

Master PLAN

FOR HOUSING THE HOMELESS IN SURREY

Final Report

**PREPARED FOR THE
City of Surrey**

**PREPARED BY
CitySpaces Consulting Ltd.**

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ACKNOWLEDGMENTS

The Master Plan for Housing the Homeless was made possible due to the large number of individuals and organizations that generously contributed their time to meet with the consultant team and to share their insights and local knowledge. This includes a number of key-informants who met with the consultant team as part of the background data collection phase of the project. The list of groups who participated are named in Appendix A: Situation Report.

In addition, the draft Master Plan document was presented to a number of stakeholder groups and their input was incorporated into the final version of the report. These groups include:

- Surrey Homelessness and Housing Society;
- Surrey Homelessness and Housing Task Force;
- Peninsula Homeless to Housing Task Force;
- Surrey Board of Trade Social Policy Team;
- Surrey Homeless Outreach Network;
- Surrey Winter Shelter Community Advisory Committee;
- Fraser Region Aboriginal Friendship Centre; and
- City of Surrey Social Policy Advisory Committee.

The project's steering committee also provided oversight and input and it included the following members:

- City of Surrey (Councillor Judy Villeneuve, Jean Lamontagne, Don Luymes, Aileen Murphy, Marlis McCargar);
- BC Housing (Darin Froese, Craig Crawford, Armin Amrolia); and
- Fraser Health Authority (Meryl McDowell).





EXECUTIVE SUMMARY

The Project

The City of Surrey developed the Master Plan for Housing the Homeless in partnership with BC Housing and Fraser Health. Other government and non-profit agencies, the business community, and homelessness task forces and committees in Surrey all contributed their knowledge and perspectives to the Plan.

The Plan aims to identify and respond to the needs for long-term housing and support services for people who are homeless, or at-risk of becoming homeless. Additionally, this initiative focuses on the need for emergency shelters and related services.

The project partners initiated the project as a way to ensure future actions to address homelessness in Surrey are coordinated and strategic. In this way, the available resources can be made available to respond to identified priorities and are used to maximum effect. This Plan is also intended to assist the City of Surrey and local non-profit organizations to proactively respond to partnership opportunities with the Province and other funders.

The Priorities

The 2011 Metro Vancouver Homelessness Count found 400 homeless people in Surrey. Widely recognized to be an undercount of the actual homeless population, the Count is seen to particularly under-represent women, children, and youth, groups who do not always use the traditional shelter system. In response, the Plan identifies the following population groups to be in particular need of supportive housing:

- Individuals with mental health and/or substance abuse issues;
- Women and women with children;
- Youth; and
- Aboriginal people.

Surrey's Master Plan for Housing the Homeless is focused on the provision of additional supportive housing units as a response to the homelessness situation. However, it also highlights the need for improvements to the emergency shelters that currently work with certain at-risk groups, namely women, women with children, youth, and Aboriginal people. Specifically, it outlines the following priorities:

- Creation of an additional 450 units of transitional and supported housing for people who are homeless or at-risk of homelessness.
- Replacement of the Gateway emergency shelter in Whalley with a new purpose-built facility that also incorporates transitional housing units.

- Enhancement of supportive housing, shelter and drop-in services that focus on vulnerable population groups with unique needs.
- Continuing to strengthen partnerships and collaboration with BC Housing, Fraser Health Authority, Surrey Homelessness and Housing Society, and other government funders and foundations.

Procurement Of Supportive Housing

The Plan outlines an implementation program to generate 450 new units of supported housing over a five year period. The Plan does not include any additional shelter beds. The built units correspond to the number of Surrey residents who were identified in the 2011 Metro Vancouver Homelessness Count, with a contingency of 10%, which takes into account the likely undercount, and Surrey's continuing population growth.

The Procurement Plan sketches out a framework for new construction, acquisitions and rent supplements for the period 2013-2017 to create 450 units.

- 340 studio units to be created through new construction, and acquisition (renovation, repurposing) of existing buildings. These facilities would be operated by non-market housing providers. The capital cost of the 340 units is estimated at \$45,750,000 and assumes local partnership contributions of 10%, reducing the net capital cost to \$41,175,000.
- 110 rent supplemented units will be made available through market rental housing, with outreach workers providing supports to these tenants. By Year 5 of implementation, the rent subsidy and support costs are estimated to be \$748,000 annually.

By Year 5, 450 people will have permanent housing and be receiving supports to help them live as independently as possible at a much lesser societal cost than repeated stays in emergency shelters, jails, and hospitals.

The Master Plan for Housing the Homeless in Surrey will require the commitment and effort of all these partners in order to implement its recommendations and create a Surrey in which everyone has a home.

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INTRODUCTION

The City of Surrey and BC Housing partnered on the initiative to develop a Master Plan for Housing the Homeless in Surrey. The initiative aims to identify, and respond to the needs for long-term housing and support services for people who are homeless, or at-risk of becoming homeless. Additionally, this initiative focuses on the need for emergency shelters and related services.

The Master Plan for Housing the Homeless follows on the heels of several policy and planning initiatives by the City of Surrey. The Plan builds on these and other past initiatives in a targeted attempt to address homelessness and housing affordability.

The development of the Master Plan involved two stages.

- **Stage 1 - Background & Research**

The first stage involved research, analysis and stakeholder consultation that is compiled in a Situation Report. This background document serves to set the context and identify the key priority issues in Surrey. In addition, a briefing paper was prepared that described various practices from other municipalities and jurisdictions. Both documents are available as Appendices to this document.

- **Stage 2 - Priorities & Procurement**

The second stage involved the identification of priority projects and program models and the development of an implementation plan for acquiring supported housing units. This included specific recommendations that focus on issues related to shelters and support services raised during the consultation.

Between February and April, 2013, City of Surrey staff undertook consultation with key stakeholder groups regarding the draft Master Plan and the reports have subsequently been updated and refined as a result of those meetings.

RECAP OF SITUATION REPORT

The background research and analysis outlined in the Situation Report (Appendix A) was undertaken to inform the development of targeted actions and an implementation plan for responding to homelessness in the city of Surrey. The research involved: a) reviewing current policies and practices; b) presenting estimates of the homeless population based on the 2011 Homeless Count information as well as other service provider statistics; c) a listing of emergency services and relevant non-market housing units; and d) interviews with key stakeholders.

