

NO: R030

COUNCIL DATE: FEBRUARY 8, 2021

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **February 4, 2021**

FROM: **General Manager, Finance
General Manager, Planning and Development
Corporate Secretary, Surrey Homelessness and
Housing Society**

FILE: **0360-20-01**

SUBJECT: **Surrey Homelessness and Housing Society**

RECOMMENDATION

The Finance Department, the Planning and Development Department and the Corporate Secretary, Surrey Homelessness and Housing Society recommend that Council:

1. Receive this report for information;
2. Confirm the current model in which the Surrey Homelessness and Housing Society ("SHHS", or the "Society") administers the funds currently held by Vancity Community Foundation ("VCF") as the preferred management of the funds held in trust for homelessness and housing initiatives in the City of Surrey; and
3. Endorse amendments to the Bylaws of the Society as shown in Appendix "V" to reflect its current governance structure.

INTENT

The purpose of this report is to seek Council's endorsement for the Surrey Homelessness and Housing Society to continue to operate under its current model and to amend the Bylaws of the Society to reflect its current governance structure.

BACKGROUND

The Society and the Surrey Homelessness and Housing Fund were established in 2007 with an endowment of \$9 million dollars from the City's Affordable Housing Reserve Fund (see Corporate Report No. R131; 2007, attached as Appendix "I"). The goal was to form a society to administer these funds while operating at arm's length from the City.

VCF was endorsed by Council as fund manager in 2007 after a public procurement process. VCF also provides staff components to the Society. Currently, SHHS has two paid staff persons (one full-time and one part-time) employed by VCF looking after day-to-day operations as directed by the Board of Directors of the Society.

Financial Performance

The Society's cash and investments are represented by three separate funds (City Fund, Community Fund, and Flow Through Fund) each representing a separate deed of trust, which details what each fund can be utilized for. All three funds are held with VCF and an operating bank account held with Vancity Credit Union. With a December 31, 2020 market value of \$9.61 million, the City Fund represents the largest share of the Society's total holdings. This fund consists of a diversified portfolio of fixed income and equity securities, held in both Canadian and US dollars, with a broad range of institutional and corporate counterparties. The portfolio is actively managed by two professional Vancity Investment Management ("VCIM") portfolio managers.

The City Fund's interest and dividend income funds the Society's operating expenses and granting programs. The Society's operating expenses include Board insurance and expenses, events and marketing, fund development activities, consultants, postage, fund development coordinator costs, and website design and hosting fees.

Since its inception, SHHS has achieved a rate of return of 8.32% in the City Fund and distributed almost \$5.9 million dollars in grants. Additionally, a grant of \$3.9M over 10 years to the City was recently approved for the Cove Shelter, Olive Branch Shelter, and Newton Modular Housing project. Attached as Appendix "II" is a list of the grants awarded to date.

The Community Fund is a separate endowment fund and holds all donations from private donors. It also earns interest and dividend income. No grants have been disbursed from this fund to date. The market value of this fund is \$443,428 (December 31, 2020).

The Flow Through Fund assists donors in directing their gifts to specific projects or initiatives undertaken by other social service groups and non-profit organizations in Surrey. The monies in this fund are considered transitory in nature as they are typically disbursed within a short timeframe after receipt; therefore, they are not invested and do not earn any investment income. The value of this fund is \$5,645 (December 31, 2020).

Accomplishments

SHHS focuses its actions in three areas, labelled as "Grow", "Grant", and "Lead":

- **Grow** – To increase the funds available for investing in community programs, projects, and initiatives by prudently managing the existing capital and attracting additional donors;

- **Grant** – To reduce homelessness in Surrey by making strategic financial investments in programs, projects, and initiatives through granting programs; and
- **Lead** – By working collaboratively with Surrey organizations and groups, to be a leader in addressing the needs of people who are experiencing homelessness or are at risk of homelessness.

Current Structure

The Society was incorporated on June 22, 2007. The membership of the Society is set out in its Bylaws. Bylaw 2.1 specifies that there are five members of the Society: the City of Surrey, the City Manager, the General Manager, Finance and two members appointed by Council. There are currently no members appointed by Council.

On June 29, 2020, Councillors Guerra, Nagra and Patton were appointed by the members as directors of the Society. On July 27, 2020, Councillor Guerra was appointed by the members as President of the Society.

The City does not directly control SHHS, which exists as a separate legal entity. It is the Board of Directors of SHHS that is given the right to make decisions regarding the disbursement of any or all of the funds, both during the life of the Society and upon dissolution of the Society.

Any funds disbursed from the City Fund to any party, including the City, could only be used for specific purposes related to homelessness, assisted housing and poverty. Should the City receive any of the monies at the direction of SHHS, the funds could not be treated by the City as general revenue.

The current structure of SHHS is set out in Appendix "III".

DISCUSSION

There are a number of options for the future of the Society. The first step in determining its future is to review the options available for management of the funds under its direction, including an analysis of the advantages and disadvantages of each option. Once the preferred management of the funds is decided, the Society's structure can be reviewed and revised, if necessary, to best align with the preferred option.

There are three options for management of the City Fund:

1. Status Quo – Managed by VCF
2. Change of Financial Institution to Manage the Fund
3. City Fund Managed "In-house" by City of Surrey Staff

Only the City Fund could be brought in-house by the City. The City has no right to the funds in the Community Fund and Flow Through Fund that were donated by individuals and businesses in the community. Should the City decide to bring the City Fund in-house, the monies in the Community Fund would have to remain with VCF and responsibility for deciding how to spend the funds would be left with the Society or transferred to another organization.

Option 1: Status Quo – Managed by VCF

Financial Considerations

This model has proven to be successful, with VCIM posting a strong rate of return on investments. This has allowed the fund to grow, allowing it to distribute grants to numerous organizations providing services in Surrey while remaining in a strong equity position.

It is important to note that the Society's investments are exempt from the restrictions which apply to the City's investment portfolio. Section 183 of the *Community Charter* stipulates that municipalities must only invest in securities guaranteed by a Canadian chartered bank and precludes investment in equity securities. The City's Investment Policy poses a further limitation by prohibiting the inclusion of non-Canadian dollar securities within the City Investment Portfolio. The Society's investments are afforded a greater degree of choice in terms of security type, currency, and counterparty.

Given the ability to invest in a greater diversity of investment products, VCIM has been able to achieve a superior rate of return on investments compared to the City's. Since 2009, the Society has achieved a rate of return of 8.32% on its City Fund investment portfolio (to Dec. 31, 2020). Over the same period, the City of Surrey has achieved an average rate of return on its investment portfolio of 2.77%.

The City cannot replicate the rate of return on investments achieved by VCIM's portfolio managers as they employ a diversified portfolio which includes equities and investments representing a wide variety of industries and investment sectors. The City's investment selections are limited by *Community Charter* restrictions.

The following illustration assumes a portfolio value of \$9.61 million (market value on December 31, 2020) and compares estimates of investment income between a City-managed and VCIM-managed investment portfolio, using the VCIM's yield since inceptions and the City's average rate of return over the same period. In this example, VCIM is able to produce a significantly larger return to fund Society operations and grant programs.

Estimated Investment Income Illustration (<i>thousands</i>)	City	VCIM
Estimated Portfolio Value	\$9,610	\$9,610
Five-Year Annual Average Portfolio Yield	2.77%	8.32%
Estimated Return on Investment (<i>before fees and expenses</i>)	\$266	\$800

Other Considerations

Other advantages to the current model are as follows:

- VCF has dedicated staff resources whose primary functions include managing all activities related to marketing, promoting and building the Funds, as well as the disbursement of grants, plus support functions such as accounting, communications and domain management.
- Having the funds held by a third-party community foundation adds to the perception that the activities and decisions of SHHS are non-partisan and neutral.
- VCF staff actively engage in "capacity building" to assist other Surrey-based organizations in obtaining grants and funding from other sources.
- The Society leverages its brand and goodwill to solicit private donations and support from private sector partners.
- The Society engages with the community through appreciation events recognizing grant recipients and community leaders.

VCF was asked to outline the services it provides to the Society. The benefits of its involvement are shown in Appendix "IV".

