

# Chinatown Senior Housing Feasibility Study

cultural anchor for Chinatown's future

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## **Background**

Benevolent societies and family associations (hereafter Society) have traditionally provided much-needed opportunities for Chinese seniors to socialize and feel culturally connected. Currently, a number of Societies provide low-cost housing in their buildings for seniors in Vancouver's Chinatown and nearby Strathcona neighbourhood. The services and value these Societies provide and the living cultures their members create are fundamental aspects to Vancouver Chinatown's character and heritage. To sustain Chinatown's heritage for future generations, the community has identified the need for all generations to have opportunities to live, work and play in Chinatown.<sup>1</sup> Essentially, it is a vision of an intergenerational inclusive community.

The objective of this Senior Housing Feasibility Study is to explore opportunities and identify challenges in providing senior housing and intergenerational programming as a strategy to revitalize Chinatown and sustain its character. This report forms part of both the Chinatown Society Legacy Project funded by the City of Vancouver and the Provincial Government's Chinese Legacy BC Initiative.

## **Chinatown Society Legacy Project**

The objective of the Chinatown Society Legacy Project (CSLP) is to review and report on the physical condition and subsequent required stabilization renovation costs of 12 heritage designated Society buildings. Components of the CSLP include building audits, identification of suitable financial tools, and development of a business plan and a partnership communication strategy. The project involved collaboration with the Societies owning the heritage buildings, their members, and the Chinatown Society Heritage Buildings Association.

The project was completed in August 2015 with the following key conclusion.

- Without a major rehabilitation program supported by a collective effort including inter-governmental, private, community, and Society participation, the 12 buildings and the tangible and intangible heritage value they represent are at serious risk of vanishing along with the cultural and economic pulse of Chinatown.
- A minimum \$36 million magnitude of cost budget has been estimated to implement a program to rehabilitate and stabilize the Society buildings.
- The establishment of a Chinatown Society Legacy Program is a key step towards the revitalization of Vancouver's Chinatown district.
- The establishment of a program would provide an opportunity to anchor the rapid change in Chinatown and to ensure the community connection to the past and relevance in the future.
- Revitalization of Vancouver's Chinatown district requires a concerted effort between Chinese Societies, all levels of government, and other partners.

## **Objectives of the Chinatown Senior Housing Feasibility Study**

This current Study builds on the CLSP conclusion. It aims to investigate whether there remains a strong need for culturally specific senior housing in Chinatown, particularly for Chinese seniors in Vancouver. More specifically, it asks the questions of how Vancouver's Chinatown can

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<sup>1</sup> City of Vancouver (2012). Chinatown Neighbourhood Plan and Economic Revitalization Strategy, June 2012.

continue the legacy established by the Societies to provide senior housing and what are the opportunities and challenges of creating additional senior housing, with special consideration given to the potential of Society buildings. The Study seeks to establish the case for adding senior housing and intergenerational programming as a strategy to revitalize Chinatown and sustain its character.

### **Scope of Work**

This report includes the following 6 sections.

- (1) An overview of Chinese senior housing need in Vancouver;
- (2) A review of seniors housing definitions and a demographic analysis of expected tenants in those housing;
- (3) An assessment of how Chinatown can respond to the growing need for Chinese senior housing in Vancouver;
- (4) An examination development opportunities and challenges for seniors housing in Chinatown;
- (5) A review of partnership opportunities and financial tools for housing delivery; and
- (6) A summary evaluation that identifies opportunities and develops recommended strategies generally and with special consideration given to the potential of Society buildings as compared to other buildings.

## **Section 1**

### **Overview of Chinese Senior Housing Needs in Vancouver**

#### **Introduction**

Aging of the population is probably one of the most discussed topics in Canada today. Statistics Canada published a report titled “A Portrait of Seniors in Canada” which provides an overview of important national demographic trends, and information on health, wellness, learning, and living arrangement of seniors.<sup>2</sup> Many of these identified trends have critical implications for urban policy development, social and health services planning and community and neighborhood design.

In 2006, Government of Canada initiated its Age-Friendly Initiative through Public Health Agency of Canada, following the World Health Organization’s (WHO) Global Age-Friendly Cities Project. In the same year, BC government appointed a Premier’s Council on Aging and Seniors in order to establish a more comprehensive policy vision for seniors. Since then the Province has taken a number of actions in response to the Council’s recommendations, including the promotion of age-friendly communities and elimination of mandatory retirement.<sup>3</sup> The City of Vancouver adopted an Age-Friendly Action Plan in 2013 as a result of the Seniors Dialogues Project. The Plan created 61 actions in 6 areas: 1) active and healthy living, 2) human services, 3) physical built environment, 4) safety and emergency services, 5) training and awareness, and 6) coordination and monitoring. With the Plan, City of Vancouver is hoping to seek recognition as an “age-friendly city” from BC Ministry of Health.<sup>4</sup>

This section of the report will provide a brief overview of Chinese senior housing need in Vancouver, based on the existing available research, by examining the following:

- Demographic Trend in Vancouver
- Needs of Seniors and Critical Issues
- Needs of Ethnic Seniors
- Ethno-Specific Affordable Housing Needs in Vancouver

This first section of the report aims to investigate whether there remains a strong need for culturally specific senior housing, particularly for Chinese seniors in Vancouver. This overview also aims to address the question of whether Vancouver’s Chinatown is to continue the legacy established by the Societies to provide senior housing and intergenerational programming as a strategy to revitalize Chinatown and sustain its characters.

#### **Demographic Trends in Vancouver**

The definition of “seniors” is an ongoing debate as life expectancy increases and as society questions what it means to be a senior. Current government programs and subsidies typically use a minimum 55 years of age or 65 years of age as the cut off for eligibility. For the purpose of this report, the usual threshold of 65 years old is used, unless noted otherwise. The seniors’ population is growing in Canada; and the number of seniors in Canada is growing faster than the number of non-seniors. Currently at 13% of the population, seniors will represent 25% of Canada’s total population by 2036. Statistics Canada’s report, “A Portrait of Seniors in Canada,”

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<sup>2</sup> Turcotte, Martin, and Grant Schellenberg (2006). A Portrait of Seniors in Canada. Ottawa: Statistics Canada.

<sup>3</sup> Province of British Columbia (2006). Aging Well in British Columbia: Report of the Premier’s Council on Aging and Seniors’ Issues.

<sup>4</sup> City of Vancouver (2013). The Age-Friendly Action Plan 2013 – 2015.

identifies key national demographic trends that are also generally reflected in the Vancouver context.<sup>5</sup>

- In 20 years, one in four persons in Canada will be over 65.
- The majority of Canadian seniors will live in an urban centre such as Metro Vancouver.
- More than 25% of the current seniors population are immigrants to Canada and this percentage is expected to grow.
- The life expectancy of Canadian seniors has risen since 2000; however the prevalence of chronic diseases is also increasing.
- Senior women outnumber senior men.
- Seniors' incomes have been rising nationally and the percentage of low-income seniors declined from 34% to 15% between 1980 and 2003.<sup>6</sup>
- However, aboriginal elders are more likely to be living in poverty and seniors who are recent immigrants are also more likely to be low income.

In 2011, 81,930 people living in Vancouver were over 65 (14% of the city's population).<sup>7</sup> By 2036, 21% of the total population of Vancouver will be over the age of 65, representing an actual growth of over 100,000 seniors. In Metro Vancouver, the most significant population growth takes place in two age groups: 55 to 59 years and 90+ years.<sup>8</sup> This specific trend is important to note because it reflects the upcoming housing and home support needs for both active seniors who still live relatively independently and older seniors who require more complex care and supportive housing.

Similar to the national trend, there are currently twice as many women as men over the age of 80 in Metro Vancouver. However, while women live longer, they do, on average, spend more time in a state of dependence in their last years of life due to chronic health condition. In addition, women tend to have lower income than men across their lifespan so affordability and accessibility to housing and care are important issues.

One distinct difference between Metro Vancouver and the rest of the country is in the percentage of visible minority seniors. About 7% of all seniors in Canada are visible minorities while the percentage is 13% in BC and 26% in Metro Vancouver. In addition, the City of Vancouver has more visible minorities than the other municipalities of Metro Vancouver. Most notably, the ethnic Chinese population makes up 30% of the total population in Vancouver, but only 18% of the Metro Vancouver region.

### **Needs of Seniors and Critical Issues**

In the past decade, the public health discussion has gradually moved to focus more and more on aging in place and quality of life among diverse Canadian seniors. Physical and social environments are now commonly viewed as important determinants of health. To improve the quality of life of seniors, the impact of economic security, housing options, healthcare and transportation are important considerations for supporting aging in place and building age-friendly communities.