Key highlights from the report are presented here to set the context for the recommendations and procurement targets outlined in the Master Plan.

- Inventory of Beds & Units** — As of July, 2013, there were 85 beds at three co-ed emergency shelters, 26 beds at two women’s shelters, six beds at a youth safe house, 48 additional beds at safe houses, and 688 transitional and supported housing beds and units for individuals. These facilities regularly operate at full occupancy and there are regular turn-aways during the winter months.
- At-Risk Population Groups** — Among the 400 people counted as part of the 2011 Homeless Count, the majority were *single men* (63%). Service providers identified several other groups, often not well-captured by the Count, to be particularly vulnerable to repeat homelessness. These include:
 - Women, including single women, women with children and sex-trade workers (37% of Surrey’s 2011 homeless population);
 - Youth-at-risk, particularly Aboriginal and immigrant youth; and
 - Aboriginal singles and families (24% identified themselves as Aboriginal in the 2011 homeless count).

Figure A - Emergency Services and Housing Continuum

	DROP-IN SERVICES	EMERGENCY SHELTERS	TRANSITIONAL HOUSING & PROGRAMS	LONG-TERM HOUSING WITH SUPPORTS	RENT SUPPLEMENTS + MOBILE SERVICES
HOUSING	No Housing Component	Seasonal extreme weather beds and year-round shelters	Safe houses, second stage, treatment programs, longer term housing	Non-market housing for the homeless and at-risk	Units in market rental housing
SERVICES	Access to basic services e.g. laundry, phone, food, counselling	Gateway services connect users to key supports	On-site services focus on stabilization, e.g. crisis management, income, health, advocacy, life skills	High - moderate - low levels of support	Outreach, follow-up and other mobile services tailored to individual, if required

Housing Gaps

The Situation Report confirmed there are significant gaps in housing and services for homeless people and those at-risk of homelessness, with unique needs of women, youth and Aboriginal people. From across the emergency services and housing continuum (Figure A), the following gaps were identified:

- **Shelters** — A better alignment of emergency services to the homeless population is needed, including a centrally-located low barrier shelter in Whalley that provides longer-term accommodation with support service linkages for users and enhanced shelter services for women, youth and Aboriginal people.
- **Transitional or Second-Stage Housing** — Temporary housing (for a few months or years) that helps individuals to transition to greater independence and permanent housing.
- **Supportive Housing** — Housing with integrated support services, a vital piece of the housing continuum.
- **Low-Barrier Housing** — Housing for Individuals with a mental illness, drug and alcohol addictions and those leaving correctional facilities who face the greatest difficulties with securing housing.

Service Gaps

The following areas were frequently identified during the background research:

- Housing outreach and follow-up services;
- Health, mental health and addictions services;
- Discharge services from hospitals and correctional institutions;
- Meal programs; and
- Prevention and financial assistance services.

ACHIEVEMENTS TO DATE

The City of Surrey's Plan for the Social Well-Being of Surrey Residents (Social Plan) identifies homelessness as a priority issue and confirmed that there are significant gaps between the supply of, and need for, emergency shelter beds, transition and supportive housing.

Since the Social Plan's adoption in 2006, the City, BC Housing, Fraser Health, and social and housing providers have aggressively focussed their efforts on tackling homelessness in Surrey. There have been a number of significant achievements:

- 2006 Funding provided for six outreach workers through BC Housing's Homeless Outreach Program.
- 2006 Surrey's Extreme Weather Program initiated.
- 2007 The Surrey Homelessness and Housing Fund was established with \$9.5 million of City funds. This endowment fund provides grants annually for programs and operations. In 2009, a one-time capital grant of \$1 million was directed toward Maxxine Wright Place.
- 2007 The Phoenix Centre opened, providing 28 short-term addiction recovery beds and 36 transitional housing units.
- 2008 The Surrey Homelessness and Housing Society was established to oversee the Homelessness and Housing Fund. To date, over \$2 million has been awarded in grants.
- 2008 The City and BC Housing entered into a Memorandum of Understanding to fund three projects, adding 156 units of supportive housing.
- 2009 Gateway Shelter received funding as a year-round, 24-hour shelter.
- 2009 The City initiates a Housing Action Plan (research and consultation).
- 2009-10 Homeless Intervention Project supported 356 homeless people to move to more permanent housing
- 2011 Maxxine Wright Centre, a new integrated centre with 12 emergency shelter beds for women; 24 transitional housing units for single women and mothers and their children; a 59-space child care centre; community kitchen; and health care clinic.
- 2009, 2012 Bolivar Court opens, including 19 supportive units funded by Fraser Health. Peterson Place opens, 39 units of independent living units for homeless or at risk of homelessness in a renovated former Howard Johnson motel.

- 2012 Alder Gardens opens, a new 36-unit supportive housing development for single mothers and their children who were at-risk of homelessness.
- 2012 Timber Grove opens, a new supportive housing development with 52 studio apartments for individuals who are homeless or at-risk of becoming homeless.
- 2012 Quibble Creek Health and Phoenix Transition Housing Centre opens – a new addictions and health clinic, 25-mat social detox centre, and 52 supported transitional housing units, and 15 short-term access to recovery rooms (STAR).
- 2012 Fraser Health Authority's ACT (Assertive Community Treatment) program initiated.

SHELTERS, SUPPORT SERVICES AND OTHER STEPS

Recommendations – Shelters & Transitional Facilities

While current Provincial funding priorities are focused on supported housing rather than shelter beds, there continues to be a strong need for appropriate shelter resources and related services in Surrey to help provide a gateway to longer term housing options for the homeless.

Existing service providers and facilities will play an important role in continuing to meet shelter and transitional housing needs. It is recognized, however, that there is a need to continue to build operational capacity and physical capacity.

Recommendations – Gateway Shelter Interim Improvements

- **Keys Housing and Health Solutions Gateway Shelter (Keys)** – The physical conditions of the current shelter no longer meets the expected standards of shelter projects. A resolution of this situation, the condition of the physical facility and operational funding for Keys, is an immediate priority for shelter users and the residents and businesses in the area.
 - As an interim solution in 2012, BC Housing provided capital funding to retrofit the exterior outdoor space of the site. This resulted in better organized, safer and more useful spaces to help mitigate certain nuisance issues until a more permanent solution is found. Improvements included creating an enclosed courtyard, reorganizing parking, as well as secure, covered outdoor storage for carts and pets.
 - Operational improvements are also warranted, including continuation of overnight stays instead of nightly renewals, and reframing the drop-in as part of a 24/7 shelter operation.

