

NO: R166

COUNCIL DATE: September 15, 2022

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **September 14, 2022**

FROM: **General Manager, Corporate Services** FILE: **1970-04**

SUBJECT: **Proposed Permissive Property Tax Exemptions for the SAFE Centre and the Nourish Surrey Facility**

RECOMMENDATION

The Corporate Services Department recommend that Council:

1. Receive this report as information; and
2. Authorize the City Clerk to bring forward the *SAFE Centre Tax Exemption Bylaw, 2022, No. 20736*; and the *Nourish Surrey Tax Exemption Bylaw, 2022, No. 20737* for the required readings.

INTENT

The purpose of this report is to request that Council consider a permissive tax exemption for the SAFE Centre located at 901 - 13485 Central Avenue (the "Centre"); and for the Nourish Surrey facility located at 13539, 13541 and 13545 King George Boulevard ("Nourish Surrey") pursuant to Section 224(2)(b) of the *Community Charter, S.B.C. 2003, Chap. 26* and in accordance with the City's Tax Exemption Policy.

BACKGROUND

The Centre

In February 2019, the City of Surrey leased an 888 square metre (9,553 square foot) unit from Kwantlen Polytechnic University for use as office space for a period of 3 years and at a cost of \$400,366.23 for the full term. The terms of the lease agreement require that the City assume responsibility for the lands, including the payment of taxes. The Centre is utilized by the City's Surrey Anti-Gang Family Empowerment (SAFE) Program as a collaborative space to develop a new approach to a healthier, safer community.

Given that the City will be providing a municipal service on the lands, the properties are eligible under Section 224(2)(b) for a permissive property tax exemption. In September 2021, Council

approved the recommendations of Corporate Report 2021-R181, (Appendix "I") to renew the lease for an additional two years, until February 2024.

Nourish Surrey

In April 2021, the City applied for the Union of British Columbia Municipalities ("UBCM") Strengthening Communities Services Grant program which made available \$100 million for projects to support local governments and Treaty First Nations to address community impacts of the pandemic on unsheltered homeless and other adversely affected vulnerable populations. On July 15, 2021, UBCM approved a grant award of \$14.2 million to the City of Surrey. In September 2021, Council endorsed the City's projects included in its application to UBCM as provided in Corporate Report 2021-R178 (Appendix "II").

One of the six projects funded through this grant is Nourish Surrey, which will provide access to meals for people who are living in extreme poverty or precariously housed and who are unable to access meals within shelters. In addition to the provision of meals, Nourish Surrey will also serve as an extended care and outreach hub and increase the shelter capacity in the community by adding 16 shelter pods and space for emergency weather response mats. Nourish Surrey will also provide washrooms, showers, laundry and outreach services to support populations at-risk.

In May 2022, the City entered into a three-year lease for the Nourish Surrey site. In July 2022, Council approved the recommendations of Corporate Report 2022-R151, (Appendix "III") to proceed with tenant improvements in order to open the facility in December 2022. Given that the City will be providing a municipal service on the lands, the properties are eligible under Section 224(2)(b) for a permissive property tax exemption.

DISCUSSION

The lands being proposed for exemption for the Centre include Unit 901, 13485 Central Avenue; and the lands being proposed for exemption for Nourish Surrey are 13539, 13541 and 13545 King George Boulevard.

The City may consider a permissive tax exemption under Section 224(2)(b) of the *Community Charter*, which states that tax exemptions may be considered for land or improvements that:

- i. are owned or held by a municipality, regional district or other local authority, and
- ii. the council considers are used for the purpose of the local authority.

Furthermore, Section 224(4) allows for a term of exemption of up to 10 years.

For the Centre, the proposed tax exemption and Bylaw will have a term of two years to run with the term of the lease.

With regard to Nourish Surrey, the proposed tax exemption and Bylaw will have a term of three years to run with the term of the lease.

In addition, for both the Centre and the Nourish Surrey lands, the Bylaw provides for a supplemental tax assessment to be applied to the lands if the City ceases to occupy the lands prior to the expiration of the property tax exemption periods for each of these facilities.

Public Notice:

In accordance with Section 227 of the *Community Charter*, public notification of the estimated value of each exemption must be advertised for two consecutive weeks in a local newspaper in advance of the bylaw being forwarded to Council for adoption. The public notification process requires that an estimate of the total value of the property tax exemptions proposed under the bylaw be provided for each of the following three years.

The estimated total value of the exemptions, as recommended in the proposed Bylaw, are as follows:

| Year | Value of Exemption | |
|------|--------------------|----------------|
| | The Centre | Nourish Surrey |
| 2023 | \$28,603 | \$13,241 |
| 2024 | \$29,419 | \$13,612 |
| 2025 | \$30,259 | \$13,994 |

Legal Services Review

This report has been reviewed by Legal Services.

SUSTAINABILITY CONSIDERATIONS

The work of the proposed property tax exemption supports the objectives of the City’s Sustainability Charter 2.0. In particular, this project supports the Sustainability Charter 2.0 theme of Inclusion. Specifically, this project supports the following Desired Outcome (“DO”):

- Social Infrastructure and Innovation DO₂₄: Surrey has a strong social infrastructure that supports the needs of its diverse and growing population.