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<sup>5</sup> City of Vancouver (2010). Seniors in Vancouver. This discussion paper provides a snapshot of seniors in Vancouver from local and national perspectives. This section on Vancouver demographic trends draws mostly from this discussion paper.

<sup>6</sup> The numbers are measured using the before tax Low Income Cut Offs (LICO). When using after tax LICO, the percentage of low income seniors declined from 21% to 7% between 1980 and 2003.

<sup>7</sup> Figures for 2011 is from Statistics Canada 2011 Census. It is available from City of Vancouver website: <http://data.vancouver.ca/datacatalogue/censusLocalAreaProfiles2011.htm>.

<sup>8</sup> City of Vancouver (2010). Seniors in Vancouver, p. 7.

In the discussion paper titled “Seniors in Vancouver,” the City of Vancouver identifies the following critical issues affecting seniors:

- Economic security
- Health systems and services
- Home support and housing
- Transportation
- Social and cultural diversity
- Other social issues such as abuse, legal protection, food security and safety.

In discussions of senior housing, social isolation is a notable concern. Employment and Social Development Canada (ESDC) has identified keeping aging Canadians active and socially connected as the top emerging issue facing seniors in Canada.<sup>9</sup>

Although seniors’ poverty rates have been falling in the past decades, there is still a significant number of low-income seniors living in Vancouver. About 12,000 out of 77,000 (16%) seniors living in Vancouver are low income (before tax-income LICO). More specifically, there is higher concentration of low-income seniors living in the Downtown Eastside (DTES), Gastown, Strathcona, Mount Pleasant, and parts of Grandview-Woodlands. According to the 2006 Census, 73% of seniors in the DTES are low income.<sup>10</sup>

For many older Canadians, maintaining independence and quality of life depends on various government programs. Affordability and access to health care and services are essential to their wellbeing. Similarly, availability of home support services is one of the most important factors in determining whether seniors can live independently. Transportation is another key issue for seniors who cannot drive and have difficulty accessing public transit.

All these are important factors contributing to the wellbeing and quality of life of seniors in their universal needs. However, they present even greater challenges for senior who have limited or no English language skills. Moreover, recent immigrant seniors have limited understanding and knowledge of government programs and services available to them.

### **Needs of Ethnic Seniors**

With a high and growing percentage of visible minority seniors and additional challenges affecting recent immigrant seniors, it is helpful to better understand the needs of ethnic seniors and the demand for more ethno-specific affordable housing in Metro Vancouver.

There is growing academic research examining the issue facing ethnic seniors. A particular line of inquiry questions how living arrangement affects seniors’ quality of life, how seniors are aging in place, and how different groups of ethnic seniors differ in the way they approach housing options and utilize local amenities in the neighborhoods. The following highlights some key academic findings that may be relevant to this Study.

- Overall, age, health status and having social support are better quality of life predictors than living arrangement for elderly Chinese Canadians who live in urban southern British Columbia (Victoria and Vancouver).<sup>11</sup>

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<sup>9</sup> The Report on the Social Isolation of Seniors prepared by the National Seniors Council in October 2014 identified that many older Canadians are socially isolated or at risk of becoming so.

<sup>10</sup> City of Vancouver, *Seniors in Vancouver* (2010), p. 10. Chinatown is included as part of the communities of Downtown Eastside.

<sup>11</sup> Ellen M. Gee (2000). “Living Arrangement and Quality of Life among Chinese Canadian Elders.” *Social Indicators Research*, 51, pp. 309-329.



- For Chinese elderly widows, living alone significantly reduces quality of life in a number of areas. They are considered a group at risk of low wellbeing. In comparison, for married men and women, living arrangement, whether living alone or living with their adult children, is not a key factor in quality of life.<sup>12</sup>
- Great majority of Chinese elders who do not live with their children prefer not to. For many, not wanting to recreate the so-called traditional family life is a choice for more residential autonomy.<sup>13</sup>
- There are differences in how different ethnic seniors seek community support. For example, local amenities offer more resources and support for both Chinese and Korean seniors alike in BC. However, Chinese seniors are more likely to access these amenities whereas church-related groups are an important social support for Korean seniors.<sup>14</sup>
- Ethnic business districts link many ethnic seniors to local resources. The availability of subsidized housing adjacent to a concentration of ethnic business and local amenities is associated with increased residential autonomy.<sup>15</sup>
- For many Chinese monolingual seniors in Montreal, the city's Chinatown is home. Therefore Chinatown tourism should not be developed at the expenses of residential functions.<sup>16</sup>

These findings indicate the complexity of family living arrangement among Chinese seniors. It is important not to over simplify or homogenize Chinese or ethnic seniors.

### **Ethno-Specific Affordable Housing Needs in Vancouver**

Responding to the increasing demand for more housing options and settlement services for immigrant seniors, various governments have been promoting the concept of aging in place and have begun to explore ways to provide ethno-specific senior housing in diverse communities. According to the 2006 Senior's Housing Information Program (SHIP) directory, the Greater Vancouver area has developed 14 senior housing projects for Chinese speaking residents, making up 29% of all the Special Interests Housing Projects. The Independent Living BC Initiative also encouraged local housing delivery partners to create more supportive and age-friendly living environments.<sup>17</sup>

A recent discussion paper titled "Affordable Housing Needs of Ethnic Seniors in Vancouver" published by UBC Centre for Urban Economics and Real Estate provides an analysis of the potential demand for senior housing by particular ethnic groups.<sup>18</sup> It examines the relationship between ethnicity and language, and housing tenure and income. It concludes with an estimate of affordable housing needs of Chinese seniors, the largest ethnic group in Vancouver. While the numbers are estimates involving a large set of assumptions, the findings of the paper are nevertheless useful and relevant with its focus on the City of Vancouver, with and the largest immigrant groups.

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<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

<sup>14</sup> Eunju Hwang (2008). "Exploring Aging –in-Place Among Chinese and Korean Seniors in British Columbia, Canada." *Ageing International*, 32, pp. 205-218.

<sup>15</sup> Ibid.

<sup>16</sup> Yon Hsu (2013). "Feeling at Home in Chinatown – Voices and Narratives of Chinese Monolingual Seniors in Montreal." *International Migration and Integration*, 15, pp. 331-347.

<sup>17</sup> Hwang (2008).

<sup>18</sup> Tsur Somerville, Azim Wazeer and Jake Wetzel (2011). "Affordable Housing Needs of Ethnic Seniors in Vancouver" Centre for Urban Economics and Real Estate Discussion Paper, Sauder School of Business, University of British Columbia. In their paper, "ethnic" refer to people whose primary ancestry is not one of the British Isles groups (English, Irish, Scottish or Welsh).

The objective of the discussion paper is to identify seniors for whom it will be difficult to live in a housing option where English is the only language of communication, seniors who would benefit in housing that provides culturally and linguistically relevant support, and seniors who may require financial assistance. To estimate the demand for affordable housing for ethnic seniors in Vancouver, the researchers used 2006 Census data with the following criteria:

- Largest five ethnic groups: Chinese, South Asian, Filipino, Italian and German;
- First generation immigrants over 65 years of age;
- With primary language spoken at home from their countries of origin;
- Renter themselves or dependents of renters.

The researchers found that in addition to being the largest ethnic group in Vancouver, a large share of the Chinese population are first generation immigrants. Of the population aged 15 and over, 83% of Chinese ethnics are first generation immigrants. The percentages of Chinese elderly who are immigrants are even higher at 93%. In the discussion paper, Chinese population includes speakers of Cantonese, Mandarin, Taiwanese and Fukkianese dialects.

The researchers further found that across all age groups, seniors in renter households have lower individual incomes than seniors in owner-occupied households. In fact, the median household incomes for renter households with seniors are about half of that of owner-occupied households. Therefore, the seniors who need financial assistance for affordable housing are those currently in renter households.

Based on 2006 census data, the researchers projected that over the next 15 years, up to 3,300 seniors lacking wealth and whose primary language is Chinese might be expected to benefit from affordable housing that provide appropriate linguistic and cultural environments. Their study, however, does not provides further breakdown of the various type of housing needs within this identified population.