Option 2: Change of Financial Institution to Manage the Fund

This model may be as successful as the current model with all of the advantages of having a third-party institution managing the funds in comparison to Option 1 as expert investment banking services may yield similar results. A change to a new financial institution could be beneficial for the City if a financial organization based in Surrey was to be considered to manage the fund. Being at arm's length to the City, this model allows for investment opportunities that are not available to the local government, which in turn provides a larger return on investments, as proven by VCF which is currently managing the fund. However, it is unknown whether a different third-party institution would be as successful as VCF. Therefore, given this uncertainty, Option 1 may be preferable to Option 2, given VCF's proven track record of success.

If the Council wishes to pursue changing financial institutions, further exploration would be required to determine available options and recommend a process for soliciting and choosing a new financial institution.

Option 3: City Fund Managed "In-house" by Surrey Staff

Financial Considerations

This model, although technically viable, would not provide the same return on investments as under the current model where the fund is managed by a third party. As described above, under the *Community Charter*, the City is limited in the type of investments it can make, which do not generate as much return on the sums invested. Typically, funds invested by the City are currently earning a rate of return of less than 2.0%.

If the City Fund's investment portfolio were transferred from VCF to the City, the City would not be able to produce a comparable amount of investment income for the Society. Lower investment income would result in significantly diminished granting capacity.

The Society currently incurs overhead costs for services provided by VCF, VCIM and Board operating expenditures, although these expenditures can vary year to year, they are approximately \$250,000 per year. These would be reduced or eliminated if the City Fund were transferred to the City. However, savings from the elimination of Society operating costs would not offset the deficiency in investment income. There would also be increased costs to the City to carry out the services currently performed by VCF, VCIM and the Board.

Other Considerations

If the funds were transferred to the City the trust restrictions would still apply so that the funds could only be used for housing and homelessness initiatives. However, there could be a strong public perception that the City will be using the funds for general City programs unrelated to homelessness and housing such as general operations or policing.

Should the City Fund be moved in-house, the granting and other activities currently carried out by VCF staff would fall on City staff and would require the hiring of additional resources to carry out those activities. The City's current granting program is operating at full capacity and adding the Society's granting workload could not be absorbed without a need for additional resources. The Society also engages in capacity building to assist other Surrey-based organizations working to address poverty and homelessness in Surrey in obtaining grants from other sources. Should the City wish to continue with capacity building activities, additional City resources would be required.

The City may not be able to maintain the Society's relationships with existing donors and private sector partners. As a result, the City may not attract the same level of donations and in-kind contributions which have supplemented the Society's investment income. All fund development activities are currently carried out by VCF staff.

The administration of grants for homelessness and housing initiatives would no longer be at arm's length from the City. There could also be a perception of cherry-picking and partisanship in the granting and disbursement of funds.

It is important to note that the City cannot receive a transfer of the City Fund's investment portfolio in its current form as the holdings are largely non-compliant with Section 183 of the *Community Charter* and the City's Investment Policy. Before a transfer to the City can be completed, VCIM would be required to divest all securities and convert the investment portfolio holdings to cash. The proceeds of sale would be contingent on the prevailing market values in effect at the time of divestment.

Community Fund and Flow Through Fund

As noted above, only the City Fund could be brought in-house by the City. Should the City decide to bring the City Fund in-house, the monies in the Community Fund and Flow Through Fund would have to remain with VCF and responsibility for deciding how to spend the funds would have to be determined.

If the City Fund were brought in-house, the City would have no need to retain control of the Society. SHHS could be wound up or left as a Society with the authority to make decisions regarding the Community Fund and Flow Through Fund. At that point, the City could choose to remove itself from the operations of the Society and hand over governance to

members and a Board comprised of community volunteers. Alternatively, the Society could be wound up and responsibility for the Community Fund and Flow Through Fund would have to be transferred to another organization. The two alternatives of winding up the Society or handing it over to a third party would require further analysis and due diligence before deciding which one would be preferred.

Recommendation of the Board of Directors of the Society

At its Board meeting of January 22, 2021, the directors of the Society reviewed the various options described above and recommended Option: Status Quo.

Proposed Bylaw Amendments

In addition, the Society directors recommended a number of changes to the Society's Bylaws to reflect its current structure yet allow flexibility to reflect future needs. Those amendments are shown in Appendix "V". The proposed changes will result in the structure set out in Appendix "VI".

Membership

The Bylaws require five members: the City itself, the City Manager, the General Manager of Finance and two members who are appointed by Council and are not City staff or Councillors. The members of the Society hold an annual general meeting every year and it is their responsibility to appoint the directors.

From time to time, Council has appointed Board directors to fill the two additional member positions. Currently, the two Council appointed member positions are vacant.

It is recommended that the Bylaws be amended to require three members, the City and two general managers, and allow Council the option of appointing up to two additional members. It is also recommended that the City Manager be replaced by the General Manager, Planning and Development, who has the responsibility at the City for social planning, including homelessness, affordable housing and poverty. A housekeeping amendment is also included to reflect the current title of the General Manager of Finance. If the proposed amendments are adopted, the member and director positions will be as shown in Appendix "VII".

Board of Directors

The Bylaws provide that the number of directors will be at least eleven, two of which will be City Councillors. The Society has traditionally had between 10 and 12 directors. The *Societies Act* requires only three directors. The directors are appointed by the members at the annual general meeting.

It is recommended that the Bylaws be amended to allow for between three and twelve directors. This amendment gives the Society the flexibility to appoint directors as needed to best carry out the strategic objectives of the Society from time to time.

A change to the number of directors requires an amendment to the quorum provision of the Bylaw. Instead of stipulating a specific number of directors as quorum, quorum will be at least a majority of directors.

SUSTAINABILITY CONSIDERATIONS

The work of the Surrey Homelessness and Housing Society and the City's homeless and housing initiatives support the objectives of the City's Sustainability Charter 2.0. In particular, this work relates to Sustainability Charter 2.0 themes of Inclusion, Built Environment and Neighbourhoods, and Health and Wellness. Specifically, this project supports the following Desired Outcomes ("DO") and Strategic Direction ("SD"):

- Housing DO12: Everyone in Surrey has a place to call home.
- Housing DO13: Appropriate and affordable housing is available to meet the needs of all households in Surrey.
- Housing DO14: Supports are available to enable all people to live as independently as possible in the community.
- Poverty Reduction DO8: No individuals or families in Surrey live in poverty.
- Housing SD9: Facilitate the development of shelter facilities and supportive housing as outlined in the Master Plan for Housing the Homeless in Surrey.
- Housing SD10: Increase and maintain the supply of affordable and appropriate rental housing across all Surrey communities.
- Housing SD11: Ensure development of a variety of housing types to support people at all stages of life.
- Health Services and Programs SD3: Work collaboratively to improve the continuum of mental health programs and services.

CONCLUSION

There are several options available for holding and managing the funds of the Society.

The current fund management model of the Society has proven to be very successful in achieving higher returns on investments than the City could achieve, leaving more funds available for granting and other activities directed at addressing homelessness and housing in Surrey.

This report recommends that Council confirm the current SHHS model as the preferred option and endorse the proposed amendments to the Society's Bylaws to reflect the current structure while allowing for flexibility to meet future strategic plans. Council is requested to approve the recommendations set out above.

Kam Grewal
General Manager, Finance

Jean Lamontagne
General Manager, Planning and Development

Kelly Rayter
Corporate Secretary, Surrey Homelessness and Housing Society

- Appendix "I": R131;2007 Establishment of a Surrey Homelessness and Housing Fund within the Vancity Community Foundation and a Surrey Homelessness and Housing Society
- Appendix "II": Grants Awarded to Date
- Appendix "III": Current Structure of SHHS
- Appendix "IV": Benefits of Continuing to hold the Fund at Vancity Community Foundation
- Appendix "V": Proposed Amendments to Society's Bylaws
- Appendix "VI": Structure of SHHS After Proposed Amendments
- Appendix "VII": Proposed SHHS Positions

7. Approve the transfer of the funds (approximately \$9.0 million +/-) within the City's Affordable Housing Reserve Fund to the Society and the Vancity Foundation to establish the Surrey Homelessness and Housing Fund.

INTENT

The intent of this report is to seek Council approval to establish the Surrey Homelessness and Housing Fund (the "Fund") and a Society to raise and distribute funds to initiatives and programs that address homelessness and housing needs in Surrey.