CONCLUSION

Based on the above discussion, it is recommended that Council authorize the City Clerk to bring forward the *SAFE Centre Tax Exemption Bylaw, 2022, No. 20736* and the *Nourish Surrey Tax Exemption Bylaw, 2022, No. 20737* for the required readings.

Robert Costanzo
General Manager, Corporate Services

Appendix "I": Corporate Report 2021-R181: Lease Renewal of Office Premises at
901, 13485 Central Avenue from Kwantlen Polytechnic University

Appendix "II": Corporate Report 2021-R178: Enhancing Homelessness Supports in the City Centre

Appendix "III": Corporate Report 2022-R151: Nourish Surrey Program Update and Contract Award
for Tenant Improvements at 13539, 13541 and 13545 King George Boulevard



CORPORATE REPORT

NO: R181

COUNCIL DATE: September 27, 2021

REGULAR COUNCIL

TO: Mayor & Council DATE: September 20, 2021

FROM: General Manager, Engineering FILE: 0930-20/094
General Manager, Parks, Recreation & Culture

SUBJECT: Lease Renewal of Office Premises at 901, 13485 Central Avenue from Kwantlen Polytechnic University

RECOMMENDATION

The Engineering Department and the Parks, Recreation & Culture Department recommend that Council approve the execution by the Mayor and City Clerk of a two-year renewal term for the existing lease of the 9,553 ft.² office premises located at 901, 13485 Central Avenue (the "Premises"), as generally illustrated in Appendix "I", for the continued use of providing community and workspace for the Surrey Anti-Gang Family Empowerment Centre.

INTENT

The intent of this report is to obtain Council's approval to renew the lease agreement of the Premises, as illustrated in Appendix "II", from Kwantlen Polytechnic University ("KPU") at the KPU City Centre campus for a two-year term.

BACKGROUND

On July 3, 2018, the City of Surrey released the findings of the Mayor's Task Force on Gang Violence Prevention and began consulting with partners to build an action plan. This led to the establishment of the Surrey Anti-Gang Family Empowerment ("SAFE"). A government grant was used to secure the Premises located on the ninth floor of 13485 Central Avenue and on February 11, 2019, Council approved Corporate Report No. R024; 2019, a copy which is attached to this report as Appendix "III".

The Premises are currently occupied by City staff that are responsible for SAFE. The current lease expires on February 28, 2022, and the lease provides for a two-year renewal term, from March 1, 2022 to February 29, 2024.

DISCUSSION

The KPU campus at 13485 Central Avenue is a titled air space parcel, comprised primarily of five floors of office-campus space and forming part of 3 Civic Plaza. 3 Civic Plaza is a mixed-use building that incorporates retail space, office space, a hotel, and residential condominiums. The Premises at 901, 13485 Central Avenue is the upper floor of the KPU campus. The initial three year term is expiring on February 28, 2022. Under the original terms of the lease there is a provision

for a two-year renewal term. Throughout the course of the lease, SAFE has licenced back a portion of the office premises to KPU and intend to continue to do so going forward.

There is a current property tax exemption for the 2022 tax year under the *SAFE Centre Tax Exemption Bylaw, 2019, No. 19913*. In the spirit of continued collaboration between KPU and the City, KPU has agreed to provide the City with a favourable lease renewal rate and reasonable terms.

Funding for the Lease Renewal

Public Safety Canada has approved funding to cover majority of the rent and operating costs payable under the lease term through a Youth Gang Prevention Fund – Contribution Agreement for the lease extension term. The remainder will be covered by the City’s annual cash contribution to SAFE and/or additional grant funding.

SUSTAINABILITY CONSIDERATIONS

The proposed lease renewal supports the City’s Sustainability Charter 2.0. In particular, the proposal relates to the Sustainability Charter 2.0 theme of Public Safety. Specifically, this lease supports the following Desired Outcomes (“DO”):

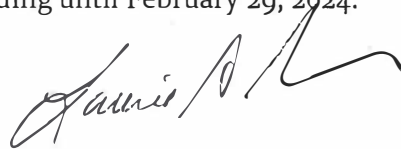
- Community Safety and Emergency Services DO1: Residents are safe and have a strong sense of security in all neighbourhoods and throughout the City; and
- Community Safety and Emergency Services DO5: Surrey is recognized and perceived as a leader in establishing and maintaining collaborative partnerships for community safety and well-being.

CONCLUSION

The lease renewal of the office premises located at 901, 13485 Central Avenue will enable the continued occupation of SAFE within the 3 Civic Plaza building until February 29, 2024.