Recommendations – Gateway Shelter Replacement

- **A replacement, purpose-designed Gateway shelter facility** needs to be constructed that could also include transitional housing units. It could be located in the general area of the existing shelter, or moved elsewhere in the Whalley area.
 - **Whalley Area / Co-Existence**

Homelessness is a community-wide issue and needs community-wide solutions, especially targeted to areas where homeless people tend to already gravitate. For this reason, the new shelter needs to be in the Whalley area. Importantly, it needs to be designed to co-exist with its neighbours. Successful coexistence, given an appropriate design and operational/funding model, has been demonstrated by other facilities in Metro Vancouver. These include the Lookout Society's Yukon Shelter in Vancouver, and the Russell in New Westminster.

- **Appropriate Design**

Most issues associated with the existing facility can be mitigated and some cases eliminated through appropriate design and operational models, as demonstrated in newer shelter and transitional housing facilities. Examples of appropriate design and programming space include interior/private outdoor courtyards, storage for carts, accommodation for pets, and physical separation between the street and on-site activities. Importantly, funding for 24/7 support services is essential to ensure the successful operation of a minimal barrier, "housing first" model.

- **Key Features**

For shelter users, well-planned features and space configurations support individuals to stabilize, and connect with services. These include single/double rooms, storage space, and flex rooms for couples or trans-gendered individuals. Also, it is important that the shelter includes flexible meeting spaces to ensure that service organizations are able to provide on-site counselling, life skills training, and other health-related services. Space to prepare and serve daily meal service must also be part of early space planning.

- **Accessibility**

The replacement facility also needs to be accessible to transit, daily shopping needs and community services.

- **Transitional Component**

Typically, combining a shelter operation with transitional housing results in staffing and operational efficiencies, especially if the development is in the 70-80 bed/unit range. The Yukon Shelter and Transitional Housing (Vancouver) and the Russell Shelter and Transitional Housing (New Westminster) are successful examples of this mix of shelter and transitional housing. One is a new-build solution and the other is a renovated hotel. Both are located within thriving business areas in Vancouver and New Westminster respectively. A combined shelter/transitional housing facility with funding to support 24/7 shelter services would mean that users would not be required to leave the facility in the morning and line up for a bed in the evening. This takes away a significant demand for an associated 24/7 drop-in centre and the issues related to its operation.

Recommendations – Drop-in Centre

- The question remains regarding the continued operation and need of a drop-in centre and its proximity to a new shelter/transition housing. While drop-in services may still be necessary in the Whalley area, the combination with a shelter and transitional housing may create a more destabilizing situation for those in the shelter and housing. Other models in the Metro Vancouver area usually have, at most, two of the three functions. For example, a resource/drop-in function and transitional housing; or a shelter and transitional housing. Two possible approaches are:

- Co-locating a drop-in centre with a health centre for outreach programs that assist homeless people to access better health and housing options; or
- Providing additional funding to other non-profit service providers in the Whalley area to fill the gap, including providers that focus on women, Aboriginal and youth services.

Recommendations – Other Existing Shelters and Supported Housing

- **No Significant Bed increase, Plan for Improvements**

While no significant increase in the number of shelter beds is recommended, in the coming months and years, capital improvements will be needed for existing shelters, either for renovation or replacement. The Cloverdale Shelter, in particular, merits early attention. Planning and budgeting for these improvements should be underway in the short-term.

- **Strategic Assessment**

Existing shelters can be an efficient way to create short-term stable accommodation along with supports for single people who are motivated to move to more independent and permanent housing. These shelters should be strategically assessed to ensure they are operating within appropriate physical spaces and operational models.

Recommendations – Specific Target Groups

- **Women**

There is a critical need for dedicated shelter and transitional housing for women considered to be high-risk, who struggle with addictions and mental health issues. This can be accomplished by building the capacity of existing non-profit organizations that serve this client group.

- **Children**

There is an urgent need for additional shelter and transitional capacity to accommodate families with children. Given the vulnerability of homeless children and the risk that homelessness can have on their development and wellbeing, shelter and supportive housing for families is a priority.

- The Elizabeth Fry Society has indicated it is prepared to increase its services to women through the development of a new building that combines its existing houses into one facility that has a shelter as well as transitional housing units for single women and women with children. The Society has relevant experience operating existing facilities, and the capability to increase their services.

- **Youth**

There is a need to expand existing options to ensure there are shelter beds for youth in safe residential neighbourhoods close to transit and services. Along with youth shelters, more opportunities for short and long term stable housing are needed. Good examples of working models include Bolivar Heights, a co-ed house for youth in Surrey, and the proposed Broadway Youth Resources Centre in Vancouver, which will have housing units above a two-storey youth resource centre. Modest group homes or supported apartment units are good approaches to provide affordable solutions and integrate well in established neighbourhoods.

- **Aboriginal Population**

Aboriginal individuals make up 24% of the homeless in Surrey according to the 2011 Metro Vancouver homeless count but are less likely to stay in a shelter than non-Aboriginal individuals. A targeted Aboriginal shelter response needs to provide the services that would identify culturally appropriate design, and to help address the reasons there is less success in these individuals moving to more permanent and stable housing. A response needs to be developed that includes discussion with the service providers to this community and their funders. Culturally appropriate options need to be considered for Aboriginal youth and low-income families and elders across the entire non-market housing continuum – shelters, supported housing, and social housing.

Additional Comments

- **Gateway Function**

Surrey's existing co-ed emergency shelters lack the funding to always provide consistent gateway services for shelter clients, particularly those with unique needs – youth, women, and Aboriginal people. Ideally, other Surrey-based service providers who serve these groups will be able to deliver some of their services inside the shelters (i.e., “in-reach” services).

- **Fraser Health Authority – ACT funding**

In 2012, Fraser Health launched the new Surrey Assertive Community Treatment (ACT) program. This specialized outreach program takes mental health support to adults with serious and persistent mental illness and functional impairments who do not respond well to traditional outpatient care. It dovetails with a “housing first” approach. The Surrey ACT Program has the capacity to support up to 100 individuals. Some ACT clients require housing, either through a rent supplement unit in market housing or in a low-barrier supported housing development.