It is proposed that the Fund be housed within the Vancity Foundation and the Society. The City of Surrey's Affordable Housing Reserve Fund, which currently amounts to approximately \$9 million, will be transferred to both the Vancity Foundation and the Society. The Fund held by the Vancity Foundation will be used for investment and program management services in accordance with the Deed of Trust documented in Appendix "B" to this report. The Society will address homelessness and housing related issues in Surrey by:

- raising monies and investing them wisely;
- providing a mechanism for private donors to make charitable donations;
- using existing funds to leverage private and senior government monies;
- facilitating collaborative partnerships; and
- distributing funds to projects and programs that assist or enable individuals to exit or avoid homelessness and to have stable housing.

This report also sets out the purposes, constitution, bylaws and governance structure of the proposed Society of which the City and two independent persons will be members. The Society will have a board whose focus will be to provide direction and guidance on all matters related to the administration, marketing, promotion and growth of the Fund, as well as provide direction to the Vancity Foundation on the disbursement of grants from the Fund.

BACKGROUND

In early 2006 the Mayor appointed a Task Force focused on establishing a Housing and Homelessness Fund or other mechanism to raise and distribute funds to projects and programs to address homelessness in Surrey. On July 24, 2006, Council received a report from the Task Force, Corporate Report No. R176 and approved, in principle, the establishment of a Fund within an existing Foundation and authorized using the amount in the City's Affordable Housing Reserve Fund to establish the new Fund.

On September 11, 2006, Council approved the Terms of Reference (attached as Appendix "C") for an Interim Advisory Committee to work with City staff to undertake the necessary steps to set up the Fund. The major tasks for this Advisory Committee were to recommend a Foundation within which the Fund would be housed and an appropriate governance model for the functioning of the Fund.

DISCUSSION

Request for Proposals ("RFP") and Selection Process

The Surrey Homelessness Fund Interim Advisory Committee (the "Advisory Committee") recently conducted a Request for Proposals from Foundations that were interested in housing and managing the Fund. Three Foundations submitted proposals including:

- the Vancouver Foundation;
- the Surrey Foundation; and
- the Vancity Community Foundation.

The proposals were reviewed by the Advisory Committee and a sub-committee (the "Interview Committee") was formed to conduct interviews with the three proponents. The Advisory Committee at its meeting of April 12, 2007, received a report from the Interview Committee. The Interview Committee had each proponent answer a series of questions related to five selection criteria:

- Surrey identity;
- working relationship;
- managing and investing the Fund;
- growing the Fund; and
- unique features of the Foundation.

As a result of the interviews and analysis of the proposals, the Interview Committee concluded that the Vancity Foundation was the preferred proponent to administer the Fund subject to agreement on a Trust Deed between the City and the Vancity Foundation on how the Fund will be established and the benefits that will be received.

It was recommended by the Advisory Committee that the Chair of the Committee and City staff proceed with discussions with the Vancity Foundation to determine the best arrangement for establishing and managing the Fund.

Legal Services and Vancity Foundation's lawyers have drafted a Deed of Trust as documented in Appendix "B" to this report. The City Solicitor is of the opinion that the attached draft Deed of Trust provides the City with reasonable flexibility and appropriate controls for the Society to administer the Fund.

Based on discussions with the Vancity Foundation and on the advice of the City Solicitor, the Advisory Committee is now recommending that Council approve entering into a Deed of Trust with the Vancity Foundation substantially in the form documented in Appendix "B" to this report. The proposed Society is also a party to the Deed of Trust in its capacity as an advisor to the Vancity Foundation, potential donor and recipient of part or all of the Fund should the Deed of Trust be terminated or revoked.

The following is an overview of the Vancity Community Foundation proposal:

1. Administration
 - The Vancity Foundation will provide accounting, administrative and support services to the Society.
2. Housing Development Coordinator
 - The Vancity Foundation will provide a housing development coordinator and provide office space, technical support and supervision as an "in kind" contribution. The Manager of Community Projects within the Vancity Foundation organizational structure will be his/her supervisor.
 - The housing development coordinator will be a skilled professional capable of managing the work of the Society's board, overseeing the grant application process, developing partnerships with senior levels of government, managing contracts, and able to represent the Vancity Foundation publicly. The housing development coordinator will have expertise in the area of housing and homelessness.
3. Marketing, Communication and Fund-raising
 - The development of a marketing, communications and fund-raising plan can be done through a contract with Vancity Foundation. Alternatively, the Society may undertake these activities.
4. Investment / Rate of Return
 - It is in the City's interest to maximize the rate of return on the Fund. All Foundations interviewed projected an anticipated rate of return while all also noting that returns are based on market factors and cannot be guaranteed. The Vancity Foundation projected an estimated net return of 7.2%. The fact that the Fund is to be invested ethically will likely be a positive feature for prospective donors.
5. Group of Companies – Support / Assistance
 - The Vancity Corporation is committed to supporting the work of its subsidiaries to "make communities better" including the Vancity Foundation. It was confirmed that any initiative of the Vancity Foundation has access to the expertise of all of the Vancity Group of Companies. It may be possible to leverage other partnerships and funding arrangements for specific projects.
 - The Vancity Foundation has the capacity to bring other funders or "players" to the table (e.g. Enterprising Non-Profits' Partners including federal and provincial representatives, Coast Capital, Bell and other entities).
 - The Vancity Foundation can assist in making a project feasible by underwriting mortgage loans for specific projects.
6. Vancity Foundation Direct Contribution to Fund
 - The Vancity Foundation advised that it would contribute matching funds of \$25,000 per year for each of the first three years toward mutually agreed upon homelessness projects in Surrey.

7. Fixed Fee for Services

- The Vancity Foundation advised that a fixed fee for services will cover Fund administration and accounting, and administrative and support services to the Society and its board. The fee proposed by the Vancity Foundation is comparable or below the fees proposed by the other proponents.
- The fee is a flat rate and not related to the amount contained within the Fund. However, this fee will not cover the audit and regulatory filing requirements of the Society.

Reasons for Recommending the Vancity Foundation:

The Advisory Committee is recommending the Vancity Foundation as the preferred Foundation based on an evaluation of the proposals using the following criteria:

1. Surrey Identity

- Strengthening the community of Surrey is identified as a strategic priority in Vancity's Community Leadership Plan. In addition to funding projects in Surrey, the Vancity Foundation is actively involved in community partnerships and collaborations. Vancity Foundation staff sit as members of Vibrant Surrey (poverty reduction initiative) and the Surrey Urban Enrichment Initiative (inner-city revitalization). Of note, the Vancity Foundation has been the exclusive funder of the Surrey Urban Enrichment Initiative to date. Their support has enabled the three levels of government and a community advisory committee to begin to work together on the implementation of Surrey's Social Plan. Recently the Vancity Foundation made a significant financial contribution to Phoenix House.

2. Working Relationship

- The Vancity group of companies – the Vancity Foundation, Vancity Credit Union and Vancity Enterprises have a track record of commitment and experience in addressing social, homelessness and housing issues.
- The Vancity Foundation proposed the hiring of a housing development coordinator to manage contracting, the grant application process and develop partnerships with senior levels of government.

3. Managing and Investing the Fund

- With existing assets of approximately \$20 million, the Vancity Foundation is large and experienced enough to have the capacity to manage and administer the Fund; however, the Fund will still be a significant amount in relation to Vancity Foundation's total assets.

4. Investment and Management of the Fund

- While there were some differences in money management fees, they were not significant enough to affect the choice of Foundation. There were no significant differences in projected rates of return between the proponents. Vancity is in the business of investment management and therefore has expertise and a good track record in relation to its investment business.

5. Unique Features of the Vancity Foundation
- The Vancity Foundation can offer benefits from synergies that may result from being associated with the Vancity Group of companies (e.g. Vancity Credit Union may offer mortgage loans for projects).
 - The Vancity Foundation is prepared to provide matching funds for grants that fit with the mandate of the Fund, up to a maximum of \$25,000 per year over the first three years of the relationship.
 - The Vancity Foundation has a track record of commitment to homelessness and housing issues as evidenced by its recent donation to the Phoenix House.