Scott Neuman, P.Eng.
General Manager,
Engineering



Laurie Cavan
General Manager,
Parks, Recreation & Culture

PK/ap/jhs

***Appendices available upon request**

- Appendix “I” Aerial Photograph of Site
- Appendix “II” Ninth Level Premises
- Appendix “III” Corporate Report No. R024; 2019



CORPORATE REPORT

NO: R178

COUNCIL DATE: September 13, 2021

REGULAR COUNCIL

TO: Mayor & Council

DATE: September 9, 2021

FROM: General Manager, Policing Transition
General Manager, Corporate Services
General Manager, Engineering
Acting General Manager, Planning &
Development

FILE: 5080-01

SUBJECT: Enhancing Homelessness Supports in the City Centre

RECOMMENDATION

The Policing Transition Department, Corporate Services Department and Planning & Development Departments recommend that Council receive this report for information.

INTENT

The intent of this report is to provide Council with an overview of actions currently underway, and proposed by the City with respect to enhancing the service delivery model for vulnerable people in the City Centre, including works proposed under the Strengthening Communities' Services Grant (the "Grant") to which the City has recently been granted \$14,246,792 from the BC Government and Government of Canada through the Safe Restart Agreement.

BACKGROUND

The City currently either directly provides, or supports as a partner/stakeholder, several services in the City Centre for vulnerable populations. The City also addresses the impacts of unsheltered populations located within Surrey but outside the City Centre boundaries. City funded or delivered services include bylaw enforcement (including COVID-19 enforcement); policing services; street cleaning and encampment clean ups; and planning and development services including social planning.

The City also partners actively with BC Housing, the Fraser Health Authority, Ministry of Children and Family Development ("MCFD") and the Ministry of Social Development and Poverty Reduction ("MSDPR") on programs that are delivered in Surrey under those agencies' respective Provincial mandates.

As well, the City engages actively on various tables and committees with not-for-profit service providers, charitable organizations and stakeholder organizations (e.g., Downtown Surrey Business Improvement Association, Surrey Urban Mission Society, Lookout Housing + Health

Society, Community Advisory Committees etc.) to support coordination of services in the City Centre that address the needs of the community as a whole.

In April 2021, the City applied for and was granted \$14.2M under the Safe Restart Funding (Strengthening Communities' Services Grant) for programs that support enhancements to services for unsheltered and vulnerable people in the City Centre, most especially to address impacts arising from the COVID-19 pandemic.

DISCUSSION

The number of vulnerable persons within Surrey was steadily increasing prior to the COVID-19 pandemic. The pandemic significantly impacted the most vulnerable in the community as those at the borders of housing and income insecurity were further marginalized through loss of income, illness and other factors. Social services and public safety providers responded proactively to keep pace with growing need. Compounding these issues, the opioid crisis continued to escalate during the pandemic further increasing the trauma and impacts on marginalized and vulnerable people. The City Centre has experienced the greatest impact of this situation which has resulted in increased concerns related to public safety and street cleanliness.

Demands for services in the City Centre continue to expand and the nature of issues continue to evolve. It is a priority for the City to ensure that the service delivery model is appropriately designed and has sufficient capacity to keep pace with these changes. To support necessary responses the City applied for and received the Strengthening Communities grant.

This report summarizes key actions already in place and those planned for the future to address the needs of the community in Surrey with respect to the most vulnerable populations. It further proposes additional actions to ensure the service delivery model is responsive to changing conditions and is enhanced to anticipate and prevent future escalation of issues in the City Centre.

This report outlines the following key areas of work underway or planned.

- Current Service Delivery Approaches
- Enhanced Service Delivery Model
- Housing and Shelter Capacity
- Health, Outreach and Other Support Services
- Bylaw Compliance and Engagement

Effective coordination ensures that a systems approach is taken to emerging issues in the City Centre. Leveraging investments made by other partners will help to build greater resiliency and a more strategic approach to persistent social issues in the City Centre.

Current Service Delivery Approaches

Each agency that delivers services within the City Centre operate independently, consistent with their mandate, and often in parallel to other agencies. For example, several not-for-profit groups deliver shelter and supportive housing solutions through contracts with BC Housing and support from other funding sources, while Fraser Health operates Integrated Response Teams, and Intensive Case Management teams focused on specific health needs of vulnerable populations.

Surrey has developed multi-sectoral approaches to address the enduring social challenges. There are some examples of these services intersecting and being coordinated more deliberately such as the case of the Emergency Response Centre (“ERC”) that was established in 2020 to provide temporary additional shelter space in response to the COVID-19 pandemic. The ERC delivers shelter services through BC Housing contract with Surrey Urban Mission Society (“SUMS”) and health services are integrated on site in partnership with SUMS by Fraser Health who have located an Integrated Response Team within the ERC.

There are several existing tables and committees that meet on a regular or periodic basis to support delivery of services to unsheltered people in the City Centre. This includes a Housing Stakeholder Group which has weekly calls to coordinate activities and escalate issues as they arise to problem solve emerging challenges. City staff participates on these calls as does staff from BC Housing, the Fraser Health Authority, and the Surrey RCMP. Another example is the Surrey Mobilization and Resiliency Table (“SMART”) which also meets weekly to escalate action for vulnerable people at acutely elevated risk of harm to themselves or others. This table is made up of social service providers, police and government agencies and the City convenes the table.