## **Conclusion**

Canadian population is aging. In 20 years, one in four Canadians will be over 65 years old and Vancouver exhibits a similar demographic trend. One unique characteristics of Vancouver's population is its high percentage of visible minorities, with the Chinese population being the largest ethnic group, comprising 30% of the city's total population. According to 2011 census figures, Cantonese and Mandarin are the two primary Chinese dialects in Vancouver. Of those who speak a language other than English and French at home, 16% speak Cantonese and 12% speak Mandarin.<sup>19</sup>

Over 90% of Vancouver's Chinese seniors are first generation immigrants and most of them speak a Chinese dialect at home. They have unique needs in addition to all the critical issues faced by all Canadian seniors due to their limited language capacity and understanding of the available support systems. One recent research from UBC has concluded that over the next 15 years, up to 3,300 Chinese seniors in City of Vancouver will need subsidized affordable housing that offers culturally and linguistically appropriate environment.

In general, study and research findings concluded that neighborhoods with relevant local cultural and social amenities are considered major assets in supporting and housing ethnic seniors. Therefore a neighborhood such as Vancouver's Chinatown or a suburban city like

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<sup>19</sup> Statistics Canada (2011). Linguistic Characteristics of Canadians: Language, 2011 Census of Population. Analytical document, catalogue no. 98-314-X2011001.

Richmond where many recent Chinese immigrants have settled, present great opportunities to further explore opportunities to provide seniors housing for the growing Chinese seniors population in these regions.

## Section 2

### Definition of Seniors Social Housing

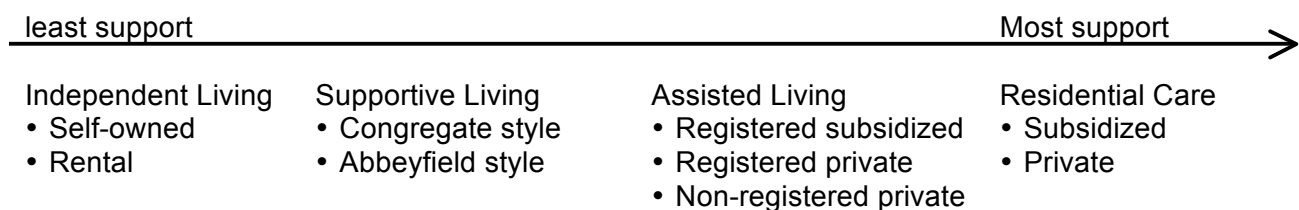
#### Introduction

Government programs and senior care service providers broadly categorize housing for seniors into four types based on level of support: independent housing, supportive housing, assisted living housing, and residential care homes. According to the 2011 Census, about 92% of Vancouver's seniors live in independent and supportive housing and 6% require more support services in assisted living and long-term residential care facilities.<sup>20</sup>

This section of the report examines the various types of housing for seniors in Vancouver and discusses the characteristics of the seniors who live in them. In particular, it highlights the social assistance to seniors in each housing type.<sup>21</sup> As recognized in City of Vancouver's Age Friendly Action Plan, having a range of affordable housing options to accommodate changing needs is an important aspect of an age-friendly neighbourhood.<sup>22</sup>

Furthermore, City of Vancouver's Housing and Homelessness Strategy (2012 - 2021) outlines a housing continuum that consists of a range of housing options, from emergency shelters to affordable rental housing and home ownership. The goal of the strategy is improve housing accessibility, affordability, and suitability for all residents so neighbourhoods are diverse and resilient. The Downtown Eastside Local Area Plan, which includes Chinatown, further recognizes the need for supportive housing where there is a continuum of care alongside a housing continuum (see Appendix 1).<sup>23</sup> This need for non-market, supportive and assisted living options for seniors is also identified in City of Vancouver's discussion paper, Seniors in Vancouver.<sup>24</sup>

#### Senior Housing Continuum



#### Independent Housing

Independent housing describes housing where there are usually no on-site supports. Seniors are either homeowners or renters of the residence. Seniors live independently and can arrange privately to have services such as Meals on Wheels and home support delivered directly. They are typically younger seniors (age 55 to 74) and active seniors (more about mobility than age).

<sup>20</sup> Statistics Canada (2011). 2011 National Household Survey. Catalogue Number 99-014-X2011045.

<sup>21</sup> As the focus of the report is to inform the potential for senior housing in Vancouver Chinatown, the discussion of housing type focuses on urban forms. It does not include planned retirement community such as retirement village developments and campus-type continuing care retirement communities that are more suitable in suburban areas.

<sup>22</sup> City of Vancouver (2013), p. 13.

<sup>23</sup> City of Vancouver (2014). Downtown Eastside Local Area Plan, p. 102.

<sup>24</sup> City of Vancouver (2010), p. 15-16.

The majority of seniors who live independently in Vancouver own their own homes. Of the households headed by those aged 65 and over, 66% own their own home. Of those who own their own home, 43% live in single detached dwelling.<sup>25</sup>

#### Self-owned Housing Types

- a. Single family dwelling  
More so in Strathcona than in Chinatown, many seniors live in single family detached dwelling that they own. BC Housing's Home Adaptation for Independence Program provides financial assistance to help improve the home for accessibility and independent living.
- b. Strata-titled housing  
Apartments or semi-detached units that are purchased and residents pay monthly maintenance fee and are members of a resident council (strata council). In strata-titled housing developments, the strata council may enforce age restrictions (e.g. retirement communities usually place age restrictions on home buyers).
- c. Equity cooperatives  
In an equity coop, seniors buy shares in the cooperative and lease their unit. The cooperative determines the membership age eligibility.
- d. Cohousing  
Cohousing is based on the principles community living. Residents usually own their individual homes and share amenities such as kitchen, dining room, and laundry room. Residents participate in the housing's planning, design, and management. Cohousing developments typically range from 10 to 35 households and emphasize multigenerational living.
- e. Life lease  
Life lease is a legal interest in residential property that permits purchasers (seniors) to occupy a dwelling throughout his or her life. The building, however, is owned by either a nonprofit organization or for-profit company. The lease begins with a prepaid amount, also referred to as the entrance fee. Upon death or termination of the lease, a portion of the prepaid amount is refunded.

#### Rental Housing Types

- a. Private market rental  
For low and moderate income seniors aged 60 and older and who live in private rental housing, SAFER (Shelter Aid For Elderly Renters) is a rent subsidy program based on income administered by BC Housing.<sup>26</sup>
- b. Publicly owned and managed rental  
RGSSH (Rent Geared to Income Seniors' Subsidized Housing) is subsidized housing provided directly to seniors. The buildings are either owned by BC Housing or by nonprofit housing providers with funding from BC Housing. The apartment-style housing is available to residents over the age of 55 whose gross income is \$58,000 or less

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<sup>25</sup> Statistics Canada (2011). 2011 National Household Survey. Catalogue Number 99-014-X2011045.

<sup>26</sup> More information on SAFER and a calculator to determine subsidy amount is available on the BC Housing website. [http://bchousing.org/Options/Rental\\_market/SAFER/Calculator](http://bchousing.org/Options/Rental_market/SAFER/Calculator)

(Metro Vancouver). The rent paid is 30% of seniors' gross income. Other housing costs such as utilities are usually charged separately.

In Metro Vancouver, most seniors would qualify for subsidized rental housing. About 80% of seniors in Metro Vancouver have income of less than \$50,000. It is significant to note the difference between male and female seniors. About 88% of female and 76% male seniors have income less than \$50,000 (2012 figures).<sup>27</sup> In addition to gender differences, it is also important to consider whether seniors are living as a couple/family or living alone. About 84% of live alone seniors (not in census families) have income less than \$50,000 (2010 figures).<sup>28</sup>

- c. Nonprofit organization owned and managed rental  
Several nonprofit organizations own and manage affordable housing across BC. They are responsible for their own tenant selection and have their own age eligibility requirements. They charge a fixed low rent or use a percentage of gross household income.
- d. Cooperative housing  
Cooperative housing is jointly owned by people who live in them through the purchase of a share or membership.

### **Supportive housing**

Supportive housing is rental housing with some basic onsite support services. Support services include a 24-hour emergency response system, at least one meal daily, some social activities, and light weekly housekeeping. Personal health care services are not offered as part of the monthly rent fee. Rather, if needed, personal health care services are delivered by the local health authority or privately, same as for seniors who are living independently in their own home.

There are few subsidized supportive housing units for low-income seniors. The majority of supportive housing are privately owned and managed. A SAFER subsidy may be applied to help with the room portion of the monthly rent (also referred to as the shelter portion).