Two Types of Funds Within the Fund

The creation of a Society by the City which is capable of issuing charitable receipts, provides the City with the maximum flexibility should it wish to retract through the Society any of its accumulated capital and income from the Vancity Foundation, or undertake individual homelessness projects on its own. There will be two types of funds (within the "Fund") held by both the Society and the Vancity Foundation:

- (a) a fund holding minimum 10 year endowment capital funds from individual donors; and
- (b) a fund holding flow-through funds (subject to the 80% disbursement rule), unreceipted funds such as the City's capital contributions and specified gifts from other charities and levels of government.

These two segregated accounts will allow seamless transfers of funds between the Vancity Foundation and the Society. It should be noted that the two funds within the Fund will be pooled for investment purposes.

The first referenced fund will be for private donors who make receipted 10 year minimum gift endowments. The other type of fund is for donations from other levels of government, foundations, donors who are making unreceipted gifts, and flow-through donations (receipted gifts subject to the 80% disbursement rule). Tax legal counsel recommends two segregated funds within the Fund to facilitate the *Income Tax Act* (Canada) compliance.

The Society will be actively campaigning private donors for charitable gifts to the Fund. For example, gifts from private donors deposited into the Fund in exchange for a charitable deduction tax receipt would be "flow-through" gifts covered by the 80% disbursement rule. However, private donors, in consultation with the Vancity Foundation or the Society, may wish to make endowed gifts to avoid this rule. These gifts could be made to either the Society or the Vancity Foundation and will require that the capital endowment be retained for at least 10 years. These gifts can move back and forth between the Society and the Vancity Foundation provided they maintain the 10 year minimum endowment direction and charitable purposes. It is therefore recommended that for tax accounting purposes both the Society and Vancity Foundation each maintain a separate fund within the Fund for 10 year rule endowment gifts.

Under Revenue Canada regulations except as noted below, if a donation is made to the Fund, 80% of the donation must be disbursed in the same year or in the year following the year in which the donation was made (i.e., the 80% disbursement rule). Disbursements must be made by the Vancity Foundation or the Society by way of grants to "qualified donees" or by using the funds in charitable activities pursuant to the terms of the *Income Tax Act* (Canada).

There are certain types of donations that are not subject to the 80% disbursement rule. These are:

- (a) unreceipted gifts from a person or entity that is not a registered charity (meaning gifts for which the foundation does not issue a charitable receipt and, consequently, the donor cannot obtain a tax credit e.g. the City and other levels of government);
- (b) "specified gifts" from other charities (specified gifts are gifts that are designated as such in the information return that the donor charity is required to file with the Canada Revenue agency for the year in which the gift was made; specified gifts do not count as a credit against the donor charity's disbursement quota); and
- (c) 10-year gifts (i.e., endowment funds) from persons other than registered charities (these are gifts that are subject to a direction that the capital cannot be disbursed for at least 10 years).

The private donors will elect at the time of their gift whether they wish it to be a 10 year minimum endowment gift or a flow-through donation (subject to the 80% disbursement rule). For investment purposes, the flow-through funds can be held pooled with the other non 10-year rule gifts noted in (a) and (b) above.

To the extent that the 80% disbursement rule does not apply, the Fund will still be subject to the 3.5% disbursement quota rule, which requires that each year the Fund distribute to "qualified donees" at least 3.5% of the value of its assets.

Transfer and Revocation of Funds from Vancity Foundation

Section 9(a) of the Deed of Trust allows the Vancity Foundation to terminate the Deed of Trust in which case all capital and undistributed income must be distributed to the Society. Under s. 9(b) of the Deed of Trust the Society can terminate the Deed of Trust and require the return of all of the Fund from the Vancity Foundation, including capital and undistributed income with 180 days written notice.

Alternatively, the Society can revoke part of the Fund on 180 days written notice. The Society will have to hold the capital and income of the revoked portion of the Fund on the same terms and conditions as the Vancity Foundation was holding the Fund. For example, the separate part of the Fund holding 10 year minimum endowments from private donors will have to be continued to be held by the Society on the same basis as the Vancity Foundation. The segregated parts of the Fund noted above will allow

transfers from the Vancity Foundation to the Society and vice versa without adverse tax consequences.

Surrey Homelessness and Housing Society

The Advisory Committee is recommending a charitable Society as part of the governance structure for administering the Fund, fund raising, distributing grants and providing public accountability.

The key advantages of having a Society are:

- provides "brand" recognition in fundraising;
- provides a statutory process for accountability;
- formalizes fiduciary responsibilities of the directors;
- will have audited financial reporting;
- facilitates retraction if the Society wishes to take back part or all of the Fund from the Vancity Foundation; and
- directors can be indemnified with insurance.

The proposed purposes, membership, constitution and bylaws of the Society are documented in Appendix "A" to this report. The members of the Society play a role similar to shareholders in a corporation. The Society will have five members and they are proposed as the City representing Council, the City Manager, the General Manager, Finance and Technology and two independent members. The two independent members will be appointed by Council in consultation with the Nominating Committee.

Five first directors of the Society's Board are required and City staff will hold these positions until Council appoints directors to the permanent 11 to 13 member board of directors in consultation with the Nominating Committee. The Advisory Committee resolved that the City Manager be delegated the responsibility of appointing the Nominating Committee.

It is recommended that Council adopt a policy that the Society's governance model be reviewed every three (3) years. This relates to the expectation that the Fund will grow significantly over time and the involvement of other interests in the Society may be appropriate.

Size and Composition of the Board

Eleven to thirteen directors are proposed for the board. It is recognized that the board should include directors with successful fund raising experience. The Nominating Committee will forward recommendations regarding candidates for the director positions to Council. The Advisory Committee is recommending that the board include the following as directors:

- City Council (2 members);
- Business and development interests (2 members);
- Faith organizations (1 member);

- Labour (1 member);
- Non-profit or community service organizations (1 member); and
- Interested, at-large community members (between 4 and 6 members).

Purpose of the Board

The overall purpose of the Society's board is to provide direction and guidance on all matters related to the administration, marketing, promotion and growth of the Fund, as well as give advice to the Vancity Foundation on the disbursement of grants. The Society may also make grants directly to accomplish the purposes of the Society. The purposes of the Society as defined in its constitution include:

- (a) To raise funds from donors for the purpose of financing programs and projects that address homelessness and housing in Surrey.
- (b) To provide financial assistance for homelessness and housing programs, projects, support services and special needs housing.
- (c) To provide advice and direction on the disbursement of grants for programs and projects that address homelessness and housing in Surrey, and all matters related to the administration, marketing, promotion, investment and growth of endowment funds, grants and donations.

Specific Tasks of the Board

The specific tasks include:

- (a) Understanding the homelessness situation in Surrey:
 - To have an understanding of the emerging trends and developments related to homelessness in Surrey.
- (b) Administrating the Fund:
 - To examine and recommend to the Vancity Foundation the specific allocation of all monies contained within the Fund as endowment and flow-through funds.
 - To ensure that the Vancity Foundation is achieving the investment goals as established by the board.
 - Preparing an annually updated business plan for Council approval.
 - Preparing an annual budget for the Society for Council approval.
- (c) Building the Fund:
 - To develop a fundraising, communication and marketing strategy to substantially grow the Fund.
 - To ensure that the fundraising and marketing strategy is implemented and that it achieves its intended results.
- (d) Distributing Grants:
 - To develop conflict of interest guidelines.

- To decide on the criteria that will be used for allocating the grants.
- To decide which agencies and projects should receive grants.
- To establish the reporting and evaluative policies and procedures for agencies receiving the grants.

(e) Public Accountability:

- To produce quarterly financial reports for the Society and the Fund.
- To produce an annual report describing the progress and effectiveness of the Society and the Fund in addressing homelessness in Surrey, including a listing of all funded agencies and projects.


CONCLUSION

It is recommended that Council:

- Approve the incorporation, purposes, constitution and bylaws of the Society with the City of Surrey as a member of the Society and with other members and directors, as documented in Appendix "A" of this report;
- Approve a policy whereby the Society's governance model is reviewed every three (3) years;
- Delegate to the City Manager the responsibility of appointing a Nominating Committee to recommend to Council a list of directors and members for appointment by Council to the Society;
- Approve the Vancity Foundation as the foundation that will hold at the discretion of the Society part or all of the funds of the Surrey Homelessness and Housing Fund;
- Approve the Deed of Trust between the City, the Society and the Vancity Foundation substantially in the form documented in Appendix "B" of this report to establish the Surrey Homelessness and Housing Fund; and
- Approve the transfer of the funds (approximately \$9.0 million +/-) within the City's Affordable Housing Reserve Fund to the Society and the Vancity Foundation to establish the Surrey Homelessness and Housing Fund.