An existing Coordinated Access Committee is convened by BC Housing brings together non-profit supportive housing providers to collectively decide on the tenanting of vacant supportive housing units (i.e., to prioritize the individuals to be offered vacant suites). In addition there is an existing Community Advisory Committee that is convened by the City in relation to the new shelters and temporary modular housing projects in the City Centre. This Committee specifically provides an opportunity for the non-profit housing provider to provide updates on the operation of the shelter and housing projects and for the community representatives and the City to provide feedback on any neighbourhood impacts specific to the housing projects and/or their residents.

While there are various Committees in place that coordinate specific services or convene on specific issues there currently is a need for a group with the mandate and resources to analyse and respond to the issues of homelessness in the City Centre on a wholistic and systems based level. ‘

The City has a unique opportunity, funded through the grant, to set up a new multi-stakeholder network of key decision-makers and stakeholders to advise and guide the new initiatives being introduced through the Grant funding and to assess and analyse the issues/situation in the City Centre and propose changes that would address these issues from a best practices, systems-based approach. This will be called the Safety and Community Services Network.

The current approach to service delivery in the City Centre tends to entrench a reactive stance on the persistent social issues impacting vulnerable populations and the communities in which they live where each individual supporting agency deals with their mandates (mostly) independent of one another. The principal objective for implementing an enhanced model, as reflected in this report, is to enhance strategic coordination across services. In effect, this approach will unify the various independent support systems. In turn, the unified support systems will prioritize strategic interventions as a whole. This approach will aid in anticipating and preventing future social disorder and marginalization of vulnerable people.

Safety and Community Services Network

The City has a unique opportunity, through the Grant, to enhance the service delivery model in the City Centre and bring a more innovative and strategic approach to bear on persistent social issues. The model attached as Appendix "I" highlights proposed new services. One of the programs funded through the Grant is the establishment of a Safety and Community Services Network (the "Network") to accelerate and enhance coordination of service delivery in the City Centre.

This Network will help the City coordinate the resources that are currently invested and by planning for future strategic needs that will anticipate and address further social issues in the City Centre. The Network will be made up of senior decision makers from the City, BC Housing and the Fraser Health Authority and will also include the participation of not-for-profit service providers and other key stakeholders.

The mandate of the Network will be to drive innovation and facilitate enhanced coordination and collaboration between organizations delivering services that support community safety and well-being in Surrey, focusing especially on services for unsheltered and vulnerable individuals in order to improve existing service delivery and identify opportunities for new services. As well, it will provide governance and oversight by the funders to ensure that service providers are incentivized to collaborate to reduce service gaps and anticipate issues before they require action.

As well as improving coordination of existing services across external agencies and service providers, the Network will strengthen coordination of City activities. This work will, at the right levels, streamline the interface between the City and external parties.

Housing and Shelter Capacity

In recent years, the City has seen increased investment by BC Housing and other funders into additional shelter capacity and supportive housing. This has helped to alleviate capacity gaps to a degree however, the COVID-19 pandemic caused further capacity constraints due to the need to reduce existing site capacity to allow for social distancing.

Table 1 outlines the mix of permanent and temporary shelters currently in place across Surrey. There are currently temporary shelters, permanent shelters supportive housing in place in the City Centre. In addition, there are modular supportive housing sites under construction or planned.

Table 1: List of Shelters and Supportive Housing in Surrey

| Name | Address | Number of spaces |
|---|--------------------------------|------------------|
| Permanent Shelters | | |
| Bill Reid Memorial Shelter | 17752 Colebrook Rd | 16 |
| Cynthia's Place (Women only) | confidential | 14 |
| Hyland House | 6595 King George Blvd | 35 |
| Sheena's Place (Women and Children) | confidential | 12 |
| Gateway Shelter | 10667 135A St | 40 |
| Temporary Shelters | | |
| Guildford Shelter | 14716 104 Ave | 40 |
| Parkway Shelter | 10660 City Parkway | 40 |
| SUMS Shelter | 10775 King George Blvd | 50 |
| The Cove Shelter | 10607 King George Blvd | 42 |
| The Olive Branch | 10732 City Parkway | 46 |
| Temporary COVID- 19 Response Spaces | | |
| ERC | North Surrey Recreation Centre | 96 |
| Linda Vista * Shelter thinning | 6498 King George Blvd | |
| Canadian Inn * Shelter thinning | 6528 King George Blvd | |
| Supportive Housing | | |
| Steve Cobon Phase 1 Modular - scheduled closure Sept 2021 | 13425 107A Ave | 60 |
| Bill Reid - Transitional Units | 17752 Colebrook Rd | 12 |
| Hyland House - Transitional Units | 6595, 6593 King George Blvd | 20 |
| Peterson Place | 13245 King George Blvd | 56 |
| Little's Place (Women only) | 9155 King George Blvd | 23 |
| Ted Kuhn Towers I and II | 13350 - 13352 Old Yale Rd | 423 |
| Peterson Place Modular | 13245 King George Blvd | 38 |
| Upcoming Modular Supportive Housing | | |
| Guildford modular (opens Sept 6, 2021) | 14706 104 Ave | 61 |
| The Nest (Newton modular) (open July, 2021) | 13620 80 Ave | 40 |
| Atira modular (estimated occupancy January, 2022) | 9145 King George Blvd | 44 |

| Upcoming Supportive Housing | | |
|--|---------------------|--|
| Foxglove (estimated occupancy December 2021) | 9810 Foxglove Drive | 99 apartments and 30 single-bedrooms |
| The Rosewood (estimated occupancy May 2022) | 9671 137 Street | 40 beds for women and children; 42 apartments for women and their children; 15 apartments for young Indigenous females |
| Former Travelodge Hotel (estimated occupancy to be determined) | 13939 104 Ave | 28 |