City Of Surrey

The City of Surrey has made significant contributions to the development of supported housing with six recent projects since 2006 – the Phoenix Centre, Maxxine Wright, Bolivar Court/Peterson Place, Timber Grove, Alder Gardens and Quibble Creek. The City's support is vital to ensuring that new, renovated and expanded projects do not meet unreasonable barriers to approval.

The City's continuing involvement in addressing the needs of homeless people and those who are at-risk of becoming homeless is vital. This involvement cuts across a number of areas:

- Advocacy and education;
- Policy and regulation;
- Approvals processes;
- Dedicated staff time;
- Partnerships; and
- Financial assistance (land, capital, property tax and fees).

Recommendations – City Advocacy and Education

- Consider methods to educate and build awareness among Surrey residents and businesses about homelessness.
- Advocate for increased provincial funding for housing and services to address homelessness.

Recommendations – City Policy and Regulation

- Continue to provide for a mix of housing and services in all neighbourhoods. Shelters and transitional housing need to be distributed through Surrey's six communities, close to transit and services. This broad distribution will also ensure that homeless people have a better chance to live in a community that is familiar to them, and where they may have significant familial and social connections.
- Develop a strategy and policies that consider the implications of displacement of rental units as a result of redevelopments or conversions in the interest of maintaining an inventory of affordable rental housing units.
- Support the creation of affordable secondary suites and enforce health and safety standards in a way that protects the rights of tenants, while minimizing the loss of affordable units and tenant displacement.
- Consider alternative housing forms to purpose-built complexes, including renovation of single and duplex dwellings that can be reconfigured into multiple self-contained units and operated by a non-profit society. The City's policies and

regulations will need to be revised to allow this form in residential neighbourhoods, as well as Council support for this type of initiative.

- Consider a more comprehensive standards of maintenance bylaw to provide further protection for tenants living in low or substandard housing conditions.

Recommendations – City Partnerships

- Continue to support new purpose-built projects and partnerships with other levels of government through agreements that can leverage City resources such as land, and waiving of municipal fees. The 2008 Memorandum of Understanding (MOU) between the City and BC Housing to fund and facilitate three projects totalling 156 units of supportive housing is a model of this type of agreement. Consideration should be given to amending the MOU to add additional sites.
- Continue to develop relationships and clear lines of communication between bylaw officers, the RCMP, service providers and outreach workers to address issues with the homeless population, such as through Surrey's Hard Target Committee meetings.
- Continue to build capacity among Surrey's non-profit organizations and participate in local and regional committees and task forces that work to minimize homelessness and improve rental housing affordability and opportunities. Examples include the Regional Steering Committee on Homelessness, and the Surrey Homelessness and Housing Task Force.

Recommendations – Surrey Homelessness and Housing Society

- Continue to facilitate the growth of the Surrey Homelessness and Housing Society's (SHHS) fund.
- To work with SHHS to facilitate further development of fundraising efforts for new priority supported housing projects.

An Expansion Of Support Services

There is a great deal of evidence that housing needs to be linked to support services, well-trained staff and good programs. As Surrey grows, the demand for these services will increase, especially for formerly homeless people who are working towards living stably and independently in market housing.

Recommendations – Outreach Support

- More outreach workers are needed throughout Surrey, and specifically to address the needs of at-risk youth, women and seniors.
- Additional outreach workers will be needed to provide follow up and support services to recently-housed individuals to help them maintain their housing and gain further life skills. The client base continues to grow. For example, in Surrey between

2010 and 2012, there was an average of approximately 600 people transitioned off the street and into housing each year.

- More resources are required for the homeless youth population. Many agencies, and, similarly, outreach workers are not mandated to work with individuals under the age of 19.
- Develop resource material and a mentoring program for outreach workers who communicate regularly with landlords in the private market. The value of building good relationships with landlords is vital to ensuring housing success for previously homeless people.
- Adapt and expand the Integrated Offender Management project¹ and other similar initiatives which help individuals who are identified to be at-risk of becoming homeless to access housing and services after they are discharged from corrections facilities. This type of prevention initiative could be expanded to other types of institutions, including hospitals and addictions treatment centres.

Recommendations – On-Site Services

- There is a continued need for on-site services at existing shelters and drop-in facilities, either through permanent staffing or in-reach services from partner organizations. This may include medical services, income assistance advice, food services and educational or employment-related programs. The Surrey North Community Health Centre is a good example – a free medical clinic, needle exchange and dental clinic for disadvantaged individuals who may or may not have identification.
- Drop-in centres can provide a valuable service if managed and programmed following best practices. The operational model, including hours of operations, can vary depending on the needs of the intended users. For example, operations for vulnerable women or sex trade workers may differ from those targeted for people with mental health challenges. Drop-in centres, where possible, should also expand their services to provide volunteer opportunities or other activities during the daytime to assist people to address their personal goals and to find opportunities for productive activity.

Recommendations – Partnerships

- Continue to support and increase opportunities for partnerships between service providers, faith based groups, and government agencies (e.g. the Fraser Health Authority). Several efforts are already underway among groups in the social services sector. Future partnerships could include the co-location of services such as housing, social enterprise, medical clinics and food services.

¹ Currently delivered by the Elizabeth Fry Society and Keys Housing and Health Solutions.

Recommendations – Prevention Programs

- Local groups and key agencies should collaborate and establish homelessness prevention programs. While many groups provide services to the working poor and households at-risk of homelessness, there is a need to identify the right mix of supports – life skills education, outreach and rent banks are examples of initiatives that should be funded and expanded where possible.

Recommendations – Advocacy and Education

- There is a need to further promote the use of BC 211, an information line that provides information and referrals to community, government and social services.
- There should be further exploration and advocacy for a “community court” system for petty crimes and bylaw infractions. Community courts have become a mechanism that helps people to get into rehabilitation programs, or to connect them formally with relevant services. In the long term, this type of intervention may lead to stability and prevent further escalation of unlawful behaviour.

Involving The Businesses And The Development Community

The Surrey Board of Trade (SBoT), the Downtown Surrey BIA, and the Cloverdale Chamber of Commerce have been particularly proactive in responding to the homelessness issue. The SBoT, together with the Burnaby Board of Trade, prepared and submitted recommendations to the Federal government to address homelessness – funding, reduction targets, “housing first” and further consultation towards a national plan.