The next steps in this process include recommendations to Council by the Nominating Committee of candidates for the appointment of directors and members for the Society. An annual budget and business plan for the Society will be prepared for consideration by the Society's board.


CRAIG MacFARLANE
City Solicitor


JUDY VILLENEUVE
Chairperson, Surrey Homelessness
Fund Interim Advisory Committee

CM:mlg

c.c. General Manager, Finance & Technology
Acting General Manager, Planning & Development

Appendix "A" – Surrey Homelessness and Housing Society Constitution and Bylaws

Appendix "B" – Deed of Trust

Appendix "C" – Interim Advisory Committee Terms of Reference

** Appendices available upon request*

APPENDIX "II"

Grants Awarded to Date

SHHS IMPACT GRANTS				
YEAR	ORGANIZATION	AMOUNT	PURPOSE	TYPE
2008	Atria Women's Resource Society	\$1,000,000.00	Inaugural Grant - Maxxine Wright Shelter - Capital Project	Annual
	2008 Total	\$1,000,000.00		
2009	Fraser Region Aboriginal Friendship Centre Association (Kla How Eya)	\$40,000.00	Safe House Youth Worker - Homelessness Prevention	Annual
	Newton Advocacy Group Society	\$60,000.00	Surrey Rent Bank - Homelessness Prevention and Housing Stability	Annual
	Pacific Community Resources Society	\$30,000.00	Youth Housing Program - Semi-Independent Homes for Youth	Annual
	Surrey Urban Mission Society	\$50,000.00	Peer Support Program for Newly Housed People - Housing Stability	Annual
	Surrey Homelessness & Housing Task Force	\$5,000.00	Strategic Collaboration Between Organizations - Task Force Coordination	Annual
	Young Women's Christian Association	\$60,000.00	YWCA Alder Gardens Capital Project	Annual
	Surrey Urban Mission Society	\$5,000.00	Health and Wellness Clinic	Responsive
	2009 Total	\$250,000.00		
2010	Fraser Region Aboriginal Friendship Centre Association (Kla How Eya)	\$20,000.00	Organizational Readiness - Developing an Aboriginal Community Housing Development	Annual
	Launching Pad Addiction Rehabilitation Society	\$14,750.00	Workshop Series for People Transitioning from Street to Housing and Recovery	Annual
	Newton Advocacy Group Society	\$30,000.00	Surrey Rent Bank - Homelessness Prevention and Housing Stability	Annual
	Greater Vancouver Regional District	\$10,000.00	2011 Metro Vancouver Homelessness Count	Annual
	South Fraser Community Services Society	\$132,000.00	Supported Recovery Home Purchase	Annual
	Surrey Homelessness & Housing Task Force	\$8,000.00	Surrey Connect Days - Outreach During Homelessness Action Week	Annual
	2010 Total	\$214,750.00		
2011	Sources Community Resources Society	\$30,000.00	Surrey Rent Bank - Homelessness Prevention and Housing Stability	Annual
	Launching Pad Addiction Rehabilitation Society	\$12,500.00	Facility Roof Repair	Annual
	Elizabeth Fry Society of Greater Vancouver	\$50,000.00	Ellendale House Renovation - Expansion of Beds	Annual
	Surrey Urban Mission Society	\$15,000.00	Site Redevelopment at 104th Avenue	Annual
	Options Community Services Society	\$50,000.00	Hyland House Cloverdale Shelter Enhancement	Annual
	Lu'ma Native Housing Society	\$10,000.00	Community Voicemail Project for Those With No Access to Voicemail - Housing Search	Annual
	Sources Community Resources Society	\$4,500.00	Peace Arch Free Dental Clinic	Annual
	Surrey Homelessness & Housing Task Force	\$22,500.00	Strategic Collaboration Between Organizations - Task Force Coordination	Annual
	Peninsula Homeless to Housing Task Force	\$5,000.00	Education to Mobilize Residents Serving the Semiahmoo Peninsula - Addressing Homelessness	Annual
	Vibrant Surrey Poverty Reduction Society	\$10,000.00	Collaborative Research on Poverty in Surrey	Responsive
	South Fraser Community Services Society	\$25,000.00	New Free Dental Clinic	Responsive
	HomeStart Foundation	\$10,000.00	Vehicle Purchase for Furniture/Moving	Responsive
	Elizabeth Fry Society of Greater Vancouver	\$9,250.00	Ellendale House Renovation - Sprinkler System	Responsive
	City of Surrey	\$5,000.00	Oasis Hotel	Responsive
	City in Focus Foundation	\$1,250.00	Collaborative Forum Addressing Homelessness	Responsive
	2011 Total	\$260,000.00		
2012	Elizabeth Fry Society of Greater Vancouver	\$40,000.00	Ellendale House Renovation - Water Pipe Upgrade and Expansion of Beds	Annual
	Kwantlen Polytechnic University - CIRCLE	\$10,150.00	Research Project: The Homeless and Vulnerably Housed in Surrey - Exploring Variation in Needs and Experiences	Annual
	Launching Pad Addiction Rehabilitation Society	\$42,526.00	Recovery House Renovations - Expansion of Beds	Annual
	Metro Vancouver Regional Steering Committee on Homelessness	\$20,000.00	Three Ways to Home Regional Homelessness Plan	Annual
	Pacific Community Church	\$27,000.00	Renovation - Cloverdale Community Kitchen	Annual
	Progressive Intercultural Community Services Society	\$45,000.00	Harmony House Transitional Housing for Women and Children	Annual
	Sources Community Resources Society	\$20,000.00	Surrey Rent Bank - Homelessness Prevention and Housing Stability	Annual
	Surrey Homelessness & Housing Task Force	\$25,000.00	Strategic Collaboration Between Organizations - Task Force Coordination	Annual
	City of Surrey	\$63,000.00	Surrey Winter Shelter	Responsive
	South Fraser Community Services Society	\$11,095.00	Bread4Life Community Kitchen Project	Responsive
	2012 Total	\$303,771.00		
2013	Elizabeth Fry Society of Greater Vancouver	\$20,000.00	Cornerstone: Women-Only Drop-In Centre Pilot Project	Annual
	Elizabeth Fry Society of Greater Vancouver	\$25,000.00	Feasibility Study - Women's Shelter Amalgamation Project	Annual
	Greater Vancouver Regional District	\$10,000.00	2014 Metro Vancouver Homelessness Count	Annual
	Kekinow Native Housing Society	\$5,000.00	Aboriginal Gathering Place Feasibility Study - Kekinow Property Redevelopment	Annual
	Keys Housing and Health Solutions	\$10,000.00	Keys Relocation Predevelopment Planning	Annual
	Lookout Emergency Aid Society (Keys Housing and Health Solutions)	\$50,000.00	Acquisition of Property - Josephine House	Annual
	Launching Pad Addiction Rehabilitation Society	\$11,250.00	Renovation - Envelope Repair Project	Annual
	Luke 15 House	\$12,881.00	Purchase and Installation of Freezer	Annual
	Pacific Community Resources Society	\$35,000.00	Youth Housing Outreach Worker	Annual
	Peninsula Homeless to Housing Task Force	\$4,000.00	Faith Community Outreach Forum - Land Redevelopment with a Social Lens	Annual
	Realistic Success Recovery Society	\$20,000.00	Purchase and Installation - Bed Frames, Mattresses and Bed Bug Covers	Annual
	Servants Anonymous Society	\$10,000.00	Victory Home Project - Rental of Home for Vulnerable Women	Annual
	Surrey Homelessness & Housing Task Force	\$20,000.00	Strategic Collaboration Between Organizations - Task Force Coordination	Annual
	Pacific Community Resources Society	\$10,000.00	Down Payment - Bolivar House Purchase - Youth Housing	Responsive
	2013 Total	\$243,131.00		