Temporary COVID-19 response spaces are closing on different schedules as the Fraser Health Authority and BC Housing move to a post-pandemic stance and anticipate changes to capacity limits due to social distancing. The last of the temporary modular supportive housing sites – Steve Cobon, was scheduled to close on September 30, 2021 and BC Housing and its contractor have been moving tenants out to other facilities as more supportive housing units are completed.

The Safe Sleep initiative, funded through the Grant, will address the need for additional shelter spaces to accommodate people who are currently unhoused in the City Centre area. During the COVID-19 pandemic, unhoused people have been particularly marginalized as access to shelters and supportive housing has been restricted to residents only (i.e., no visitors), and public places such as libraries and fast-food restaurants have also limited access. Unfortunately, all the current shelters and supportive housing projects are operating at full capacity, so there is no accommodation that can be offered to people who are sleeping outside.

It is challenging to estimate the number of unhoused people. In March 2020, the Metro Vancouver Homeless Count found 644 homeless people in Surrey; 471 people were sheltered and 173 were unsheltered. While the Homeless Count does not provide a breakdown by community, it is estimated that the majority of the unsheltered homeless population is found in the City Centre. Researchers agree that “point-in-time” homeless counts, such as the Metro Vancouver Count, represent an undercount of the homeless population so this count likely underestimates the current number of unsheltered people in Surrey. The data on the use of overnight Extreme Weather Response (“EWR”) shelters that open overnight during extreme winter weather events, provides further evidence of significant numbers of unsheltered people in Surrey.

In recent years, Surrey has had increased investment by BC Housing and other funders into additional shelter and supportive housing. For example, so far in 2021, three modular housing projects have opened to replace the Phase 1 temporary modular housing projects that were opened in 2018 in the City Centre. Over the next six months, additional permanent shelter beds and supportive housing units will be opening. These new projects will accommodate people who are currently living in ERC in the former North Surrey Recreation Centre, which is scheduled to close in the coming months.

The Grant funding provides an opportunity to add shelter capacity and provide temporary beds for people who are unhoused in the City Centre area via the “Safe Sleep” initiative. The last of the temporary modular supportive housing sites – Steve Cobon, located on privately-owned land at 13425 107A Street - was scheduled to be demolished by September 30, 2021. By early September, BC Housing and Lookout Housing + Health Society will have moved all of the Steve Cobon

tenants out of the building, primarily to the new modular housing projects in Guildford and Newton, leaving the building vacant. As a result of the pandemic response Grant funding, the City has secured an extension to the lease of the Steve Cobon site and will be bringing forward a Corporate Report to Council on this in October seeking approval of this lease as well as an application to extend the Temporary Use Permit for the site. Grant funding will be used to renovate/upgrade the building and to operate it as a temporary shelter. The Safe Sleep initiative will provide 24/7 accommodation and supports for approximately 60 people who are currently unhoused in the City Centre. This will reduce street homelessness in the area, as well as reduce the need for overnight EWR spaces over the coming winter.

Health Outreach and Other Support Services

Fraser Health has made significant investments in Surrey to provide supports for vulnerable people these include physical infrastructure and operational investments in support services.

- Integrated Response Team (“IRT”) a multidisciplinary team based at ERC.
- Intensive Case Management Team (“ICM”) also a multidisciplinary team focused on substance use, mental health and populations experiencing homelessness.
- Assertive Community Treatment (“ACT”) teams focus on recovery oriented mental health supports.

Beyond these existing investments, Fraser Health supported the City’s Strengthening Grant application and indicated they are anticipating continued funding and support for the IRT team to be located within a new temporary shelter site (Safe Sleep) and support for participation in the Network. Many of the Fraser Health funded services outlined above also undertake outreach with vulnerable populations and coordinate referrals from City departments and other service providers through the existing Housing Stakeholder Group and other existing groups.

Not for profit services providers also undertake outreach most commonly connected to a shelter or supportive housing unit that they operate. Many of the shelter and supportive housing sites have outreach staff connected with them to support unsheltered and vulnerable people with services. They also work with Fraser Health staff connected to their locations to provide outreach and referrals for health services.