In 2012, representatives from the Downtown Surrey BIA spent a day touring several new and renovated shelters and transitional housing projects in Metro Vancouver. This tour gave participants a first-hand look at facilities that successfully integrate with their neighbourhoods.

While there are other positive examples of involvement by the Surrey private sector, there is also opportunity for increased cooperation, and sharing of resources.

Recommendations

- Renewed efforts should be made to involve the business sector with mentoring, employment, volunteer opportunities and other assistance. The Cloverdale Chamber of Commerce has spearheaded many positive initiatives and is actively involved with many groups serving the homeless. These initiatives should be documented and shared with other Surrey business communities.
- There should be an outreach to Surrey contractors and small developers to learn more about potential involvement in bidding for new and renovated projects (refer to the Procurement Plan for Supported Housing). This could include organizing a

workshop with builder-developers from other municipalities that have been active in the sector.

- Educational and partnering outreach programs to landlords and property management companies could assist to pave the way to securing market rental units that could qualify for rent supplements and help build an inventory.
- Matching particular business donors to non-profit organizations and their respective client group could help to increase awareness and tie donation-giving to a specific project or community program. This matching of projects and funders could take place through the Surrey Homelessness and Housing Society acting as the liaison.

PROCUREMENT PLAN FOR SUPPORTED HOUSING

Procurement Plan Summary

This component of the Master Plan for Housing the Homeless, the Housing Procurement Plan, outlines an implementation program to generate 450 new units of supported housing over the five year period. (**Note:** This Plan does not include any additional shelter beds). When this target of 450 new units of supported housing is achieved, it will match the number of Surrey residents who were identified in the 2011 Metro Vancouver Homelessness Count, as well as provide a contingency of 10%, which takes into account the likely “undercount”, and Surrey’s continuing population growth.

What are the main components of the Housing Procurement Plan?

- 340 studio units will be created through new construction, and acquisition (renovation, repurposing) of existing buildings.²
 - More than 40% of this housing (140 units) will be generated through a “design-build” approach. “Design Build” is a procurement method whereby BC Housing will issue annual competitive proposal calls to private developers to design and construct supported housing. On completion, these facilities will be operated by a non-market housing provider selected prior to the developer proposal call.
 - The capital cost of the 340 newly created units is estimated at \$45,750,000 dollars. Assuming that this cost could be reduced by local partnership contributions of 10% from local government foundations, charitable organizations, businesses and individuals, the net capital cost to be mortgaged over 35 years is \$41,175,000 dollars.
 - By Year 5, the annual operating cost is estimated \$5,435,484 dollars, assuming the units are 100% debt serviced and including operating and support costs.
 - Government or a non-profit housing provider will own or lease the land and buildings.
 - Over a 35-year amortization period, there would be a significant increase of equity in these facilities. If all housing proposed in this Plan were built and acquired, the value of these public assets would be almost \$42 million in 2012 dollars.
- 110 rent supplemented units will be added in market rental housing, with outreach workers providing supports to these tenants. The rent subsidy and support costs are estimated at \$748,000 annually by Year 5.

² The consulting team used BC Housing’s Design Guidelines and Construction Standards (March, 2012) as the basis for estimating the capital costs. All new build and renovated units are estimated on the basis of studio units.

- By Year 5, 450 people will have permanent housing and be receiving supports to help them live as independently as possible at a much lesser societal cost than repeated stays in emergency shelters, jails, and hospitals.

Figure B – Procurement by Year, Over Five Years (Number of Units)

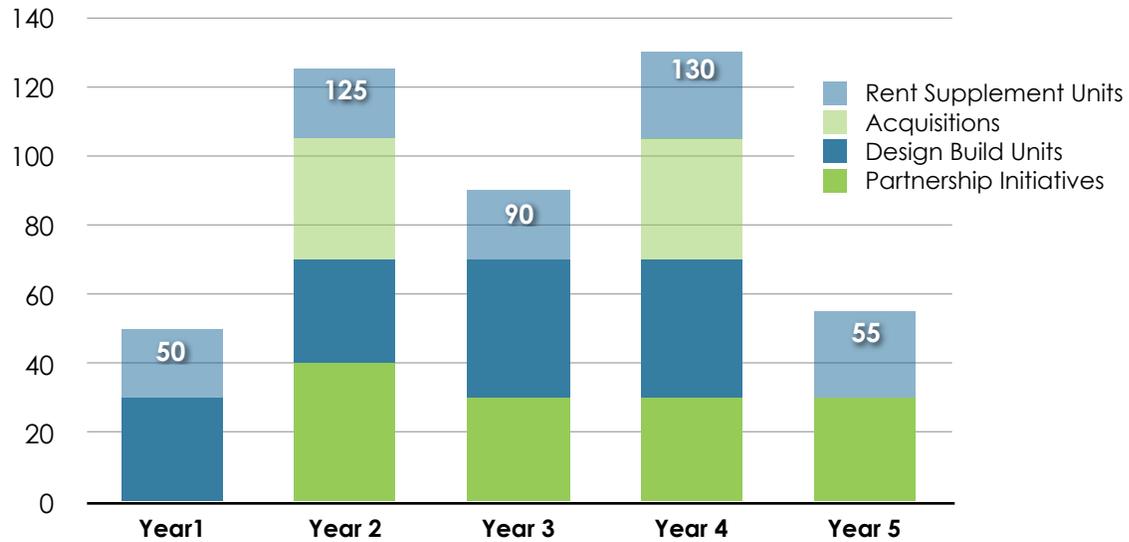
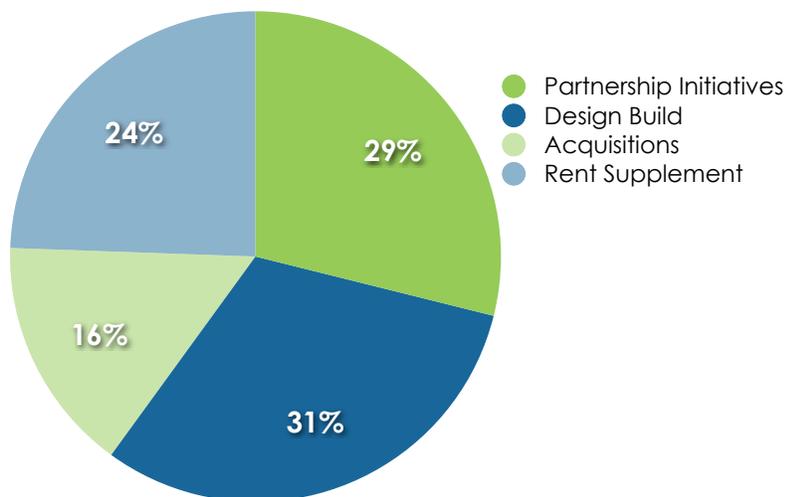


Figure C – Procurement by Type, Over Five Years (%)



Principles Of The Procurement Plan For Supported Housing

The Housing Procurement Plan is founded on a number of principles that will guide its implementation by the City of Surrey, together with government agencies, housing and social service partners.