#### **Supportive Housing Type**

- 1. Congregate style with self-contained apartments.  
Self-contained apartments have basic cooking facilities and residents receive at least one meal a day served in a dining room.
- 2. Abbeyfield style with rooms in a house.  
Usually 8 to 10 seniors live together in a home with their own bedroom and bathroom and share the living room, kitchen, and dining room. In some houses, meals are provided and a house coordinator lives onsite.

### **Assisted living housing**

Assisted living units are for seniors who need daily support but do not need 24-hour institutional care. The types of support services provided are more extensive than that in supportive housing. Services include hospitality services such as meals, housekeeping, laundry,

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<sup>27</sup> United Way and Spark BC (2013). Seniors in the Lower Mainland: A Snapshot of Facts and Trends, March 2013.

<sup>28</sup> United Way and Sparc BC (2013), p. 23. Senior persons not in census family include those living alone, living with a relative, and living with a non-relative.

recreational activities, and 24-hour response; and personal care services such as assistance with bathing and medication.

Assisted living residents tend to be physically or mentally frail. Some assisted living facilities specialize in care for seniors with dementia. A recent report by the Office of the Seniors Advocate highlights the three main characteristics of the seniors in assisted living housing:

- Over 85 years of age (60%)
- Require minor assistance to complete personal care (90%)
- Have mild cognitive or memory impairment (82%)

The same report finds that the physical and cognitive function of seniors living in subsidized registered assisted living and seniors living at home receiving home care have similar clinical profiles. The main differences are that more seniors over the age of 85 live in assisted living and more seniors who lose a supporting spouse are far more likely to live in assisted living.<sup>29</sup>

### Assisted Living Housing Types

Assisted living facilities in British Columbia fall under three categories: 1) publicly subsidized registered, 2) private registered, and 3) private non-registered. Under the *Community Care and Assisted Living Act (2004)*, registered assisted living operators must nominate two of the six prescribed services to offer to residents.<sup>30</sup> If a resident's needs are not the prescribed services offered by the operator, he/she will not be admitted to that assisted living facility. Or, if the resident's needs change, he/she may be moved to a different facility. In private, non-registered assisted living, seniors purchase the support when needed and therefore will less likely be moved if their care needs change.

1. Public subsidized Registered Assisted Living residences  
To access this type of housing, seniors must be referred by their local health authority. The cost for most residences is 70% of monthly income. There are 16 buildings in Vancouver listed under the Assisted Living Registrar. Of the 814 units available, about half are publicly subsidized units.<sup>31</sup>
2. Private-pay Registered Assisted Living residences  
Applications are made directly to the building and cost range from \$1400 to \$6000 per month. In some private residences, there may be subsidized units available to those referred by the local health unit.
3. Private Non-Registered Assisted Living Residences  
There are private facilities that offer assisted living services but residents make their own arrangements and pay for any personal and health care services they need. These facilities do not offer the services prescribed by the *Act* in the way required by the *Act* and therefore are not covered by the *Act*.<sup>32</sup>

<sup>29</sup> Office of the Seniors Advocate (2015), *Seniors' Housing in BC: Affordable, Appropriate, Available*, May 2015, p. 40.

<sup>30</sup> The six prescribed services are: 1) regular assistance with daily living activities (e.g. eating, dressing, bathing); 2) central storage, distribution, and administering of medication; 3) Management of cash resources or other property; 4) Monitoring of food intake; 5) Structured behaviour management; 6) psychosocial or physical rehabilitative therapy. Office of the Seniors Advocate (2015), p. 41.

<sup>31</sup> Assisted Living Registrar. BC Ministry of Health Services.

<http://www.health.gov.bc.ca/assisted/locator/index.php/displayfacility/bycommunity/1>. Accessed November 28, 2015.

<sup>32</sup> Office of the Seniors Advocate (2015).

## Residential care

Residential care provides 24-hour supervision and care in a secure environment for seniors who have complex needs and can no longer be cared for in their own homes or in assisted living, such as those with Alzheimer's, dementia, and physical incapacity. There are 36 residential care facilities in Vancouver, with a total of about 4200 beds.<sup>33</sup>

The 2015 report by the Office of the Seniors Advocate finds that the majority of the seniors in residential care are:

- Over 85 years of age (56%)
- Diagnosed with Alzheimer's or other dementia (61%)
- Require significant assistance to complete personal care (67%)
- Require wheelchair for indoor mobility (50%)
- Receive 9 or more different meds in the last 7 days (51%)

Residential care facilities are governed by the *BC Community Care Facility Act*. In publicly funded facilities, seniors with the highest and urgent needs have priority for the first available and appropriate bed (determined by BC residential access policy). Referrals are through the local health authority and the monthly rate is based on income and regulated by the Ministry of Health. Care level is determined through an assessment.

In private-pay facilities, seniors or their family are responsible for all costs related to accommodation and support services. The care in a private-pay facility is regarded as a private business arrangement between the service provider and the senior receiving care and is defined through a contract.<sup>34</sup> Nevertheless, the licensing standards and enforcement are the same for both private and publicly funded beds.<sup>35</sup>

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<sup>33</sup> List of residential care facilities is available from the Vancouver Coastal Health website. <http://www.vch.ca/your-health/health-topics/residential-care/vancouver-facilities/vancouver-residential-care-facilities>. Accessed November 28, 2015.

<sup>34</sup> BC Ministry of Health website: <http://www2.gov.bc.ca/gov/content/health/accessing-health-care/finding-assisted-living-or-residential-care/residential-care-facilities/considering-residential-care>

<sup>35</sup> Office of the Seniors Advocate (2015), p. 51.



### **Section 3**

## **The Case for Senior Housing Provision in Chinatown**

### **Introduction**

This section of the report aims to establish the case that facilitating the provision of senior housing and culturally appropriate support services in Chinatown is a critical strategy for the neighbourhood's revitalization that celebrates both its tangible and intangible heritage. It provides a brief overview of seniors currently living in Chinatown, existing housing stock and supportive services available for seniors, and Chinatown community's vision for an intergenerational community that is age-friendly and promotes aging-in-place. The last part of this section discusses how affordable housing for Chinese seniors can be a cultural anchor for Chinatown's future.

### **Seniors Living in Chinatown**

Vancouver's Chinatown has been home to generations of immigrants since the mid-19th century. Currently, seniors make up a large percentage of the population in Chinatown and the adjacent Strathcona neighbourhood. According to 2010 Census data, 22% (1,555) of the population in Chinatown and Strathcona is 65 and over, compared with 14% (81,935) for the City as a whole.<sup>36</sup> In addition, a large percentage of those seniors are low income. According to 2006 census data, 73% of seniors in the Downtown Eastside, including Chinatown and Strathcona, are low-income.

A recent research project by Tyee Solutions Society in collaboration with Tides Canada Initiatives Society examines some key issues faced by Chinese seniors living in Chinatown and its nearby areas. It concludes that many seniors are low income, speak only Cantonese or Mandarin, face discrimination and marginalization, and are in need of culturally and linguistically appropriate housing. With new developments occurring in the neighbourhood, these seniors living in poverty and isolation could become more vulnerable as they age.<sup>37</sup>

### **Existing Housing Stock for Seniors**

The existing rental housing stock for seniors in Chinatown includes affordable independent housing, assisted living facilities, and residential care homes. As mentioned in the previous section, supportive housing residences, where some basic care services can be arranged and paid for in addition to rent by the seniors themselves, are often not listed as a separate housing category but rather as rental housing for independent living.

The review of existing housing takes into account the housing stock for seniors in Chinatown as well as Strathcona. Chinese seniors living in Strathcona also access the services in Chinatown. See Appendix 2 for the list of buildings.

### **Affordable Rental Housing for Independent Living**

The survey of existing affordable rental housing for independent living includes the following:

- Buildings owned by BC Housing or non-profit organizations in Chinatown and Strathcona
- Buildings owned by Societies in Chinatown and Strathcona

Not all of these buildings are restricted to seniors and residents also include single people and

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<sup>36</sup> City of Vancouver (2012). Chinatown Neighbourhood Plan and Economic Revitalization Strategy June 2012, p. 11.

<sup>37</sup> Wong, Jackie and David P. Ball (2013). Finding Home: Affordable Housing Solutions for Greater Vancouver and B.C. Produced by Tyee Solutions Society in collaboration with Tides Canada Initiatives Society.

families. Some have age restrictions and accept only seniors. Where known, the age restrictions have been noted on the building list in the appendix. In addition, there are housing units in many of the Society-owned buildings that while they are not specifically for seniors, many of the tenants are Chinese seniors.

The survey of buildings includes only rental housing managed by Societies, non-profit organizations, or BC Housing. Independent housing also describes private rental housing and housing owned by seniors; and these are not accounted for in the survey of buildings.