The Pandemic Response Package, funded through the Grant, includes funds for expanded IRT health services at a new temporary shelter facility in the City Centre (Safe Sleep) and for health support services to be included in the Nourish Surrey program proposed to deliver meal services, respite space during the day, and outreach services from a new site in the City Centre. Nourish Surrey will plug existing service gaps for healthy, nutrition for unsheltered individuals and include wrap around health and outreach supports.

Other support services currently provided by the City and set to be expanded through the Grant includes the clean team and healthy living programs. These expand on neighbourhood hygiene initiatives in place to fund expanded hours and contracts for street and encampment clean ups (“Clean Team”), and for temporary mobile washrooms and showers located off main corridors to support hygiene for unsheltered individuals (“Healthy Living”).

Bylaw Compliance and Engagement

Individuals in crisis need urgent support. The City works within the social services network to lead the Surrey Mobilization and Resilience Table (“SMART”). This project will augment the SMART model by providing 7am – 11pm mobile outreach services that will provide referrals into SMART as well as into specific service providers and into the existing BC Housing coordinated access referral system. The SMART CART will involve purchase or lease of two mini-vans and staffing by a new term positions - City community services worker and Bylaw Community Patrol Officers (“CPO”). In addition, foot patrols will continue to be deployed along the main corridors of the City Centre area where unsheltered individuals are most visible. This team will patrol the City Centre and other areas and be advised when unsheltered individuals are located in tent encampments or other locations and need immediate referrals to coordinated access housing services or need to referral to SMART. This program also contributes to mobile outreach services for women at night to provide them health and sanitation supplies and to augment existing outreach services per the recommendations of the Vulnerable Women and Girls Group in Surrey.

The SMART Cart will build on existing work completed by CPOs in the City Centre to provide more tools and a more coordinated approach to enable direct referrals into housing and other supports when CPOs encounter unsheltered individuals in the City Centre.

Next Steps

The actions to enhance homelessness supports outlined in this report are being collaboratively advanced as a priority by the Policing Transition, Corporate Services, Engineering and Planning and Development departments. Immediate next steps include:

- Corporate Reports on the Lease and Temporary Use Permit for the Safe Sleep site at the former “Steve Cobon” facility;
- Retrofit and renovation of the Steve Cobon site;
- Closure of the ERC facility (old North Surrey Arena) as soon as tenants can be moved to supportive housing that are readied for occupancy (Foxglove and Guildford modular sites);
- Confirming the Terms of Reference and participants in the Safety and Community Services Network;
- Implementation of the Clean Team and Healthy Living programs under the Grant by the Engineering Department;
- Confirmation of the site(s) for the Nourish Surrey site to provide meal services and other supports and appointment of a provider;
- Confirmation of responsibilities for implementation and provision of funding by BC Housing and Fraser Health to collaboratively support the pandemic response package programs, per their previous letters of support; and
- Scoping and implementation of the SMART Cart program by the Corporate Services Department.

Further implementation of the enhancements noted in this report will continue over the coming months.

SUSTAINABILITY CONSIDERATIONS

This report supports the Sustainability Charter 2.0 themes of Public Safety, Inclusion, Health and Wellness and Infrastructure. Specifically, this work supports the following Desired Outcome (“DO”) and Strategic Direction (“SD”):

- Public Safety DO4: Local residents and businesses are connected and engaged within their neighbourhoods and with the broader community including police, public safety partners and social service agencies – to enhance safety.
- Public Safety SD3: Ensure programs, policies and initiatives exist along the public safety continuum, and support the entire community.
- Inclusion DO2: Surrey is a caring and compassionate city that supports its residents of all backgrounds, demographics, and life experiences.
- Inclusion DO12: Everyone in Surrey has a place to call home.
- Inclusion DO24: Surrey has a strong social infrastructure that supports the needs of its diverse and growing population.
- Health and Wellness DO1: Surrey has a full range of high quality, community-based health and social services and programs that address health and wellness.
- Health and Wellness DO3: Surrey has the health services and programs to meet the current and changing needs of its diverse and growing population.
- Health and Wellness DO10: Fresh, healthy and culturally appropriate food is affordable and readily available.
- Infrastructure DO1: City facilities and infrastructure systems are well managed, adaptable and long lasting, and are effectively integrated into regional systems.

CONCLUSION

The City is prioritizing work to address the impacts of homelessness in the City Centre and to enhance the service delivery model for supports delivered to unsheltered and vulnerable residents of Surrey. This work builds on the excellent progress made to date and existing coordination between City departments and external partners and stakeholders. Continuing to improve the strategic coordination of investments into housing and health supports in the City Centre, implementing a strategic Safety and Community Services Network, and expanding investments through the Grant will have the dual benefits of reducing the impacts to the community of unsheltered people, and expanding the supports available to the City’s most vulnerable residents.



