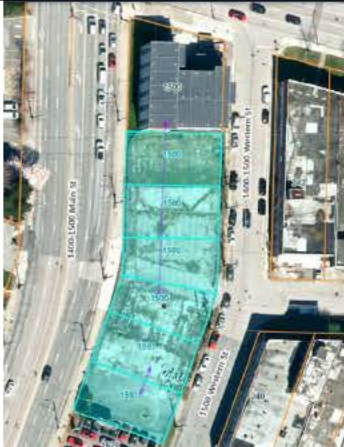

Other relevant programs and operational supports and services will be finalized once the operator(s) is/are approved.

The Sites

Several City sites were evaluated with the subject Sites being the most readily developable for the proposed Project. Initial feasibility testing indicates that both Sites could accommodate at least one 30-36 -room building with the final configuration still to be determined. The Main Street Site is being explored for the deployment of up to two buildings or 60-72 rooms, while the Ash Street Site is being explored for one building or 36 rooms. Additional analysis may result in a reduction of rooms based on the final configuration of the buildings.

The Sites have near term redevelopment plans by the City with site activation planned in ~2026.

Table 1: Land Overview

Option 1: 1500 Main Street/1591 Western Street/220 Terminal Avenue	Option 2: 2132 Ash Street
	
<ul style="list-style-type: none"> • Located adjacent to the City's existing 220 Terminal Modular Housing Pilot • Site can accommodate at least one 36 room building • Evaluating site to determine if it can accommodate two modular buildings (2x 30-36 rooms) 	<ul style="list-style-type: none"> • Located adjacent to existing BC Housing Temporary Modular Housing • Site area available for Emergency Shelter highlighted in yellow • Site can accommodate one 36 room building

Delivery & Construction Timeframe

BC Housing must secure modules by mid-November with the supplier or risk module supply issues as demand for winter workforce housing increases elsewhere in British Columbia and Alberta.

Should the Project proceed, the following outlines the delivery timeline:

- Modules have already been manufactured
- Following permitting, environmental approvals, and modifications to the modules to align with VBBL, the modules can be delivered and constructed within a short period of time (~30 days), limiting disruption of on-site construction
- BC Housing anticipates delivery and operational start up in 3-4 months (best case)

- Once operational, BC Housing will demobilize from the Sites before the end of March 2026, subject to City approval of any year-by-year extensions of the Development Permit (eg.if the City's redevelopment plans for the sites are delayed).

Financial

The estimated fair market value of each Licence is approximately \$200,000 per year, per site. The recommended Licence at nominal basic rent plus applicable property taxes (or an amount equivalent to applicable property taxes) constitutes a grant, and approval requires eight (8) affirmative votes of Council, per Section 206(1) of the *Vancouver Charter*. If the Sites qualify for Supportive Housing (Class 3) designation, their assessed values will be nominal and the property will be effectively exempt from property taxes.

PRHC, together with BC Housing, is fully funding the Project with both capital and operating dollars and will reimburse the City for any due diligence or other costs incurred as part of the initiation of the Project. As such, beyond foregoing potential market license rates for the Sites, there are no financial implications for the City.

Environmental

The Sites will be improved with temporary, above ground buildings with minimal soil disturbance required to construct the buildings and, as a result, development and building permit approvals through the Provincial Ministry of Environment and Climate Change Strategy are not required. A qualified environmental professional has been retained by the City on behalf of BC Housing to complete due diligence environmental site assessments to confirm that there are no unacceptable human health risks to the future residents who will occupy the Sites.

CONCLUSION

Approval of these Recommendations will allow staff to negotiate and enter into the Licences with PRHC to construct, operate, maintain and decommission this temporary modular emergency shelter use as part of the options to create additional indoor spaces as part of the East Hastings Encampment response.

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