#### Assisted Living

There is one registered assisted living facility in Chinatown and one in Strathcona. There may be private non-registered assisted living facilities in which residents make their own arrangements for care services.

#### Residential Care

There is one residential care facility in Chinatown and another in Strathcona. Both cater to Chinese seniors and have staff who speaks Cantonese, the primarily dialect used in Chinatown.

		Number of Building	Number of Units
<b>Chinatown</b>			
Independent Living	Affordable Rental Buildings	4	220
	Society Rental Buildings	8	272
Assisted Living	Registered Assisted Living	1	33
Residential Care	Residential Care	1	103 beds
Subtotal		14	628
<b>Strathcona</b>			
Independent Living	Affordable Rental Buildings	15	1,115
	Society Rental Buildings	25	311
Assisted Living	Registered Assisted Living (seniors living with mental health issues)	1	52
Residential Care	Residential Care	1	150 beds
Subtotal		42	1628
Total		56	2256
<p>Source for Affordable Rental Buildings: The Housing Registry. Housing for Seniors and Adults with Disabilities, Zone 6, Vancouver. September 2015. Seniors Services Society <a href="http://www.seniorsservicesociety.ca">www.seniorsservicesociety.ca</a></p> <p>Source for Society Rental Building: Compiled from multiple sources (BCAA 2008, SRO 2014, PRSIM, DP board minutes, other COV internal databases) and limited by availability; accuracy cannot be guarantee and may contain discrepancies.</p> <p>Source for Assisted Living: BC Ministry of Health website, last updated 2015: <a href="http://www.health.gov.bc.ca/assisted/locator/index.php/displayfacility/bycommunity/2">http://www.health.gov.bc.ca/assisted/locator/index.php/displayfacility/bycommunity/2</a></p> <p>PHS Community Services Society website: <a href="http://www.phs.ca/index.php/project/smith-yuen-apartments/">http://www.phs.ca/index.php/project/smith-yuen-apartments/</a></p> <p>Source for Residential Care: Vancouver Coastal Health website: <a href="http://www.vch.ca/your-health/health-topics/residential-care/vancouver-facilities/vancouver-residential-care-facilities">http://www.vch.ca/your-health/health-topics/residential-care/vancouver-facilities/vancouver-residential-care-facilities</a></p>			

### **Existing Support Services for Seniors**

In addition to housing, there are culturally appropriate support services for seniors in Chinatown. These support services include social services as well as social activities and programming organized by community nonprofit organizations.

### Family Associations and Benevolent Societies

Societies and the collection of their buildings are an integral part of Chinatown's social infrastructure. Their primary functions have changed over time. At their inception, Societies carried out more social services functions such as legal counseling, employment services, community welfare and housing for those in need. Essentially, Societies were the places where newcomers and old immigrants could turn for assistance.

Today, while the growing Chinese-Canadian population's reliance on Societies has diminished, they remain social hubs in Chinatown, offering a diverse range of programs from outings for seniors to martial arts classes for youths. Society meeting halls, many in heritage-designated buildings, are often described by members as clubrooms where they come daily to read newspaper, play mahjong, and sing Cantonese operas. As discussed above, some Society buildings also continue to provide affordable housing to seniors and low-income residents. Societies, together with the diverse community organizations in Chinatown, form an incredible social infrastructure that provides culturally appropriate support to seniors and youth alike.

There are over 40 Societies in the Chinatown and Strathcona. Those located within the Chinatown boundary include the following 14 Societies.

- Wong's Benevolent Association
- Chinese Nationalist League of Canada
- Yue Shan Society
- Cheng Wing Yeong Tong Association
- Lung Kong Kung Shaw
- Mah Society
- Chinese Benevolent Association
- Chin Wing Hung Tong Society
- Yee Fung Toy Society
- Lim Sai Hor Benevolent Association
- Shon Yee Benevolent Association
- Soo Yuen Society
- Lung Jen Benevolent Association
- Dart Coon Club (Freemason Society)

### Other community organizations

In the 1970s and 1980s, as Chinese-Canadians gained access to more equal opportunities in the mainstream society, both Chinese residential and commercial settlements spread outside of Chinatown to different parts of Metro Vancouver. The social service roles that Societies once served have hence changed and a new group of social, cultural and commercial community organizations have emerged.

Chinese Cultural Centre and Museum and Dr. Sun Yat-Sen Garden provide many cultural and educational programs, promoting various aspects of Chinese culture in the context of Canada's new multiculturalism policy. SUCCESS, established in 1973 in Chinatown as an immigrant settlement service organization, has now grown to be a multi-service and multi-cultural agency. It is in fact the largest Chinese cultural social service agency in Canada, providing a wide range of programs, including intergenerational programs for youth and seniors. Chinatown Merchants

Association and Chinatown Business Improvement Society both have a mandate to support and promote Chinatown's growing and diversifying economy. With respect to Chinatown's gradual decline since the 1990s, the community came together under the Vancouver Chinatown Revitalization Committee and developed the Chinatown Vision in 2000.

In addition to these organizations that serve the broader Chinatown community, there are several non-profit organizations in Chinatown that offer social programming specifically for seniors.

- UBC Learning Exchange
- Chieng's Adult Day Centre
- Chinatown Seniors Services Council
- SUCCESS Seniors Enrichment Program (SEP)
- Vancouver Chinatown Lions Club
- Chinese Cultural Centre

### Medical Services

For seniors, whether they are living independently or in assisted living accommodations, access to medical care is essential. According to the Chinatown Business Improvement Society's website directory, there are over 30 doctor's office in Chinatown.<sup>38</sup> There are also medical services such as Chinatown X-Ray and Ultrasound that have Chinese speaking staff. In addition, there are several traditional Chinese medicine doctors and acupuncturists.

### Other Services

As a business district, Chinatown offers an array of services that caters to a Chinese speaking clientele, such as accounting, notary public, hair salons, and banking. Many of these services are long-time businesses in Chinatown and their staff are known to many Chinese seniors in the community.

### **Chinatown as an Age-Friendly Community**

Province of BC's age-friendly initiative was created with the objective to "make it easier for older people to age actively, to live in security, enjoy good health and continue to fully participate in society."<sup>39</sup> This initiative started with World Health Organization (WHO) in 2006 and involved 33 cities of various sizes throughout the world in discussing how to support communities to become age-friendly.<sup>40</sup> Drawing from WHO's findings, the Province identifies the following eight key features of an age-friendly community.<sup>41</sup>

1. Outdoor spaces and public buildings are pleasant, clean secure and physically accessible.
2. Public transportation is accessible and affordable.
3. Housing is affordable, appropriately located, well built, well designed and secure.
4. Opportunities exist for social participation in leisure, social, cultural and spiritual activities with people of all ages and cultures.
5. Older people are treated with respect and are included in civic life.
6. Opportunities for employment and volunteerism cater to older persons' interests and abilities.
7. Age-friendly communication and information is available.
8. Community support and health services are tailored to older persons' needs.

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<sup>38</sup> Vancouver Chinatown BIA website, accessed August 2015: <http://vancouver-chinatown.com/directory/directory.php>

<sup>39</sup> Province of BC (2011). *Becoming an Age-Friendly Community: Local Government Guide*, p. 2.

<sup>40</sup> World Health Organization (2007). *Global Age-Friendly Cities: A Guide*.

<sup>41</sup> Province of BC (2011). *Becoming an Age-Friendly Community: Local Government Guide*.

Chinatown has many characteristics to be an age-friendly community. As a historic district, it is a compact walkable neighborhood with accessible public transportation including bus routes along major corridors such as Pender Street and Main Street. Two sky-train stations, Main Street-Science World and Chinatown-Stadium, are nearby. There is more affordable housing stock in Chinatown and nearby Strathcona neighbourhood compared to other Vancouver neighborhoods. In addition to Chinatown's Dr. Sun Yat-Sen Classical Garden, there are several parks nearby, such as Andy Livingstone Park, Strathcona Park, Victory Square, and CRAB and Portside Park.

There are many existing programs to engage seniors socially, culturally and spiritually. Cultural programs like Cantonese operas, social opportunities like seniors choirs, and meeting places in many of the Society buildings for seniors to read newspapers or play mahjong are all part of a well-established network of support and places for social interaction.