2014	Surrey Vulnerable Women & Girls Working Group	\$6,420.00	Collaborative Research on Women's Homelessness	Annual
	Elizabeth Fry Society of Greater Vancouver	\$20,000.00	Cornerstone: Women-Only Drop-In Centre	Annual
	Elizabeth Fry Society of Greater Vancouver	\$70,000.00	Women's Shelter Amalgamation Project - Feasibility and Rezoning	Annual
	Keekow Native Housing Society	\$49,220.00	Aboriginal Gathering Place and Housing Capital Project	Annual
	Lookout Emergency Aid Society (Keys Housing and Health Solutions)	\$10,000.00	Concept Development - Shelter and Transitional Housing - Feasibility Study and Project Design	Annual
	Options Community Services Society	\$25,000.00	Supported Youth Independent Housing	Annual
	Pacific Community Resources Society	\$25,000.00	Youth Housing Outreach Worker	Annual
	Peninsula Homeless to Housing Task Force	\$2,000.00	Faith Community Engagement	Annual
	Surrey Homelessness & Housing Task Force	\$6,000.00	Strategic Collaboration Between Organizations - Task Force Coordination	Annual
	Surrey Poverty Reduction Coalition	\$5,000.00	Housing First Landlord Engagement Breakfast (Homelessness Partnership Strategy)	Responsive
Options Community Services Society	\$1,300.00	Hyland House - Waste Bins and Storage Lockers	Responsive	
2014 Total		\$219,940.00		

2015	Elizabeth Fry Society of Greater Vancouver	\$20,000.00	Outreach Worker - Cornerstone Drop-In Centre	Annual
	Social Planning and Research Council BC	\$30,000.00	Moving Forward Together: A Strategy to End Homelessness in Metro Vancouver (\$10,000/year 2015-2017)	Annual
	Social Planning and Research Council BC	\$26,236.99	Regional Homelessness Plan Completion and Implementation Project	Annual
	Options Community Services Society	\$20,000.00	Mobile Housing Registry and Homelessness Prevention Van	Annual
	Pacific Community Resources Society	\$25,000.00	Youth Housing Transition Worker	Annual
	Realistic Success Recovery Society	\$5,500.00	Addiction Relapse Prevention Workshops	Annual
	Realistic Success Recovery Society	\$20,000.00	New Commercial Washer/Dryer Units (3)	Annual
	Surrey Homelessness & Housing Task Force	\$16,000.00	Strategic Collaboration Between Organizations - Task Force Coordination	Annual
	Elizabeth Fry Society of Greater Vancouver	\$10,000.00	Capacity Building - Housing First Readiness - Surrey Collaborative Project (Homelessness Partnership Strategy)	Responsive
	Lookout Housing and Health Society	\$100,000.00	Crawford Manor Purchase (Homelessness Partnership Strategy)	Responsive
City of Surrey	\$200,000.00	Renovations to Accommodate Winter Shelter	Responsive	
2015 Total		\$472,736.99		

2016	Atra Women's Resource Society	\$3,500.00	Durrant House Renovations	Annual
	Sources Community Resources Society	\$6,500.00	Capacity Building - Surrey Outreach Collaboration Table	Annual
	Surrey Vulnerable Women & Girls Working Group	\$8,000.00	Collaborative Planning Initiative	Annual
	Pacific Community Resources Society	\$15,000.00	Planning for Youth Housing and Youth Addiction Services	Annual
	Realistic Success Recovery Society	\$25,000.00	Trilogy House One - Recovery Home Renovations	Annual
	Lookout Housing and Health Society	\$25,000.00	Crawford House Renovations	Annual
	SOS Children's Village BC	\$27,000.00	Youth Semi-Independent Living - Furnishing Suites	Annual
	Fraser Region Aboriginal Friendship Centre Association	\$30,000.00	Planning for Youth Second Stage Housing	Annual
	Surrey Women's Centre Society	\$37,500.00	Mobile Assistance Program Van	Annual
	Options Community Services Society	\$100,000.00	Bill Reid Memorial Shelter Capital Project	Annual
	Surrey Vulnerable Women & Girls Working Group	\$5,000.00	Collaborative Planning Initiative	Responsive
	Lookout Housing and Health Society	\$4,000.00	Rig Dig Street Sweep Program - Peer-Led Program to Clean the Streets	Responsive
	BC Non-Profit Housing Association	\$10,000.00	2017 Metro Vancouver Homeless Count - Surrey Enhanced Urban Strategy	Responsive
Nightshift Street Ministries Society	\$700.00	Mat and Bedding Purchase for Women's Shelter	Responsive	
2016 Total		\$297,200.00		

2017	Luke 15 House	\$10,000.00	House Upgrades	Annual
	Surrey Vulnerable Women & Girls Working Group	\$15,000.00	Collaborative Planning Initiative	Annual
	Fraser Region Aboriginal Friendship Centre Association	\$20,000.00	Affordable Housing for Indigenous Youth	Annual
	Pacific Community Resources Society	\$25,000.00	Surrey Youth Resource Centre Upgrades	Annual
	Surrey Women's Centre Society	\$25,000.00	Mobile Assistance Program Van	Annual
	Elizabeth Fry Society of Greater Vancouver	\$60,000.00	The Rosewood Capital Project - Housing and Services for Women and Girls	Annual
	Keekow Native Housing Society	\$75,000.00	The Sohkeya Redevelopment Project	Annual
	Atra Women's Resource Society	\$75,000.00	Motel Hollywood Renovation/Restoration	Responsive
2017 Total		\$305,000.00		

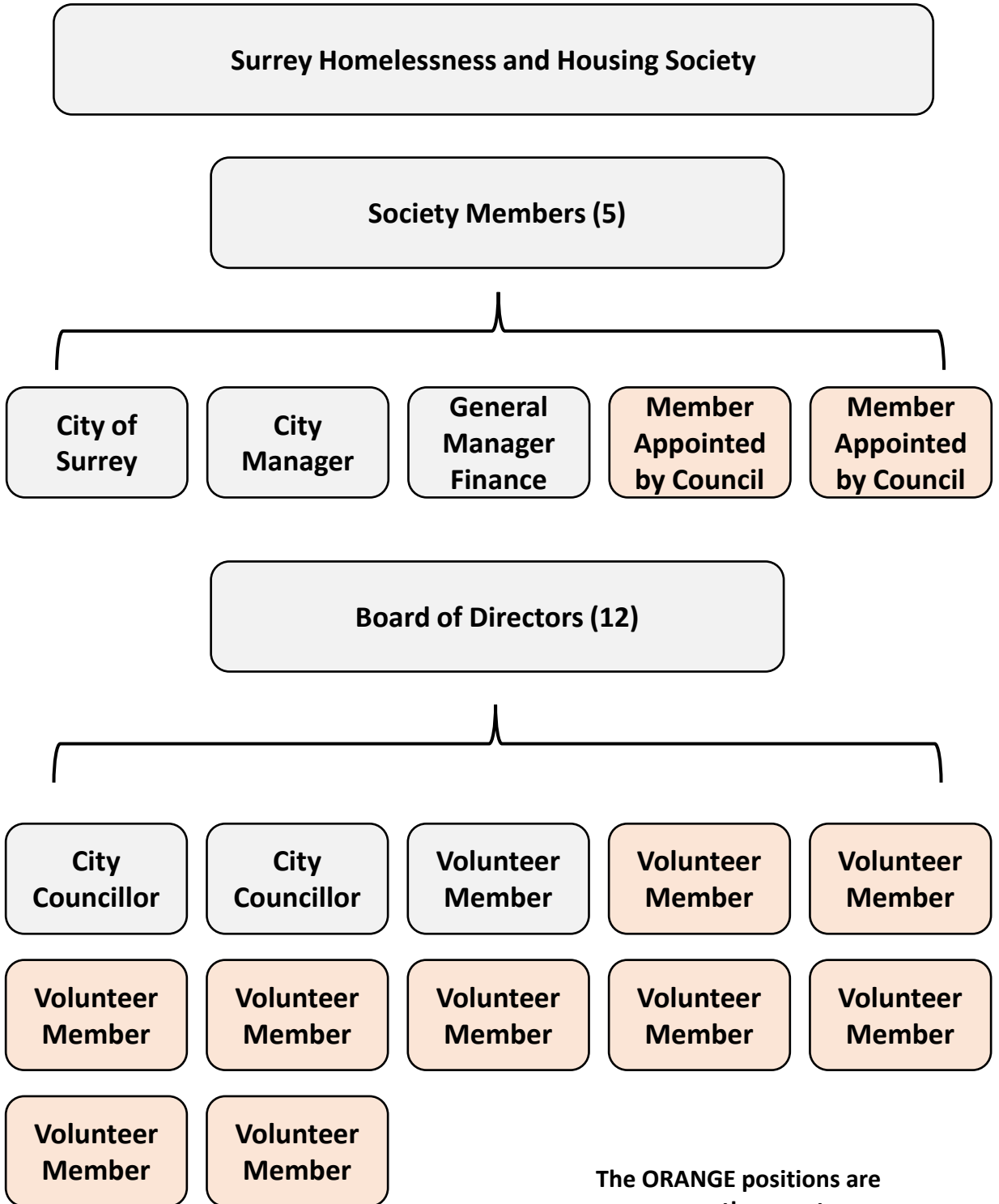
2018	Realistic Success Recovery Society	\$12,000.00	House Renovations	Annual
	Launching Pad Addiction Rehabilitation Society	\$15,000.00	Feasibility Study for Potential Redevelopment and Expansion	Annual
	Home Front	\$20,000.00	Data Systems Coordination Regional Homelessness Strategy - Making Homelessness Rare, Brief and One-Time (2018-2020 \$20,000/year)	Annual
	Pacific Community Resources Society	\$41,950.00	City Centre Youth Hub Renovations	Annual
	Lookout Housing and Health Society	\$150,000.00	Property Acquisition Grosvenor Road Duplex - Housing with Mental Health and Addictions Support	Annual
	Keekow Native Housing Society	\$200,000.00	The Sohkeya Redevelopment Project	Annual
	Options Community Services Society	\$250,000.00	Options Hub at 81st Capital Project	Annual
	Fraser Region Aboriginal Friendship Centre Association	\$250,000.00	Affordable Housing for Indigenous Youth Capital Project	Annual
City of Surrey	\$489,733.00	Temporary Workforce Housing in City Centre - Land Lease	Responsive	
2018 Total		\$1,428,683.00		