Terry Waterhouse
General Manager, Policing Transition



Rob Costanzo
General Manager, Corporate Services



Rémi Dubé, P.Eng
Acting General Manager, Planning & Development



Scott Neuman
General Manager, Engineering

APPENDIX AVAILABLE UPON REQUEST

Appendix “T” – Safety and Community Services in the City Centre



CORPORATE REPORT

NO: R151

COUNCIL DATE: July 25, 2022

REGULAR COUNCIL

TO: Mayor & Council DATE: July 18, 2022

FROM: General Manager, Community Services FILE: 4815-01
General Manager, Engineering

SUBJECT: Nourish Surrey Program Update and Contract Award for Tenant
Improvements at 13539, 13541, and 13545 King George Boulevard

RECOMMENDATION

The Engineering Department and Community Services Department recommend that Council:

1. Receive this report for information;
2. Approve a contract award to KDS Construction Ltd. for the construction of tenant improvements at the Nourish Surrey premises at 13539, 13541 and 13545 King George Boulevard in the amount of \$1,048,111.05 (including GST);
3. Set the expenditure authorization limit for contract at \$1,150,000.00 (including GST and contingency); and
4. Authorize the General Manager, Engineering to execute the contract with KDS Construction Ltd.

INTENT

The purpose of this report is to provide Council with information pertaining to the lease of 13539, 13541, and 13545 King George Boulevard (the "Premises") for its use as meal service, shelter, and respite centre for individuals experiencing homelessness ("Nourish Surrey") and to seek Council's approval to award a contract to KDS Construction Ltd. for tenant improvements to the Premises such that the Nourish Surrey facility can be operated on the Premises as of December 2022.

BACKGROUND

Launched in 2020, the Safe Restart Agreement ("SRA") is a federal investment of more than \$19 billion to help provinces restart their economies and build resilience relative to the COVID-19 pandemic. The Government of Canada and the Province of British Columbia are providing funds to local governments to manage the impacts of the global COVID-19 pandemic. The Union of British Columbia Municipalities ("UBCM") is administering the Strengthening Communities' Services grant program which makes available \$100 million for projects to address COVID-19 impacts for vulnerable populations.

Council endorsed the City's application for the Strengthening Communities' Services grant program through Corporate Report R178; 2021 (attached as Appendix "I"). On July 15, 2021, UBCM approved a grant award of \$14.2 million to the City of Surrey. The City, in partnership with BC Housing and Fraser Health Authority ("Fraser Health"), is implementing the first six projects of the Pandemic Response Program ("PRP") funded through the grant.

The Nourish Surrey facility will provide access to meals for people who are living in extreme poverty or precariously housed and who are unable to access meals within shelters. In addition to the provision of meals, the Premises will also serve as an extended care and outreach hub and increase the shelter capacity in the community by adding 16 shelter pods and space for emergency weather response ("EWR") mats. The Premises will also provide washrooms, showers, laundry, and outreach services to support populations at-risk.

The Premises comprises of three adjoining units totalling 5,200 ft.² located at 13539, 13541, and 13545 King George Boulevard (adjacent to Bentley Road). A site layout for the Nourish Surrey facility is included in Appendix "II". Primary access to the Premises will be provided off Binnie Lane, which is located behind the units which will address safety risks by moving guests away from main traffic corridors. This configuration of the site will alleviate some of the space and operational challenges associated with the current meal services provision at SUMSplace, located at 10776 King George Boulevard and operated by the Surrey Urban Mission Society ("SUMS").

Nourish Surrey programming will transition away from the current take-out model for meal services at SUMSplace and provide meals and seating indoors. The meal services, shelter pods, and outreach support services at the Nourish Surrey facility will be delivered through their respective units at the Premises.

Unit One, located at 13545 King George Boulevard, is the largest and main unit that will serve as the meal service facility and will contain a commercial kitchen with a large cafeteria space to seat up to 72 guests. This unit will also include two accessible washrooms, one laundry room and one administrative office. The cafeteria space will also serve as a respite space for guests in-between meal services and during Extreme Weather alerts it will be used as an overnight EWR shelter.

Unit Two, located at 13541 King George Boulevard, will feature 16 co-ed shelter pods, one laundry room, one universal washroom, two universal washrooms with showers, and one accessible universal washroom with shower. The shelter pods will be in a separate unit from the meal service facility to provide privacy and safety for the shelter guests.

Unit Three, located at 13539 King George Boulevard, will serve as the administrative space for SUMS and include a medical room, storage space, and one universal washroom. The outdoor space at the back of the Premises fronting Binnie Lane will be fenced and landscaped with picnic tables and a covered area to provide respite space for guests. Collectively, Nourish Surrey will build upon the social infrastructure in the community and further advance the City's leading approach to provide integrated supports to populations at-risk.

DISCUSSION

The conversion of the Premises into a suitable space for the Nourish Surrey project requires extensive tenant improvements requiring immediate work to ensure the facility can become operational within the UBCM Grant funding period ending on July 15, 2023.

The sooner the facility becomes operational, the greater the amount of time that the facility will be available to provide shelter to residents during cold weather. Upon completion of the facility, the City's lease costs for the Premises will also become eligible costs for the remainder of the UBCM grant funding period. As a result, staff have created an expedited project process, by obtaining three formal proposals based on a "Cost Plus" contractual basis and a high-level budget estimate from three experienced contractors that have completed construction work for the City in the past.

