



Rationale for Our Alternative Proposal for Commercial & Venables

Like many people, we wish to see an expansion of low-income housing, both affordable rental and rental with deep subsidy, in Grandview-Woodland. However, we feel that the publicized renderings by the Boffo/Kettle partnership provide primarily market-priced condos with too small a proportion of deep subsidy rental housing. The Boffo/Kettle proposal neither reflects the existing income mix of the neighbourhood nor City of Vancouver housing goals as outlined in the Housing and Homelessness Strategy.

We have developed a set of design guidelines for the whole site, and a set of initial architectural concepts for the Kettle building that we feel better reflect the diversity of income and housing options that exist in the neighbourhood. We also believe these will better benefit the housing needs in the neighbourhood and the city as a whole.

Our alternative could be realized through the following combination of partners and financing:

1. The City of Vancouver makes available its land through long-term lease to the Kettle Friendship Society at low or no cost, a capital contribution of over \$2.26 million dollars.
2. This land undergoes a rezoning process to allow a 6-storey residential and non-profit program building to be built. The three lots along Venables are not rezoned, and remain under C-2C1 zoning.
3. The Kettle Friendship Society raises a capital contribution in the amount of \$2 million dollars through sale of its existing property on Venables or by other means. (We note that their 2014/2015 financial statements reflect a surplus of approximately \$1.5 million dollars.)
4. The Kettle Friendship Society applies for CMHC Seed Funding to assist with final architectural drawings and other initial costs. Up to \$200,000 dollars is available through this program.
5. CMHC and BC Housing contribute to the capital costs of the project through the Investment in Affordable Housing Initiative and/or the Provincial Investment in Affordable Housing Program.
6. BC Housing secures interim and long term financing for the project making possible construction and long term loans at low cost.
7. The Kettle Friendship Society, with the backing of stakeholders, approaches other investors, such as StreetoHome, New Market Funds, or other foundations for additional grants.
8. The Kettle Friendship Society combines the revenue from the units renting at income assistance rates (60%) with the (predominantly 2- and 3-bedroom) units (40%) renting at low end of market or BC Housing HIL rates to create greater long-term economic viability. Additionally, perhaps operating surpluses exist across the Society's portfolio of housing, and cross-subsidization could be done on an even broader scale.

The benefits of our alternative include:

1. The Kettle Friendship Society will retain control over its own building and operations, within the terms of the lease and housing covenants or operating agreements offered by the City of Vancouver and Province of BC.
2. The need to negotiate and manage relationships with the proposed 200 condo owners is removed, thereby securing the rental units provided in our proposal for the Kettle, their clients, and the neighbourhood.
3. This project better meets the City of Vancouver's own housing goals by offering a greater number of affordable units matching a range of income levels from deep subsidy to affordable rental. It better helps the City of Vancouver meet all three strategic directions of the Housing and Homelessness Strategy by increasing the supply of affordable housing, encouraging a housing mix in all neighbourhoods, and creating improved housing options to enhance housing stability.
4. This proposal allows the Kettle Friendship Society to negotiate to remain in its existing space during construction of its new facility, reducing costs and disruption to the organization and its clients by only necessitating one move and removing the need for an interim rental space.
5. This approach maintains the existing inclusive community around Commercial Drive by offering housing that corresponds to the income mix of the neighbourhood, including low end of market rental and supportive housing, which are both desperately needed in Vancouver.
6. A greater number of affordable family and supportive units are placed near Britannia Community Services Centre, where there are community-led recreational and cultural activities, as well as schools and childcare.
7. If Boffo Properties chooses to purchase the Kettle Friendship Society's existing land and then build a wood frame 4-storey rental or condo building along Venables (in accordance with the C-2C1 District Schedule), this proposal could even result in more affordable rental and ownership options for the neighbourhood since wood frame construction retails for lower cost than concrete.
8. The community supports the Kettle Friendship Society, more rental supply, and human scale (low-rise) built form. This project expresses the will of the community and therefore could be a win, win, win for the Kettle, for the City, and for the community.
9. This might even be a win for Boffo Properties, since they could contribute to affordable family rental and home ownership in Grandview-Woodland, creating a win, win, win, win scenario.