



Item.....
Meeting..... 2015 July 20

COUNCIL REPORT

TO: CITY MANAGER **DATE:** 2015 July 15

FROM: DIRECTOR PLANNING AND BUILDING **FILE:** 49500 20
Reference: REZ #13-37

**SUBJECT: REQUEST FOR COMMUNITY BENEFIT BONUS HOUSING FUNDS
7550 CUMBERLAND STREET (GEORGE DERBY CARE SOCIETY)
REZONING REFERENCE #13-37**

PURPOSE: To seek Council approval for the final Community Benefit Housing Grant for Rezoning Reference #13-37 (George Derby Care Society).

RECOMMENDATION:

1. THAT Council approve a final Community Benefit Housing Grant of \$1,230,115 for Rezoning Reference #13-37 (George Derby Care Society), as outlined in this report.

REPORT

1.0 BACKGROUND

The George Derby Care Society made a written submission dated 2014 June 30 requesting a grant from the City's Community Benefit Bonus Housing Funds to support the development of 121 units of seniors' supportive housing at 7550 Cumberland Street under Rezoning Reference #13-37. At the Closed meeting on 2014 July 21, Council approved a grant of \$1,018,492, and approved advancement of the related staff report on the matter to Council's open agenda for information purposes.

The subject site at 7550 Cumberland Street is located on the northeast corner of Sixteenth Avenue and Cumberland Street (see *attached* Sketch #1). The site is 116,960 m² (1,258,947 sq.ft.) in area, with the western portion currently occupied by the 300 bed George Derby Centre residential care facility. The remainder of the site to the north and east is undeveloped. The proposed supportive housing building is intended for the eastern portion of the site. The site is designated under the George Derby Community Plan as Institutional and is zoned P5 Community Institutional District.

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The supportive housing development will be owned and managed by the George Derby Care Society, which operates the existing licensed residential care facility. A requirement of the rezoning application is that a Section 219 Covenant be registered on title to ensure that the use of the building is for seniors' non-profit supportive housing under the operation of a non-profit organization in perpetuity.

The Society has advised that the units will be available to persons aged 55 and over who wish to live independently but also wish to access meals, housekeeping services, and recreational activities.

The Society has provided the following information on the project and its financing in support of the application:

- This project is to provide 121 units of non-profit seniors' supportive rental housing that will offer security of tenure and be held for the long-term by a non-profit society, secured by a Section 219 Covenant. The supportive housing units will complement the existing residential care facility and create a "campus of care" enabling residents to transition from supportive housing to the care facility, as needed.
- A range of unit sizes are proposed including 94 one bedroom units; 14 one bedroom and den; and 13 two bedroom units. The one and two bedroom units are proposed to have both smaller and larger sized units.
- The Society is seeking to rent the units at rates that reflect the non-profit nature of the project. A "cross-subsidization" approach will be used to provide extra affordability for smaller units. Over the long term, the Society hopes to increase the number of units that can be rented at lower rates, contingent on annual operating costs.
- The project meets the BC Housing requirements for assistance under the Community Partnership Initiatives program (CPI). BC Housing is assisting with the financial viability of the project by leasing the land at a nominal rate, by coordinating a lower interest rate construction loan, and assisting with the mortgage loan from a conventional lender.
- The society is also seeking a waiver from the Greater Vancouver Sewerage and Drainage District for Regional Development Cost Charges based on the non-profit nature of the project.
- With limited funding available from senior governments, the Society is seeking to achieve the lowest rents possible in relation to overall operating costs by lowering development and land costs as much as possible.