However, despite the fact that Chinatown has overtime developed into an age-friendly neighbourhood with a strong sense of community, there are still challenges. For example, some of the older building stock requires upgrading and funding shortage may jeopardize the continuation of existing social and cultural services for seniors and may not be able to address the ongoing safety concerns in the neighborhood. A more thorough age-friendly assessment should be conducted with surveys to residents, focus group discussions, along with the creation of an age-friendly inventory of services, programs and initiatives to provide a baseline.

### **Chinatown as an Intergenerational Inclusive Community**

For many, housing has become a focal point in the intergenerational discourse, and for some an intergenerational approach has become a better way to deliver affordable housing. Generally there is growing interest in mixing different age groups through affordable project design. Some projects try to address more fundamental issue of age segregation in our modern 21st century. Some housing options seek to address issues of housing affordability for younger people and social isolation for seniors. The following is a list of a few notable intergenerational projects with a strong senior housing component.

- Humanitas retirement home, Deventer, Netherland  
*This project is home to about 160 seniors and 6 students from nearby university who live there rent-free.*
- Merrill Gardens, Seattle, Washington, USA  
*The project combines senior housing and market-rate housing adjacent to a university. There are 123 independent and assisted living rental units and 103 non-age restricted units.*
- Hope Meadows, Rantoul, Illinois, USA  
*This project is a housing model for community-oriented seniors. It houses 33 foster children, 9 families and 46 seniors.*

Some research demonstrates that integrating seniors into the surrounding neighbourhood provides not only housing for more community-minded seniors, but also stability for more transient communities, like university towns, and intergenerational relationships for children, family and seniors.

The Chinatown community has identified the need for all generations to continue having opportunities to live, work and recreate in the neighbourhood in order to sustain its heritage for

future generations. Essentially, it is a vision of an intergenerational inclusive community. Currently, Chinatown is seeing new development interests after decades of revitalization efforts. However, this new interest is market-driven, rather than low income and subsidized government-driven as it had been in the past, and changes are rapidly taking place. The changes are prompting new questions for Chinatown as an intergenerational community: Are we safeguarding the heritage that contributes to Chinatown's unique character? How do we protect the intangible heritage such as languages and food culture? And how do we anchor this rapid change with cultural assets like the Societies – their heritage buildings as well as the intangible heritage they support? Are the new developments disconnected with the existing community? And how do we bridge the new and the old?

The following will discuss why affordable housing for Chinese seniors can be key to a revitalized Chinatown, where its cultural roots remain strong to anchor the rapid change, and where both the old and the new are contributing to an intergenerational and inclusive Chinatown.

### **Chinese Senior Housing: a Cultural Anchor for Chinatown's Future**

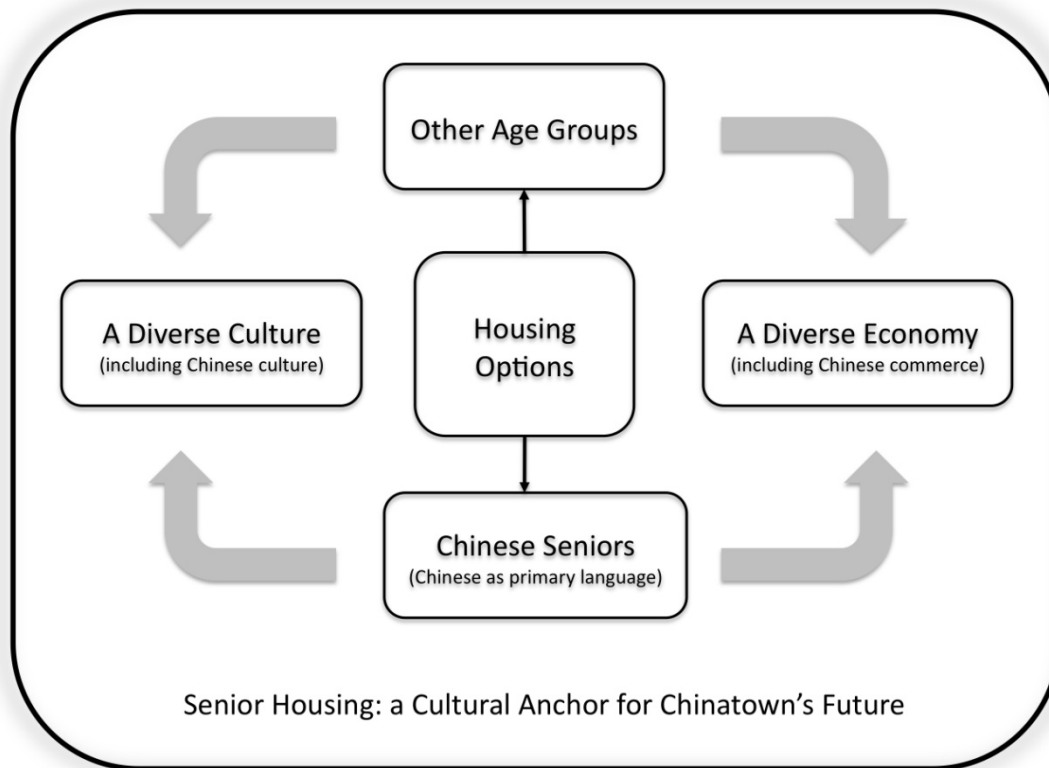
An intergenerational inclusive community is not a new vision for Chinatown and discussions about the most appropriate ways to manage Chinatown's urban heritage is also not new. In June 2010, Vancouver's Chinatown was designated a National Historic Site by the Historic Sites and Monuments Board of Canada to recognize its national significance. It took place almost 40 years after Chinatown received designation as a historic district by the Province of British Columbia in 1971 at the request of the City of Vancouver. This request to recognize Chinatown as an important cultural asset for Vancouver was the result of broad community mobilization against a proposed freeway through Chinatown.

In the past 40 years, there have been many discussions about ways to manage this unique urban heritage. In the 1990s, efforts turned from preservation to revitalization. Discussions and debates often highlighted the tension between heritage presentation and development, as well as the balance required to ensure that the intergenerational inclusivity remain strong in Chinatown. The Chinatown Vision, a result of an extensive grass-root planning process adopted by City Council in 2000, highlights the need to engage youth in the future of Chinatown while recognizing that the Chinese seniors population has been and still is an integral part of the community.

After almost two decades of revitalization efforts, the neighbourhood is seeing new market driven development interests. The closure of longtime businesses and development of new market-rate housing are some notable changes that are drawing attention to the important role Chinatown has in preserving and providing additional affordable housing and culturally and linguistically appropriate services for the seniors. The community recognizes that being an intergenerational inclusive community is what Chinatown has been and should continue to be. That vision is part of the heritage of Chinatown.

Heritage conservation in the context of Vancouver's Chinatown should be less about conserving historical places as museums, and more about preserving the community's sense of character, unique identity, and cultural history. Many Chinatowns in North America have already lost their intangible heritage during the process of market housing only driven revitalization. In these Chinatowns only tangible heritage remains, such as Chinese architectural-style buildings, Chinese-English bilingual signage, and Chinatown gates that became popular since 1980s. However, intangible heritage such as food, services, events, language, and everyday social

practices that are connected to the Chinese culture are gradually disappearing.<sup>42</sup> Vancouver's Chinatown is one Chinatown in North America that still has a vibrant and active Chinese-Canadian community presence and involvement.



As part of Chinatown's revitalization, the community's population is diversifying and includes younger residents and non-Chinese families as well as new business owners. The community is facing a critical moment now in determining how best to balance change in a historic district. The diagram above illustrates a strategy in which a diversifying population is accompanied by provision of diverse housing options. In this strategy, housing options, particularly affordable housing options for Chinese seniors is critical. Affordable housing for Chinese seniors, many of whom are first generation immigrants who speak Chinese at home, could become a cultural anchor for Chinatown's future. Chinese seniors can be the key to ensuring that Chinese culture and heritage, while changing and evolving with the Chinese community in the lower Mainland, can continue to be part of Chinatown's future. As a workshop participant in the Vancouver Chinatown Intangible Heritage Values Project commented, "seniors, [they are] the glue of the Chinese community."<sup>43</sup>

With Chinese seniors living in Chinatown, services and amenities that cater to them will help preserve and keep Chinatown linguistically and culturally Chinese. Commerce will respond to

<sup>42</sup> Yu, Henry (2015). "Nostalgia in the Making of Urban Form: What Can Vancouver Learn from Cities Across the Pacific." Lecture, University of British Columbia, Vancouver, March 2015.

<sup>43</sup> Heritage BC (September 2015). Vancouver Chinatown Intangible Heritage Values Draft Report, p. 15.

that need more organically. Furthermore, younger generations will visit or, with more housing options, move to Chinatown to be closer to their parents and grandparents. Additional and different types of amenities and services will emerge to cater to them, resulting in a diverse and healthy local economy.