Proposals were received from three contractors as outlined below:

| Contractor | Overhead (%) | Estimated Overhead Amount | Estimated Total Project Cost | Estimated Completion Date |
|-----------------------|--|----------------------------------|-------------------------------------|----------------------------------|
| KDS Construction Ltd. | 10% | \$100,000 | \$998,201 | November 30, 2022 |
| RJS Construction Ltd. | 15% for General Contractor 7.5% for Sub-contractors | \$135,000 | \$1,528,631 | January 31, 2023 |
| Wood Projects Ltd. | 10-15% | \$160,000 - \$240,000 | \$1,598,520 | January 31, 2023 |

Based on the proposals received, it is recommended that the City award the tenant improvement contract for the Premises to KDS Construction Ltd.

The launch of Nourish Surrey also supports the decommissioning of the current Emergency Response Centre ("ERC") in August 2022 by ensuring that, soon after, additional shelter pods will be available. Fast tracking the opening of the Nourish Surrey facility also allows for the City to retain the available funding to cover the operational costs for the project. UBCM requires that any unused funding at the end of the Grant period (July 15, 2023) to be returned to the funder.

The current project schedule anticipates that the Nourish Surrey tenant improvements at the Premises will be funded through the UBCM Strengthening Communities' Services grant and delivered by the City, and that the site will be available for use by SUMS, by December 2022. Upon completion of the tenant improvements, the building will be operated by SUMS as part of their operating agreements with BC Housing.

Premises

The owner of the Premises had recently gutted the interior of all three units to prepare the Premises for leasing. However, the landlord paused major works in anticipation of the City undertaking the required tenant improvements to meet project needs and receive a discount on the lease rate.

Some of the tenant improvements required are listed below:

- Installation of a fully equipped commercial kitchen, walk in fridge/freezer, storage rooms, janitorial closet, cafeteria space;
- Installation of 16 shelter pods, 4 universal washrooms and 3 universal washrooms with showers;
- Upgrading of sanitary and electrical services to, and within, the Premises;
- Installation of drywall, T-Bar ceiling, insulation, tile (bathrooms/showers), flooring, cabinets, millwork, doors/frames, plumbing,
- Installation of HVAC and associated ducting system;
- Relocation and upgrade of mechanical equipment; and
- Exterior landscaping, fencing, and painting of façade.

KDS Construction Ltd. has confirmed that they can deliver the tenant improvements by November 30, 2022 to allow the operation of Nourish Surrey to commence by December 2022. KDS Construction Ltd. has completed tenant improvements for the City in the past and has confirmed they have the resources to complete these works within the required expedited timeline.

Zoning

The Premises is zoned CHI (Highway Commercial Industrial) which permits assembly halls and community services, such as the uses being proposed. The Area Planning & Development Division have confirmed that there is no requirement to obtain a Temporary Use Permit for the purposes of the Nourish Surrey facility at this location.

Funding

Funding for the Nourish Surrey facility, including the first three years of lease payments and the tenant improvements contemplated above is covered by the UBCM Strengthening Communities Grant.

LEGAL SERVICES REVIEW

This report has been reviewed by Legal Services.

SUSTAINABILITY CONSIDERATIONS

This project supports the objectives for the City's Sustainability Charter 2.0. In particular, this work supports the Sustainability Charter 2.0 theme of Inclusion. Specifically, this work supports the following Desired Outcomes ("DO") and Strategic Directions ("SD"):

- Inclusion SD9: Facilitate the development of shelter facilities and supportive housing as outlined in the Master Plan for Housing the Homeless in Surrey.
- Inclusion SD20: Foster a culture of collaboration and the generation of new ideas and methods for solving complex social issues.
- Inclusion DO12: Everyone in Surrey has a place to call home.
- Inclusion DO13: Appropriate and affordable housing is available to meet the needs of all households in Surrey.
- Inclusion DO24: Surrey has a strong social infrastructure that supports the needs of its diverse and growing population.
- Inclusion DO25: Surrey has a culture of collaboration and innovation to solve complex social problems.

CONCLUSION

Nourish Surrey fulfills a critical need in the community as a significant number of people are experiencing unsheltered homelessness requiring immediate access to nourishment, hygiene services, outreach, and/or shelter. Based on the above discussion, it is recommended that Council award a contract to KDS Construction Ltd. for construction of the tenant improvements, up to an expenditure authorization limit of \$1,150,000.00 including GST and contingency.



Scott Neuman, P.Eng.
General Manager, Engineering



Terry Waterhouse
General Manager, Community Services

***Appendices available upon request**

Appendix "I": Corporate Report R178; 2021

Appendix "II": Nourish Surrey Preliminary Layout

[https://surreybc.sharepoint.com/sites/gmpt/division managers/1. general manager - confidential/corporate reports/2022/final/nourish surrey update and contract award for tenant improvements.docx](https://surreybc.sharepoint.com/sites/gmpt/division%20managers/1.%20general%20manager%20-%20confidential/corporate%20reports/2022/final/nourish%20surrey%20update%20and%20contract%20award%20for%20tenant%20improvements.docx)
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