2019	Home Front	\$20,000.00	Data Systems Coordination - Regional Homelessness Strategy - Making Homelessness Rare, Brief and One-Time	Annual
	Pacific Community Resources Society	\$25,000.00	Guildford Youth House Renovations	Annual
	Aunt Leah's Place	\$25,966.00	Supportive Suites for Youth in Case in Surrey	Annual
	Fraser Region Aboriginal Friendship Centre Association	\$79,034.00	All Nations Evictions Specialist Pilot Project	Annual
	Phoenix Drug and Alcohol Recovery and Education Society	\$100,000.00	Short Term to Recovery Program Renovations	Annual
	Realistic Success Recovery Society	\$8,000.00	Trilogy House One - Leaky Roof and Rain Damage Repair	Responsive
2019 Total		\$258,000.00		

	Home Front care of Vancity Community Foundation (Year 3 of 3)	\$20,000.00	Data Systems Coordination - Regional Homelessness Strategy - Making Homelessness Rare, Brief and One-Time	Annual
	Launching Pad Addiction Rehabilitation Society	\$6,000.00	Sanitation and Protective Equipment/Supplies	COVID Response 1
	Lookout Housing and Health Society	\$33,800.00	MoonBeam UV Disinfectant Unit	COVID Response 1
	Seven Sacred Fires Society	\$5,000.00	Temporary Staff Support, Cleaning Supplies and Protective Equipment	COVID Response 1
	Surrey Urban Mission Society	\$30,000.00	Vehicle to Support Client and Food Transportation (Emergency Centre)	COVID Response 1
	SOS Children's Village BC	\$10,000.00	Food and Supplies for Families and Youth in Isolation	COVID Response 1
	Guru Nanak's Free Kitchen Society	\$5,000.00	Food and Meal Distribution	COVID Response 1
	Fraserside Community Services Society	\$15,000.00	Meal Program for Residents in Isolation	COVID Response 1
	Sources Community Resources Society	\$35,331.00	Temporary Staff Support and Technology Needs (Client Access to Programs and Lifeskills Training)	COVID Response 1
	Pacific Community Resources Society	\$12,050.00	Food and Cleaning Supplies, Temporary Staff Support and Technology Needs (Client Access to Programs and Lifeskills Training)	COVID Response 1
	Gracepoint Community Church	\$2,500.00	Food Program - Groceries for Those At-Risk	COVID Response 1
	Pathway to Freedom Recovery Society	\$12,400.00	Cleaning Support and Protective Equipment	COVID Response 1
	City Centre Church	\$4,795.00	Meal Distribution Program	COVID Response 1
	Afro-Canadian Positive Network Society BC	\$2,530.00	Culturally Appropriate Food Hampers	COVID Response 1
	African Stages Association BC	\$8,000.00	Culturally Appropriate Food Hampers	COVID Response 1
	Ghanaian Canadian Association BC	\$6,000.00	Culturally Appropriate Food Hampers	COVID Response 1
	Pacific Community Church - Cloverdale Community Kitchen	\$4,380.00	Kitchen Cleaning and Meal Delivery Supplies	COVID Response 1
2020	Young Women's Christian Association	\$14,169.00	Temporary Increase to Staff Capacity for Surrey Program and Groceries for Vulnerable Families	COVID Response 1
	Greater Vancouver Youth Unlimited	\$12,780.00	Basic Needs Supplies for Youth and Families	COVID Response 1
	Options Community Services Society	\$29,500.00	Emergency Basic Needs Supplies for Clients and Technology to Deliver Remote Services	COVID Response 1
	Sources Community Resources Society	\$83,790.00	Housing Loss Prevention Program	COVID Response 2
	The Elizabeth Fry Society of Greater Vancouver	\$72,237.00	Housing Loss Prevention Program and Housing Placement Program	COVID Response 2
	Fraser Region Aboriginal Friendship Centre Association	\$67,631.00	Housing Loss Prevention Program	COVID Response 2
	Lookout Housing and Health Society	\$31,961.00	Housing Maintenance Program - Decluttering for Individuals with Hoarding Tendencies	COVID Response 2
	Atra Women's Resource Society	\$44,881.00	Capital Project - New Modular Units at Little's Place	COVID Response 2
	Phoenix Drug and Alcohol Recovery and Education Society	\$21,000.00	Mobile Food Services - Food Truck Program	COVID Response 2
	Pacific Community Resources Society	\$17,280.00	Food Program to Support Maintaining Housing	COVID Response 2
	Afro-Canadian Positive Network Society BC	\$4,140.00	Culturally Appropriate Food Hampers	COVID Response 2
	SOS Children's Village BC	\$2,500.00	Personal Protective Equipment and Sanitation Supplies	COVID Response 2
	Fraserside Community Services Society	\$1,580.00	Safety and Sanitation Supplies	COVID Response 2
	Nightshift Street Ministries Society	\$3,000.00	Food Services and Donation Storage	COVID Response 2
	2020 Subtotal	\$619,235.00		
	City of Surrey (Year 1 of 10)	\$1,544,000.00	Lease and Renovation for Three Sites - The Cove Shelter, The Olive Branch Shelter and Newton Modular Housing Project Multi-year Grants 2020-2029: \$3,914,694 total approved in 2020	Responsive
	2020 Total	\$2,163,235.00		
	Grand Total	\$7,416,446.99		

APPENDIX "III"

Current Structure



Benefits of Continuing to hold the Fund at Vancity Community Foundation

Since the establishment of the Surrey Homelessness and Housing City Fund in 2007, the unique partnership between the Society and Foundation has led to significant support for “Made in Surrey” solutions to homelessness. This support has included in excess of \$5M in grants, \$2.5M raised in charitable dollars, a prudent investment strategy with significant portfolio growth, and a number of collaboration and capacity building opportunities that have strengthened the homelessness and housing sector in Surrey as a whole.

