



CITY OF VANCOUVER

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ADMINISTRATIVE REPORT

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Report Date: November 3, 2008
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Meeting Date: November 25, 2008

TO: Vancouver City Council

FROM: Managing Director of Social Development

SUBJECT: Lease Terms for City-owned Social Housing Site at 337 West Pender Street

RECOMMENDATION

A. THAT Council approve a ground lease of the City-owned lands located at 337 West Pender Street, legally described as PID: 026-680-777, Lot B, Block 26, DL 541, Group 1, NWD Plan BCP23911 (the "Lands") to the Coast Foundation Society ("Coast") to enable the development of a non-market housing project, which ground lease will provide for:

- i) a term of 60 years; and
- ii) a nominal prepaid rent;

and otherwise will be in accordance with the terms and conditions as set out in this report and to the satisfaction of the Managing Director of Social Development, the Director of Real Estate Services and the Director of Legal Services.

The ground lease to Coast at a nominal rent constitutes a grant and requires 8 affirmative votes.

B. THAT the Director of Legal Services be authorized to execute all necessary agreements, plans and other documents on behalf of the City and that no legal rights or obligations are hereby created and none shall arise hereafter except upon execution of all legal documents required to complete these transactions to the satisfaction of the Director of Legal Services.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services RECOMMENDS approval of the foregoing recommendations.

COUNCIL POLICY

It is Council policy to purchase privately-owned sites for non-market housing projects and lease them to non-profit societies or co-operative associations for 60 years. A 60 year lease is valued at 75% of market value.

Council's priorities for social housing are to maintain and expand housing opportunities in Vancouver for low and modest income households with priority being given to families with children; seniors on fixed incomes or in need of support; SRO residents; and the mentally ill, physically disabled and others at risk of homelessness.

Council approved the Homeless Action Plan, in June 2005.

Council approved the Housing Plan for the Downtown Eastside, in October 2005.

A lease at nominal rent constitutes a grant, requiring the approval of 8 members of Council.

SUMMARY AND PURPOSE

The purpose of this report is to obtain the authorities required for the non-market housing proposed for the Lands, specifically the ground lease to Coast.

This project is one of two which received Provincial funding prior to the adoption of the City/Province Social and Supportive Housing Partnership, as part of the Provincial Homelessness Initiative (PHI). The two City-owned sites, including this and 1005 Station Street, are being processed concurrently with the 12 sites which are part of the City/Province social and supportive housing partnership approved in December 2007.

BACKGROUND

Council approved acquisition of the site in December 2004, with funds being provided by the Property Endowment Fund and City-wide DCLs allocated to replacement housing. Purchase of the site occurred in January 2005. The assessed value of the site is \$3,042,000 (2008).

The site is located in the Victory Square area, and is contained within the study area for the Housing Plan for the Downtown Eastside. The housing plan "promotes positive change by bringing security to the low-income community through a stable but improved supply of low-income housing."

Coast has been awarded the housing sponsorship for this site. Coast has been in existence since 1972 and has extensive experience in the management of support services and housing for individuals with mental illnesses. Currently, Coast provides housing for approximately 700

people, services to over 2,500 people and assistance in areas such as housing, jobs, rehabilitation, recreational opportunities, food, clothing and basic life skills training.

This is a partnership with BC Housing, the City of Vancouver and Coast. Coast will develop and manage the building.

Site and Project Description: Development Application 412378 was received August 18, 2008 and will be considered by the Development Permit Board in November. The site has an area of 869.6 m² (9,360 ft.²), with a frontage of 23.77 m (78 ft.) and a depth of 36.6 m (120 ft.²). The site is presently vacant.

This project is intended to provide transition housing for individuals who are homeless, and which provides an environment aimed at reducing the barriers for those who would otherwise remain on the street. The following provides details of the project:

- 98 housekeeping units, with an average size of 27.0 m² (291 ft.²), each with separate bathroom facilities;
- Total floor space of 4 200 m² (45,208 ft.²), plus 728 m² or 7,836 ft.² of amenity space;
- 90 m² (969 ft.²) of retail, to be used for a social enterprise operation in conjunction with the housing project, funding to be provided by BC Housing;
- 9 storeys and 30.5 m (100 ft.);
- One level of parking for 10 cars; and
- 17 bicycle spaces.

It is expected that the building will be ready for occupancy in 20 to 24 months.

Appendix A shows the location of the site.

DISCUSSION

Ground Lease to Coast: The site will be leased to Coast Foundation Society in accordance with the standard terms and conditions agreed to between the City and BC Housing for social housing:

1. Term of 60 years;
2. Rent to be a nominal prepaid rent;
3. The value of the foregone rent, based on a calculation of 75% of the 2008 assessed value of the site, is \$2,281,500;
4. Lease to be signed within 180 days after Council approval, or such later date as may be approved by the City Manager;
5. Such further and other terms as are acceptable to the Managing Director of Social Development, the Director of Real Estate Services and the Director of Legal Services. No legal rights and obligations shall arise or be created until execution of the lease to the satisfaction of the Director of Legal Services.

FINANCIAL IMPLICATIONS

The site is part of the City's ongoing initiative to replace Single Room Occupancy units with new permanent housing, throughout the Downtown peninsula and the Downtown Eastside.

The grant of \$2,281,500 represents 75% of the 2008 assessed value. The grant request does not involve further City funding.

CONCLUSION

The project at 337 West Pender is a partnership between BC Housing, the City of Vancouver, and Coast. It will contribute to meeting the City's efforts to replace existing SROs throughout the Downtown with permanent housing, and it is consistent with the City's Homeless Action Plan and the Downtown Eastside Housing Plan.

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Site Location Plan for 337 W. Pender Street