- **City-wide solution for homelessness**
Homelessness knows no neighbourhood boundaries. It is essential to take a City-wide approach to solving homelessness. A coordinated approach will be seen positively by BC Housing, and other potential major funders.
- **A people-centred approach**
Surrey is a culturally diverse city. It is important that the initiatives to end homelessness are well grounded in a people-centred approach.
- **A mix of housing models and forms**
New housing should be able to respond to the diversity of need among homeless people by providing for a variety of housing forms and support levels.
- **Provincial government funding is essential**
It has been demonstrated that the costs of housing with supports is far less than having homeless people living “on the street” or regularly using shelters. The BC government, through BC Housing, will continue to be the major capital funder (or lending broker) of any form of non-market housing.
- **Partnerships are essential**
Non-profit societies, local government, the Province, the private sector and the community are all involved in this Plan in a variety of partnerships. Maximizing opportunities for participating in ending homelessness is an essential ingredient for success.
- **Builds on available resources**
It is essential that new initiatives take full advantage of the significant resources already working to address homelessness, including existing non-market housing providers, as well as social service and health agencies.
- **Key role for the private sector**
The Plan looks to the creativity and energy of the private sector to work with the non-market sector to build new, or repurpose existing buildings, for supported housing.
- **Support for neighbourhood integration**
In established neighbourhoods, providing shelter and supported housing for people who are homeless or require considerable support to remain housed can be misunderstood. This plan envisages small developments that will integrate well into the neighbourhoods.

Challenges Of Implementation

Creating 450 studio units of supported housing in five years is achievable, but considerable effort will be needed to overcome the challenges that were identified during the consultation process, and subsequent research.

- **Finding appropriate sites**
It is very important, but sometimes challenging, to identify and secure sites that are safe, well-served by transit, with access to shops and community services.
- **Neighbourhood concerns**
Most recommended sites are likely to face opposition from local neighbours, yet the fears and objections most often expressed are seldom, or ever, realized. There are more consequences and community impacts from leaving individuals living on the street than living in appropriate housing, especially when it is accompanied with supports. Surrey's recent experience in establishing Community Advisory Committees for two projects has significantly improved the integration of each project into existing neighbourhoods.
- **Increase in land prices**
There has been an escalation of land prices and lease rates, including in Whalley, which has traditionally been a more affordable area of the city.
- **Few opportunities for acquisition**
There are very few smaller sized older apartment buildings, hotels or other commercial buildings that might be suitable for conversion.
- **Private rental market is tightening**
CMHC's Fall 2011 rental report shows a decline in the apartment vacancy rate in Surrey with rental rates increasing marginally.
- **Demand will increase for outreach workers**
An increasing number of rent supplemented units over the five-year period will stretch the resources of outreach workers.
- **Constructing new housing and repurposing buildings takes time**
If a site has been identified, a project can easily take two years through design, approvals, working drawings, commitment financing, permits, construction. If rezoning and development permits are required, this typically adds 6 to 8 months.
- **Scarce public funding**
The BC Government is required by legislation to balance the budget in 2013/14. In the recently adopted 2012/13 budget, the Government confirmed that it will "hold the line on spending". Capital spending will continue to be constrained.
- **Fund-raising 10% of capital costs**
Local fund-raising to achieve the full implementation of this Plan is estimated at \$4.6 million. This will require well organized, dedicated efforts.

Opportunities Associated With Implementation

While there are significant challenges, there are also unique opportunities that will enable the implementation of the Procurement Plan.

- **Construction is more somewhat more affordable**
Although Metro Vancouver remains one of Canada's least affordable regions, there has been a stabilization in the key components of development and renovation. The Construction Price Index for new housing (apartment building) has decreased by 13% between 2008 and 2011 (Statistics Canada). Year-over-year, the rate of increase in construction union wage rates has also decreased – in 2008 the annual increase was 4.4%, in 2011 it was 1.1%. As well, the cost of capital borrowing remains historically low.
- **The private sector will bring creative approaches**
Working with the private sector through a design-build approach is likely to generate privately-held sites throughout Surrey. This procurement technique will be public and competitive, with the intent of encouraging “sharp pencil” pricing.
- **The achievements of the last several years provide a spring-board**
As noted earlier, the housing and social services community has been extremely pro-active with notable successes over several years. These groups are central to implementing the Housing Procurement Plan.
- **Surrey Homelessness and Housing Society to embark on fund development**
The Surrey Homelessness and Housing Society is committed to ongoing fund-raising for specific priority projects, and to build capacity and sustainability. In 2012, the Society recruited a fund development manager.

Details Of The Procurement Plan For Supported Housing

This Plan sets annual targets for supported housing in Surrey over five years. Table 1 shows the annual targets by three initiative types.

- **New Construction** – 270 units. This anticipates that 7-8 projects could be built over five years. About 50% will be created through a “design build” procurement, through annual proposal calls to the private sector, issued by BC Housing. The remaining 50% could be initiated by existing non-market housing providers and faith-based groups. It is anticipated that these projects will be staffed 24/7, with a full meal program, and programming space for counselling and life skills development.
 - The use of “design build” as a procurement technique anticipates the likely challenge of land availability. This initiative also capitalizes on the strengths of the private sector and may facilitate more timely development. To be successful, this method does need expertise in managing the proposal call, and

in the specification of requirements. BC Housing has been identified as the lead on this procurement process, but it could involve non-market providers at all stages.