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2.0 FUNDING REQUEST

To support the objectives noted above, the George Derby Care Society has made an application for Housing Funds to offset City-related costs that would apply to the seniors' supportive housing project. As noted, at its Closed meeting of 2014 July 21 Council approved a grant in the amount of \$1,018,492 for estimated City related servicing costs, application and inspection fees. The estimated City related fees were broken down as follows:

Application and Permit Fees	\$258,576
Off-Site Servicing (estimate)	\$307,733
<u>Parkland Acquisition Levy</u>	<u>\$452,183</u>
Total	\$1,018,492

As identified, the above noted off-site servicing cost was based on estimates, provided prior to advancing the project to Public Hearing and Second Reading. After Second Reading, a detailed civil design was undertaken and a final estimate of service costs was completed. The following is the final bonding and payment requirements as determined by the Director Engineering.

Off-Site Servicing (final)	\$519,356
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The Parkland Acquisition Cost Charge of \$452,183 and projected Building Permit and PPA fees of \$258,576 remain unchanged from the initial grant request.

The differential between the initial off-site servicing estimate and final off-site servicing is **\$211,623**, which is primarily attributed to the increased cost of water main replacement and the provision of LED street light standards along Sixteenth Avenue. It is noted that the final servicing costs were reduced by \$150,000 through reductions in the off-site servicing related to adjusted curb works and the removal of the urban trail requirement along Sixteenth Avenue.

The resulting additional off-site servicing costs of \$211,623 are eligible for consideration of a grant under Council's guidelines for the use of housing funds.

3.0 COMMUNITY BENEFIT BONUS HOUSING FUNDS

The Community Benefit Bonus Housing Fund currently has on deposit a balance of \$24.2 million (including investment income) as of 2015 July 08.

Under the framework, the City requires registration of a Section 219 Covenant to secure repayment of Community Benefit Bonus Housing Funds in the event that a project does not proceed within the specified timeframe. Projects approved to receive a grant of Housing Funds are eligible to receive the funds at the time of issuance of the Building Permit for the subject development. Following receipt of the grant funds, the project is expected to achieve occupancy of the development within a five year period, otherwise funds must be repaid. Council has the discretion to extend this term should a project be in progress. If a project operates for a period of ten years for the approved purpose, the grant is forgiven. If a project reverts from the approved

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use within the first ten years, the grant repayment amount is reduced by 1/10th for each year that the project has operated.

4.0 CONCLUSION

The George Derby Care Society has requested funding through the Community Benefit Bonus Housing Fund to assist in the proposed seniors' supportive rental housing project at 7550 Cumberland Street. This report has summarized the request and has concluded that it is consistent with the objectives and guidelines for the Housing Fund. The units would provide security of tenure for residents and contribute to the City's non-profit housing inventory for seniors housing. A grant amount of \$1,018,492 was approved by Council on 2014 July 21, based on initial estimates of City services and permit fees. As the project is nearing Final Adoption, a final estimate of required services has been prepared by the Director Engineering based on detailed civil engineering designs for the site. The final estimate has identified an increase in required servicing costs by \$211,623 as a result of a detailed engineering design for the site, resulting in a final grant request of \$1,230,115. The necessary funds will be allocated as bonding for necessary services, with release of grant funds issued upon satisfactory inspection of services. Payments for fees and the Parkland Acquisition charge will be issued upon release of Building Permit and the registration of a Section 219 Covenant, in accordance with the policy adopted by Council.