The Foundation has acted as a arms-length intermediary and partner to amplify the Society’s important work. Specific benefits of holding the Fund and its activities at the Foundation include:

Access to Foundation staff resources: Along with 1.5 dedicated staff who directly support the work of the Society and the Fund, the Foundation provides additional staffing resources to manage Fund and Society activities. These staff include:

- Database administer who processes charitable donations
- Administrative manager who processes grants and invoices
- Senior Accountant
- Executive Director who provides staff management and strategic guidance
- Additional program and donor services staff who provide advice on granting decisions, fundraising and capacity building initiatives

Leveraging of Foundation and Credit Union expertise and resources: The Foundation has a 30-year track record of supporting homelessness, affordable housing and poverty reduction initiatives. Our current work includes:

- Administration of Greater Vancouver Reaching Home program, a multi-million-dollar federal government funding program that provides operational and capital funding to initiatives working to reduce and prevent homelessness across the region, delivered in partnership with Lu’ma Native Housing Society. The Reaching Home team and staff assigned to Surrey Homelessness and Housing Fund have worked together closely to support Surrey based organizations to access funding and implement successful projects.
- Vancity Community Foundation Strategic Programs, in partnership with Vancity credit union, provides early-stage development grants, loans and technical support for affordable housing projects and homelessness initiatives. On several occasions, because of the close relationship the Foundation and Society have jointly funded Surrey-based programs and projects that, without this collaboration, may not have succeeded. The Society and Foundation have also collaborated on a number capacity building initiatives, including providing training on grant writing and social purpose real estate and affordable housing planning and development. Vancity credit union has also played a significant role in supporting Society activities, and housing initiatives, in Surrey. Surrey based homelessness and housing projects have had streamlined access to financial advice, grants and/or financing from the credit union because of the relationship with the Foundation. Vancity credit union has also been a key sponsor of Society events including of the Coldest Night of the Year, providing sponsorship and in-kind contributions. As well, the Vancity credit union was a lead sponsor of the City of Surrey’s Social

Innovation Summit from 2015-2017. This type of support from the credit union was secured in large part because of the Foundation's relationship with the Society and the hosting of the Fund.

Fundraising capacity: The Foundation uses a robust donor management system to manage donor relationships and issue tax receipts. This type data management system typically costs up to \$20,000/year to maintain. This system also allows online donations, and the Foundation provides expertise for more complex donations such as gifts of securities and estate gifts. The Foundation's Donor Advised Fund structure allowed for the establishment of additional Funds for the Society, i.e. the SHHS Community Fund, and the Surrey Youth Assistance Fund, which through an anonymous donor to youth at risk.

Support for other Surrey-based initiatives: From 2017 to 2020, through its relationship with the Society, the Foundation acted as the fiduciary and provided project management support for organizations working to address poverty and homelessness in Surrey. These include:

- The Foundation acted as fiduciary for a number of Surrey Poverty Reduction Coalition projects including: *Investing in Brighter Futures/Canada Learning Bond Project*; *Connecting Community to Youth (project to support Surrey youth aging out of foster care)* and *CLIC (Community Leaders Igniting Change)*.
- The Foundation provided fiduciary and project management support for the Council of Homelessness Table, including the Surrey Homelessness Table and related events such as Homelessness Action Week.
- The Foundation acted as the fiduciary for the Coldest Night of the Year event in 2019 and 2020, a public awareness and fundraising event co-hosted with the Surrey Homelessness and Housing Taskforce.
- The Foundation is acting as the fiduciary for the Coldest Night of the Year event in 2021 for Surrey Road to Home Society at the request of SHHS.

Proposed Amendments to the Society's Bylaws

The Bylaws of the Society be amended as follows:

1. Delete the words "City Manager" from clause (a) in Bylaw 2.1 and replacing them with the words "General Manager, Planning and Development,".
2. Delete the words "and Technology" from clause (c) in Bylaw 2.1.
3. Delete clause (d) of Bylaw 2.1 and replace it with the following new clause (d):

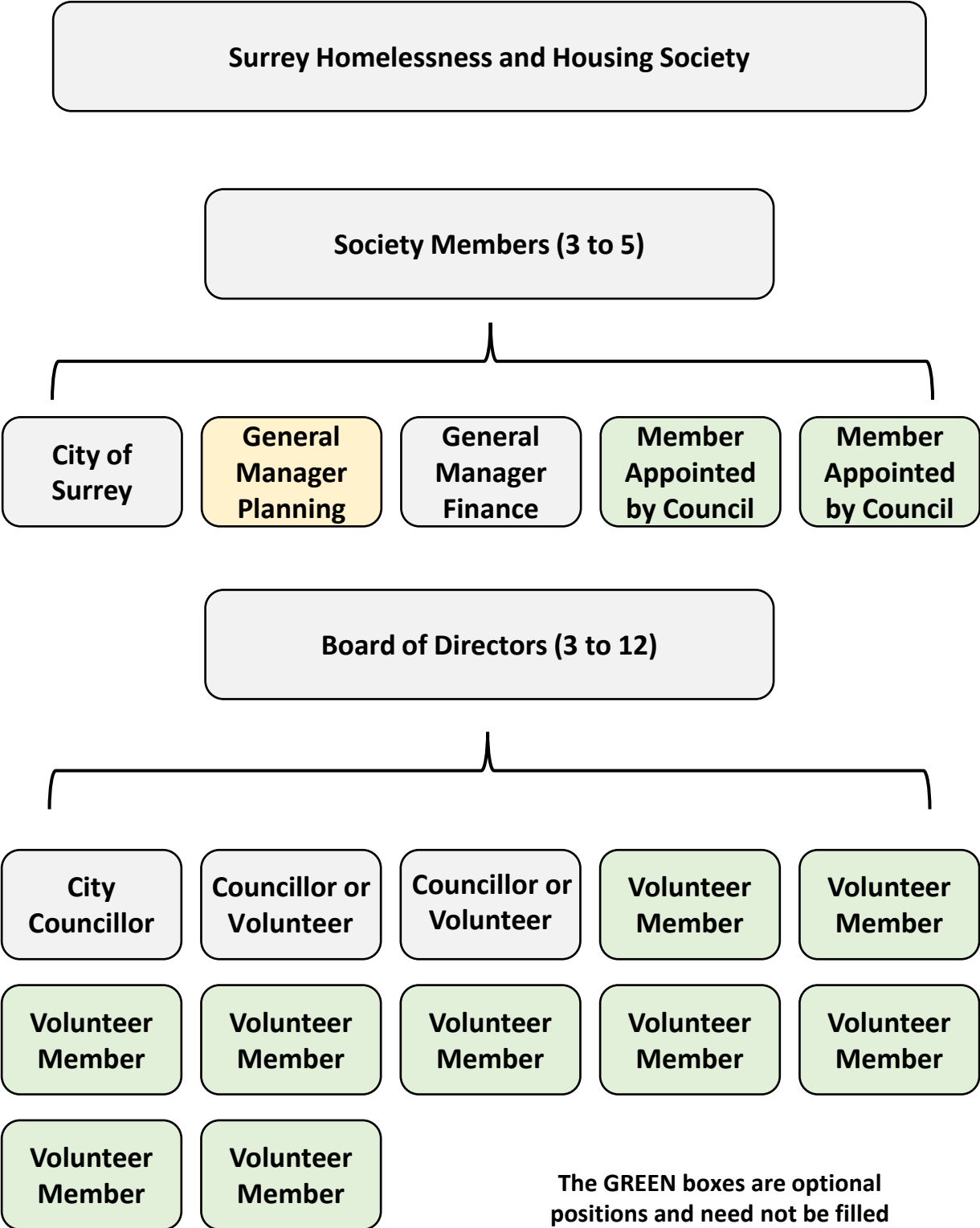
(d) up to two (2) members to be appointed by Council.
4. Delete Bylaw 5.5 in its entirety and replace it with the following new Bylaw 5.5:

5.5 The number of directors shall be between three and twelve or such other number, not being less than three, as may be determined from time to time by ordinary resolution and at least one director shall be a member of City Council.
5. Delete Bylaw 6.2 in its entirety and replace it with the following new Bylaw 6.2:

6.2 The Board may from time to time fix the quorum necessary to transact business, and in no instance may the number necessary for a quorum be less than a majority of the Board.

APPENDIX "VI"

Structure After Proposed Amendments



Proposed SHHS Positions