With a vision of an intergenerational Chinatown where all generations have opportunities to live, work and play, it is particularly vital to start with providing diverse housing options for all. It is with a diverse population base that Chinatown will start to diversify both culturally and economically. Such change is in fact taking place currently with new housing developments and new shops and restaurants. At this critical junction when change is rapidly taking place in Chinatown, senior housing for Chinese seniors could ensure that Chinese culture and heritage continues to be part of Chinatown's future.



## **Section 4**

### **Development Opportunities and Challenges for Senior Housing in Chinatown**

#### **Introduction**

The previous section discussed the case for senior housing provision in Chinatown. There is a need for culturally appropriate affordable senior housing in Vancouver, and Chinatown presents an ideal neighbourhood to situate some of those housing. In addition, senior housing can be a critical component in the strategy for Chinatown's revitalization.

This section examines the development opportunities for additional senior housing in Chinatown. It looks at the rehabilitation of existing housing owned by Societies and the building of new purpose-built housing. It also considers circumstances where there are different levels of funding available and where land is purchased. This section is presented as five scenarios. The financial and pro forma analyses behind the five scenarios are high-level calculations. They provide the basis of comparison across the five scenarios and highlight where the opportunities and challenges lie.

#### **Development Opportunities for Senior Housing in Society buildings**

There are opportunities to locate independent living, supportive living, and assisted living housing for seniors in the 20 Society buildings in Chinatown. Residential care is less feasible because most of the buildings are on narrow 25' lots and could not be cost effectively outfitted with the necessary amenities for long-term, 24-hour professional supervision of seniors who have complex care needs.

The financial analysis compares scenarios using a typical 25' wide building. Twelve of the 20 Society buildings are on 25' wide lot. Furthermore, the Chinatown Neighbourhood Plan (2012) highlights the importance of preserving the fine grain fabric made up of narrow lot pattern and shop fronts on the ground floor.

Key questions the analysis seeks to answer:

- Can senior housing, particularly for supportive and assisted living, be economically developed on smaller buildings on 25' wide lots?
- How do financing sources affect rental rates? The analysis assumes that in all scenarios the building developed would be for rent by low and moderate income seniors, rather than for sale.

The three scenarios for senior housing in Society buildings are:

1. Upgrade of a building (heritage or non-heritage) with existing residential units to create senior housing for independent living.
2. Major renovation of a heritage building to create senior housing for independent living.
3. New construction for supportive or assisted living housing on a non-heritage building site.

Due to the facilities required, such as elevator and amenity spaces, supportive or assisted living would be most cost effective in a purpose-built new construction. Therefore they are more commonly built on larger sites. However, supportive housing and assisted living are important parts of the continuum of housing options for seniors with varying level of mobility and daily needs. Hence, it is important to consider the development opportunities and challenges of

assisted living on narrow lots, which represent the majority of the Society-owned buildings and the general lot pattern in Chinatown.

The three scenarios were determined taking into account the current condition, the amount of upgrade needed, and uses in the buildings. The intent was that the 20 Society buildings could fall under one or more scenarios if the Society members would like to consider senior housing as a potential use. Moreover, the scenarios were structured so that comparison could be made across them. The comparison allows Society members and potential funders to consider the different costs of rehabilitation, funding sources required, and the long-term financial sustainability of a senior housing development.

The table below summarizes the project cost of each scenario. The development opportunities and challenges of each scenario are discussed in greater detail in the following three sections.

	<b>Scenario 1</b> Upgrade (no change of use)	<b>Scenario 2</b> Major Renovation (change of use)	<b>Scenario 3</b> New Construction
Total Project Costs	\$2,800,000	\$3,900,000	\$4,000,000
Hard Costs (\$/sf)	\$120	\$170	\$230
Seismic Costs (\$/sf)	\$45 (voluntary)	\$60	Included in hard cost
Residential Units	32	32	24
Cost/Residential Unit	\$87,500	\$123,500	\$166,666
Senior Housing Type	Independent Living	Independent Living	Supportive/Assisted
Ground floor CRU	Yes	Yes	No

### **Scenario 1: Upgrade building with existing residential units for independent living**

This scenario assumes an upgrade of a building with condition grade C ( sub-standard condition ) or lower. In the assessment of 12 Society-owned heritage building in Chinatown, all the buildings received a condition grade C (Chinatown Society Legacy Project Report). The upgrade includes bringing the building fabric and systems to meet life and safety standards. Furthermore, the cost of adding an elevator has not been factored in to the total cost. An addition of an elevator would be considered more than an upgrade as it would require major work such as reconfiguring or eliminating some units to place the elevator. The housing would be for younger and active seniors who have no trouble with using stairs.

#### Project Cost

Land Costs	\$0	
Hard Costs	\$1,830,000	\$120 psf x 3,050 sf x 5 floors
Soft Costs	\$274,500	15% x Hard Costs
Seismic Costs	\$686,250	\$45 psf x 3,050 sf x 5 floors
Financing Costs	TBD	Approx 4% interest x loan amount x 2 years x ½
Leasing & TI Costs	TBD	Tenant improvement allowance \$20 to \$30 psf
Total Costs	<b>\$2,790,750</b>	

#### Projected Income

The pro forma analysis shows that after rehabilitation, the net operating income (NOI) increases and is sufficient to support some loan repayment. A more detailed pro forma for this scenario is in the appendix. The rent is increased slightly for the residential units from \$375 to \$450 per

month. The rent for the retail unit is increased to \$25 psf per year, which is in line with the market rate for the area.

In this analysis, the project team made these assumptions:

1. Operating expenses (e.g. administration, insurance, property tax, repairs and maintenance, utilities) are 40% of effective gross income. We didn't receive consistent expenses reporting from the Societies, therefore we used this estimated rate.
2. Vacancy rate, in both current and optimized scenarios, is 5%. The actual vacancy rate may be lower, but we suggest including this safety factor in the financial analysis.
3. Commercial units, like restaurants and retail, have triple net leases. The Society, as the landlord, recovers pro rata share of operating costs from restaurant and retail tenants. It is also assumed that the restaurant tenant's use of the basement is included in the \$25 psf per year rental rate charged for the ground floor.

Lot Size (w x l)	Current		After Stabilization	
	25' x 122'	3,050 sf	independent living senior rental housing	
	Use	Rent (\$/Yr)	Use	Rent (\$/Yr)
5 <sup>th</sup> Floor	Residential	\$36,000	Residential	\$43,200
4 <sup>th</sup> Floor	Residential	\$36,000	Residential	\$43,200
3 <sup>rd</sup> Floor	Residential	\$36,000	Residential	\$43,200
2 <sup>nd</sup> Floor	Residential	\$36,000	Residential	\$43,200
1 <sup>st</sup> Floor	Retail \$10/sf/yr	\$25,925	Retail \$25/sf/yr	\$64,813
Basement	Vacant	\$0	Vacant	\$0
<b>Gross Income</b>		<b>\$169,925</b>		<b>\$237,613</b>
Vacancy (5%)		- \$8,496		-\$11,881
<b>Effective Gross Income</b>		<b>\$161,429</b>		<b>\$225,732</b>
Expenses (40%)		- \$64,572		-90,293
Recovery from Commercial Tenants		\$12,914		\$18,059
<b>Net Operating Income</b>		<b>\$109,772</b>		<b>\$153,498</b>

### Financing Considerations

The funding available impacts the financial viability of the project. The analysis examines a grant-centric funding situation and a loan-centric funding situation. Both situations assume that the amount of equity the Society is able to contribute into the project is \$300,000.

	Grant-Centric		Loan-Centric	
Equity	\$300,000	11%	\$300,000	11%
Loan	\$1,100,000	39%	\$2,100,000	75%
Grant	\$1,400,000	50%	\$400,000	14%
<b>Total</b>	<b>\$2,800,000</b>	<b>100%</b>	<b>\$2,800,000</b>	<b>100%</b>

In the *grant-centric situation*, it is assumed that 50% of the project cost (\$1,400,000) is received from municipal, provincial, and federal governments and philanthropic organizations, such as with a matching grant program.

The annual payment to service the loan is determined as follows.

Loan Amount	\$1,100,000	From financial institution
Amortization	25 years	
Interest Rate	4%	
Loan Payment/Year	<b>\$69,435</b>	Includes loan interest and principal repayment

The following calculates the cash flow the first year after rehabilitation, taking into account the net operating income (NOI) and loan payment.