- **Acquisition** – 70 units. This cost-effective approach foresees repurposing and conversions of existing buildings by non-market housing providers and faith-based groups. It is recognized that the supply of potential conversions is limited in Surrey, and only two projects are anticipated over five years. Similar to the new construction projects, it is assumed that these projects will have 24/7 support staff, meal service, and space for programming.
- **Rent Supplements** – 110 units. This is a very cost-effective and flexible approach to supporting individuals who are able to live independently in market rental housing. Outreach workers in Surrey attribute success in housing people in privately-owned apartments or secondary suites to good relationships with landlords, crisis intervention when difficult situations arise, and regular and ongoing support to the tenants.

Estimated Funding Requirements

Estimating the costs of implementing the Plan is important to all parties – lenders, rent subsidy provider, donors, non-market housing operators, as well as health and social service providers. CitySpaces has drawn on BC Housing's Design Guidelines and Construction Standards, published in March 2012, as the basis for construction costing. We have also drawn on other reliable sources for operational and support costs. Table 6 – also shown in the Summary of the Housing Procurement Plan – rolls up the total capital costs and shows the annual outlay costs of a fully implemented Plan in Year 5. Estimates are based on a number of assumptions, each footnoted on the Tables.

Capital Costs and Operating Costs

This refers to the capital cost of the new housing that will be purchased, constructed and or renovated, including land costs. This cost may be paid in two main ways:

- **Mortgaging** paid for by monthly payments. If arranged through BC Housing this will likely be over a 35 year amortization period. These estimates have used an interest rate of 5%, with a term of five years, and a 35-year amortization. Some societies have funded projects through conventional lenders and private mortgages.
- **Grants/Donations.** These contributions reduce the cost, or completely remove, the need to take out a long-term mortgage for a project. Grants or donations may be from a variety of sources. In recent years, BC Housing has moved to funding non-market housing through capital grants. This may continue to be the preferred option; however, the tables show the estimated costs if this debt is mortgaged. Other sources include the Government of Canada Homelessness Partnering

Strategy, the Surrey Homelessness and Housing Fund, other charitable organizations, private donations and community fund raising.

Estimated capital costs in this Plan are in the order of magnitude of \$41,975,000 (2012) dollars. While construction costs were characterized by significant inflation through the 1980s and 1990s, the Construction Price Index has declined since 2008. Interest rates are expected to remain low over the early parts of the Plan implementation period.

- **Operating Costs** - These are costs associated with running the day-to-day operations of any housing project, including maintenance, taxes, project utilities, insurance, landscaping and other items.
- **On-site Support Staff Costs** - These costs relate to staff employed by the non-market housing provider that manages and operates the project. Staff provide assistance in many ways, including counselling and job preparation. Support staff may provide 24/7 coverage. The level or presence of support staff will depend on the type of housing and service provided.
- **Off-site Support Staff Costs** - Other staffing not on-site may include Homeless Outreach workers, and ACT teams who provide support services to people who are living in rent-supplemented market rental housing.

Overall Capital Costs

As shown on Table 2, the order of magnitude capital cost of the 340 units to be purchased, renovated or developed is estimated at \$45,750,000 dollars, averaging \$134,559 per unit, including soft costs, land, fixtures, furnishings, equipment and costs of a project kitchen.

Assumptions about the form of this funding are shown on Table 3. A total of \$41,175,000 is assumed to be debt financed via mortgages arranged through BC Housing over 35 years at an average mortgage rate of 5%. An additional \$4,575,000 is assumed to come from grants and local fund raising.

Table 4 shows the annual debt servicing and operating costs of the program of new and purchased units. The figures are cumulative, with units being added each year for five years. For simplicity, the full annual debt service, operating and support costs of each year's target units are shown in the year they come on stream. This Procurement Plan includes support costs of \$3,200 per unit (tenant) per year for the rent supplement units.

CONCLUDING COMMENTS

This Housing Procurement Plan's successful implementation depends on the participation and support of the BC government, through BC Housing as the key capital lender or broker. BC Housing must be "at the table" in providing funding for rent subsidies for people who are transitioning to more independent living. The Fraser Health Authority also has a very significant role in paying for support services. And, assuming this funding is available, the involvement of the private sector is essential — providing building(s) for lease and units with rent supplements, and responding to design-build proposal calls.

In some respects achieving the targets for 270 newly built units and 70 units through acquisition may seem daunting. However a quick look at Surrey's latest successful new projects since 2007 demonstrates that this is possible — 36 transition housing units for addiction recovery (Phoenix Centre, 2007); 12 short stay units and 24 transitional apartments for women and their children (Maxxine Wright Centre, 2011); 52 units of supportive studio units (Timber Grove 2012); 36 supportive family apartment units for women and children (Alder Gardens, 2012); 52 units of supportive housing and 15 recovery beds (Quibble Creek 2012); and 58 studio and two-bedroom units in four renovated buildings (Bolivar Court and Peterson Place, 2012).

Inevitably, as circumstances change, as new opportunities unfold, and the funding environment shifts, there will be changes to this Housing Procurement Plan. Knowing this, management and monitoring are very important. Flexibility will also be important to maintain the targets, should the level of need change, or some procurement initiatives vary from their targets and timeline.

Constructing new housing will provide permanent housing and add to the publicly-supported existing stock. This five-year program will add considerably to the Province's assets over 35 years. We note that rent supplements, although advantageous in providing units quickly and affordably, are not necessarily permanent.

In Surrey, as in many urbanizing communities across Canada, adding more supply of new non-market housing is crucial to meet the housing needs of people who are homeless or at-risk of becoming homeless – youth-at-risk, people battling substance abuse and mental illness, women in vulnerable situations, and recent immigrants. The Federal government, once a champion of special needs and affordable housing, has stepped aside. Today, it's a local imperative – defining the need and setting out a realistic plan to champion a coordinated solution.