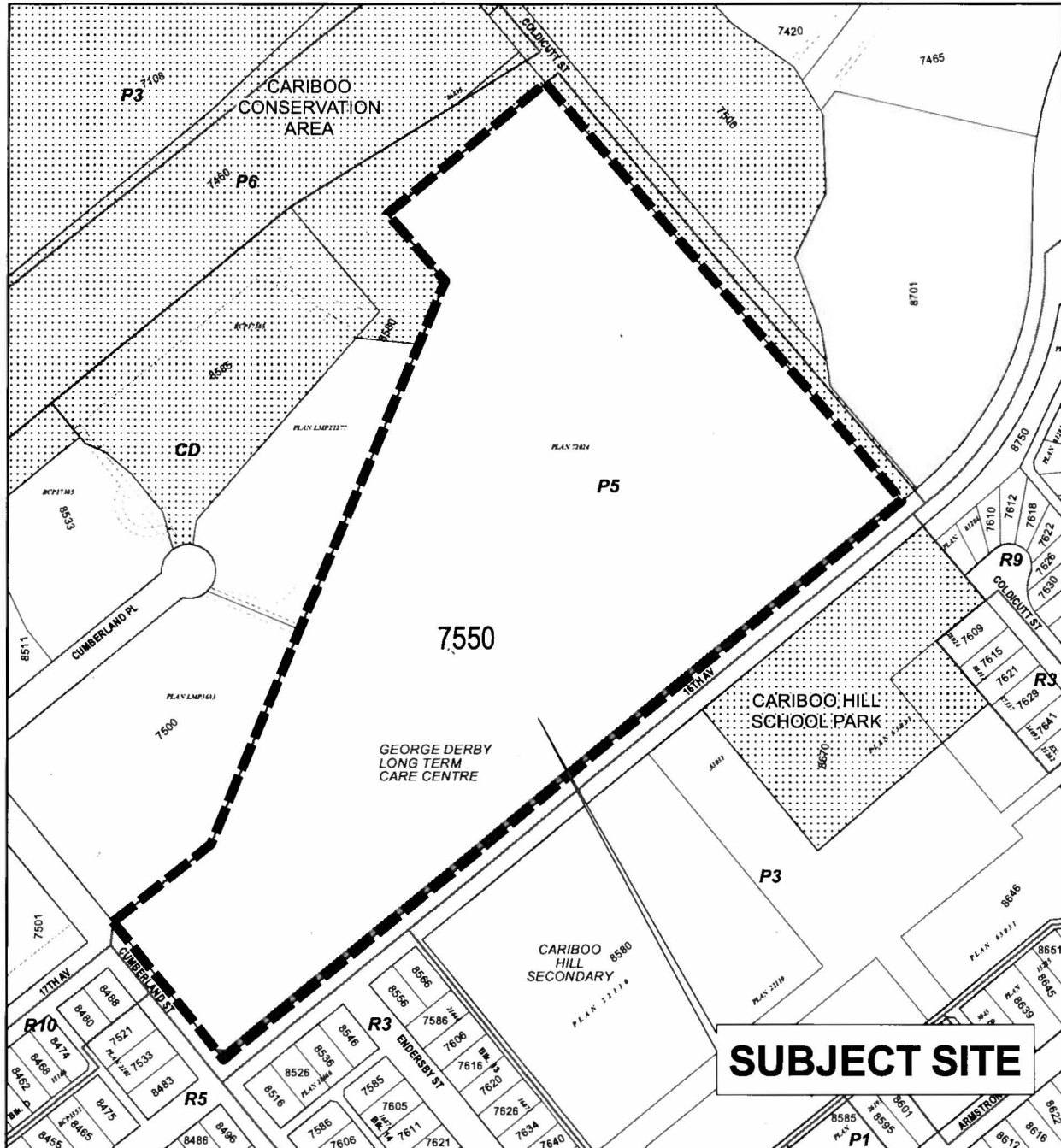
On this basis, it is requested that Council approve of a final allocation of funds in support of the George Derby Care Society's Seniors' Supportive Housing Project in the amount of **\$1,230,115**.

Given the schedule for Committee meetings, this final request is being advanced directly to Council with the concurrence of the members of the Planning and Development Committee.


Lou Pelletier, Director
PLANNING AND BUILDING

JBS:spf/tn
Attachment

cc: Director Finance
City Solicitor




PLANNING AND BUILDING DEPARTMENT



DATE:
FEB 03 2015

SCALE:
1:4,000

DRAWN BY:
AY

 Subject Site

REZONING REFERENCE #13 -- 37

7550 CUMBERLAND STREET

Sketch #1