Table 1 – Housing Procurement by Initiative Type, Years 1 to 5

Column A	B	C	D	E	F	G
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 1-5
	Units by New Construction					
Individual non-profit and faith based groups initiatives partnering with others		40	30	30	30	130
“Design Build” RFPs called by non-profit societies (funding pre-dedicated by BC Housing)	30	30	40	40		140
	Units by Acquisition					
Acquisitions by non-profit societies, faith based groups (e.g., conversions of existing institutions, conversion of motels, rooming houses, etc.)		35		35		70
	Units through Rent Supplements					
Rent Supplement units in market housing	20	20	20	25	25	110
	Cumulative Units					
Cumulative units	50	175	265	395	450	
Turnover of units (5% of previous year's total units – base year 2012 of 543)	27	30	36	40	47	
Total New and Turn-over Housing Units	77	205	301	435	497	
Variance from goal of 450 units	-373	-245	-149	-15	47	

Table 2 – Costs New Build, Acquisition and Rent Supplements, Years 1 to 5

A	B	C	D	E
	Partnership initiatives	Design Build	Acquisitions	Rent Supplements
Number of Units	130	140	70	110
Acquisition Cost Per Unit			\$70,000	
Construction or Renovation Cost Per Unit, including soft costs	\$108,000	\$108,000	\$30,000	
Land Cost Per Unit	\$30,000	\$30,000	\$0	
Sub-Total Per Unit Cost	\$138,000	\$138,000	\$100,000	
FF&E Per Unit	\$2,000	\$2,000	\$2,000	
Contribution to Project Kitchen Per Unit	\$3,000	\$3,000		
Total Per Unit Costs	\$143,000	\$143,000	\$102,000	
Rent Supplement Per Year				\$3,600
Total Costs	\$18,590,000	\$20,020,000	\$7,140,000	\$1,134,000

Note: For per unit calculations (e.g. size, land, construction costs), refer to Table 7

Table 3 – Housing Procurement by Initiative Type, Years 1 to 5

A	B		C		D		E	F	G
Year	Partnership initiatives		Design Build		Acquisitions		Total Initiatives	Less 10% Grants & Contributions	Net Capital to be Borrowed
	# units	\$M	# units	\$M	# units	\$M	\$ per year	\$	\$
Year 1			30	\$4,290,000			\$4,290,000	\$429,000	\$3,861,000
Year 2	40	\$5,720,000	30	\$4,290,000	35	\$3,570,000	\$13,580,000	\$1,358,000	\$12,222,000
Year 3	30	\$4,290,000	40	\$5,720,000			\$10,010,000	\$1,001,000	\$9,009,000
Year 4	30	\$4,290,000	40	\$5,720,000	35	\$3,570,000	\$13,580,000	\$1,358,000	\$12,222,000
Year 5	30	\$4,290,000					\$4,290,000	\$429,000	\$3,861,000
Years 1-5							\$45,750,000	\$4,575,000	\$41,175,000

Note 1: \$41,175,000 debt financed via mortgages arranged through BC Housing | 35 years, average rate 5%

Note 2: \$4,575,000 to be raised locally through foundations and local, corporate and individual donors

Table 4 – New Debt Service, Operating, Support Costs, Net of Tenant Rents for New Build, and Acquisition Units, Years 1 to 5

A	B	C	D	E	F	G
Year	New Debt Service ¹	New Operating and Support ²	New Gross Cost	Cumulative Annual Costs	Less Cumulative Tenant Rents ³	Net Cumulative Annual Costs
Year 1	\$232,308	\$396,000	\$628,308	\$628,308	\$135,000	\$493,308
Year 2	\$735,396	\$1,386,000	\$2,121,396	\$2,749,704	\$607,500	\$2,142,204
Year 3	\$542,076	\$924,000	\$1,466,076	\$4,215,780	\$922,500	\$3,293,280
Year 4	\$735,396	\$1,386,000	\$2,121,396	\$6,337,176	\$1,395,000	\$4,942,176
Year 5	\$232,308	\$396,000	\$628,308	\$6,965,484	\$1,530,000	\$5,435,484

Note 1 – Debt service calculated from Table 3, Net after Grants and Contributions @ 10% of capital

Note 2 – Operating and support – per unit, per month computed at a blended estimate of \$1,100

Note 3 – Tenant rents assumed at \$375 per unit per month

Table 5 – Rent Supplement and Support Costs, Years 1 to 5

A	B	C	D	E	F
	Annual Rent Supplement Per Unit ¹	Annual Support Costs Per Tenant ²	Annual Rent Supplement + Support	Cumulative Number of Units	Cumulative Costs of Rent Supplement + Support
	\$3,600	\$3,200	\$6,800		
Year 1				20	\$136,000
Year 2				40	\$272,000
Year 3				60	\$408,000
Year 4				85	\$578,000
Year 5				110	\$748,000

Note 1 – Rent Supplements assumed at maximum of \$300 per unit per month – \$3,600 per year

Note 2 – Support costs computed at \$3,200 per unit (tenant) per year

Table 6 – Summary Table, Year 5

	A	B	C
	New Construction & Acquisition Units	New Rent Supplement Units	Total Units
Number of Supported Units	340	110	450
Total Capital Costs	\$45,750,000		
Per Unit Capital Costs for New Build and Acquisition / Renovation	\$134,559		
Less Grants and Contributions @ 10%	\$4,575,000		
Net Capital Costs	\$41,175,000		
Cumulative Debt Service, Operating and Supports Costs in Year 5	\$5,435,484		
Per Unit Debt Service, Operating and Support Costs Per Year (Net of Rents)	\$15,987		
Rent Supplement Units (Rent Subsidy and Support Costs in Year 5)		\$748,000	
Per Tenant Rent Supplement + Support Costs		\$6,800	
Cumulative Debt Service, Operating & Supports Costs – New, Acquired, and Rent Supplement in Year 5			\$6,183,484

Table 7 – Unit Sizes and Costs Used for New Build Projects

4-Storey Wood Frame Building with Surface Parking	Studios	Building
Total Units (#)	40	
Unit Size (sq. ft.)	365	14,600
Circulation & Service Rooms (sq. ft.) @ 18%	63	2520
Programming Area (sq. ft.)	15	600
Kitchen and Meal Service (sq. ft.)	55	2200
Sub-Total - Square Footage	498	19,920
Base Cost (per sq. ft.)	\$135	
Adjustments (per sq. ft.)	\$20	
Cost Per Square Foot	\$155	
Soft Costs and Contingency (per sq. ft.) @ 34%	\$53	
Plus Soft Costs & Contingency	\$208	
Total Cost Per Unit Before Land	\$103,435	
Land Value Per Unit	\$30,000	
Total Cost Per Unit for New Build Projects	\$133,435	
TOTAL BUILDING COST		\$5,337,384



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