NOI	\$153,498	Net operating income
Less Loan Payment	<u>- \$69,435</u>	To financial institution
Cash Flow	<b>\$84,063</b>	Cash flow after debt service
	2.21	Debt service ratio (NOI / Debt Payments)

This cash flow has a debt service ratio of 2.21, approximately twice the 1.10 to 1.25 figure that many lenders require. This higher debt service ratio signifies a higher safety factor for both lender and Society.

Still yet, this analysis illustrates that more government and philanthropic funding is needed to create affordable senior housing. In this example, after stabilization, the Society would receive only a small increase in net operating income (in this example, \$153,498 - \$109,772), because the rental rates has been increased moderately from \$375 to \$450 per unit per month. From the Society's perspective, because it does not currently have a loan, its current cash flow would be greater than after stabilization. Society members would question why assume a loan and go through the construction work if they are going to receive less revenue. This point draws attention to the importance of grants and a rehabilitation program to assist Societies financially and technically with the construction work in order to better demonstrate the benefits of upgrading their building.

For comparison, the *loan-centric scenario* assumes that 75% of the project cost (\$2,100,000) is financed through a loan from a financial institution. Typically, 75% is the maximum amount a financial institution would lend for construction projects. However, there are various community-based loan models like community bonds and revolving loan funds that have a lower interest rate, and a more flexible repayment plan and guarantee requirements where the building may not need to be pledged as collateral. (See Chinatown Society Legacy Project Report for discussion on community bonds and revolving loan funds.)

In this example, the annual payment to service the loan is calculated as follows.

Loan Amount	\$2,100,000	From financial institution
Amortization	25 years	
Interest Rate	4%	
Loan Payment/Year	<b>\$132,557</b>	Includes loan interest and principal repayment

After making the loan payment, the estimated cash flow the Society will have is determined by the following calculation.

NOI	\$153,498	Net operating income
Less Loan Payment	<u>- \$132,557</u>	To financial institution
Cash Flow	<b>\$20,941</b>	Cash flow after debt service
	1.16	Debt service ratio (NOI / Debt Payments)

This cash flow has a debt service ratio of 1.16. While it meets the typical 1.10 to 1.25 figure that many lenders require, it signals a higher risk level for the Society.

### Challenges

1. Most Societies members may proceed with the project only under a grant-centric situation. Under this circumstance, the repayment responsibility is lower. Most members are concerned about the risk of losing their building if they were not able to make loan payments and object to pledging their building as collateral.
2. This scenario demonstrates that even if the majority of the construction cost is financed through a financial institution, the project would still be financially viable. However, it is important to consider that a Society may not pursue the project as the borrower. If the rental units are maintained at an affordable rate, then the post-upgrade NOI does not offset the increased loan payments. From a financial return perspective, it may not be sensible to renovate because the post-upgrade cash flow after debt payments is lower than what the Society currently receives.
3. Without the installation of an elevator, seniors whose mobility conditions change would have to move, even if they can otherwise continue to live independently. Moving requires seniors and their family to seek new housing and often involves additional expenses and emotional anxiety over uncertainties in a new environment.
4. Many of the existing residential units are single room occupancy units with shared bathrooms and limited kitchen facility for meal preparation. Self-contained units with a private bathroom and kitchen are important for seniors to allow them to age in place.
5. Exit and egress systems in older heritage type buildings do not meet current code and safety standards.
6. Exterior metal fire exits with drop down type rear lane ladders do not meet typical fire and life safety standards for senior oriented housing.
7. There are often cost and scope creep risks associated with renovating older building that has archaic fabric. There are also potential unknown major building deficiencies.

### **Scenario 2: Major renovation of a heritage building for independent living**

This scenario involves an extensive rehabilitation of a heritage building where previously vacant or underutilized floors are renovated for independent living senior housing. The cost of a new construction on a site with a non-heritage building is comparable. The estimated project cost is about \$3.9 million.

The renovation would include new building systems, such as mechanical and electrical systems appropriate for residential units. There would be a seismic upgrade that accompanies a change of use. The cost of adding an elevator has not been factored in for ease of comparison between upgrade an existing residential building (Scenario 1) and renovating a building for residential use (Scenario 2). The housing would be for younger and active seniors who have little trouble with using stairs. The costs and other considerations of adding an elevator are discussed at the end of this section

### Project Cost

Land Costs	\$0	
Hard Costs	\$2,592,500	\$170 psf x 3,050 sf x 5 floors
Soft Costs	\$388,875	15% x Hard Costs
Seismic	\$915,000	\$60 psf x 15,250 sf
Financing Costs	TBD	Approx 4% interest x loan amount x 2 years x ½
Leasing & TI Costs	TBD	Tenant improvement allowance \$20 to \$30 psf
Total Costs	<b>\$3,896,375</b>	

### Projected Income

The rental rates for residential (\$450/month) and commercial (\$25/sf/yr) units are the same as under Scenario 1. A more detailed pro forma for this scenario is in the appendix.

In determining the project income, the following assumptions are made.

1. Operating expenses (e.g. administration, insurance, property tax, repairs and maintenance, utilities) are 40% of effective gross income. We didn't receive consistent expenses reporting from the Societies, therefore we used this estimated rate.
2. The upper floors (floor 2 to 5) of the existing building are not generating income. For example, they are for Society's use.
3. Vacancy rate for the retail unit, in both current and optimized scenarios, is 5% as in Scenario 1.
4. Commercial units, like restaurants and retail, have triple net leases. The Society, as the landlord, recovers pro rata share of operating costs from restaurant and retail tenants. It is also assumed that the restaurant tenant's use of the basement is included in the \$25 psf per year rental rate charged for the ground floor.
5. In the renovated building, only one floor is allocated for Society use and it is moved to the second floor. Many Societies have a formal hall on the top floor and a recreational hall that is used for daily gathering on a lower floor. The formal hall is typically used a few times a year on special occasions. During our discussions with Society members, some suggested the possibility of moving the Society hall to a lower floor so aging members do not have to climb many flights of stairs.

Lot Size (w x l)	Current		After Optimizing	
	25' x 122'	3,050 sf	independent living senior rental housing	
	<b>Use</b>	<b>Rent (\$/Yr)</b>	<b>Use</b>	<b>Rent (\$/Yr)</b>
5 <sup>th</sup> Floor	Society	\$0	Residential	\$43,200
4 <sup>th</sup> Floor	Society	\$0	Residential	\$43,200
3 <sup>rd</sup> Floor	Vacant	\$0	Residential	\$43,200
2 <sup>nd</sup> Floor	Vacant	\$0	Society	\$0
1 <sup>st</sup> Floor	Retail \$10/sf/yr	\$25,925	Retail \$25/sf/yr	\$64,813
Basement	Vacant	\$0	Vacant	\$0
<b>Gross Income</b>		<b>\$25,925</b>		<b>\$194,413</b>
Vacancy (5%)		- \$1,296		-\$9,721
<b>Effective Gross Income</b>		<b>\$24,629</b>		<b>\$184,692</b>
Expenses (40%)		- \$9,852		-\$73,877
Recovery from Commercial Tenants		\$1,970		\$14,775
<b>Net Operating Income</b>		<b>\$16,748</b>		<b>\$125,590</b>

### Financing Considerations

The funding available impacts the financial viability of the project to renovate a heritage building for new residential use. Again, this Scenario assumes that the maximum amount of equity the Society is able to put into the project remains at \$300,000.

	Grant-Centric		Loan-Centric	
Equity	\$300,000	8%	\$300,000	8%
Loan	\$1,650,000	42%	\$2,925,000	75%
Grant	\$1,950,000	50%	\$675,000	17%
Total	\$3,900,000	100%	\$3,900,000	100%

The *grant-centric situation* assumed that 50% of the project cost is received from municipal, provincial, and federal governments and philanthropic organizations (same as Scenario 1).

The annual payment to service the loan is determined as follows.

Loan Amount	\$1,650,000	From financial institution
Amortization	25 years	
Interest Rate	4%	
Loan Payment/Year	<b>\$104,152</b>	Includes loan interest and principal repayment

In this example, the cash flow the Society will have after loan payment is:

NOI	\$125,590	Net operating income
Less Loan Payment	- \$104,152	To financial institution
Cash Flow	<b>\$21,438</b>	Cash flow after debt service
	1.21	Debt service ratio (NOI / Debt Payments)

This cash flow has a debt service ratio of 1.21 and falls within the 1.10 to 1.25 figure that many lenders require.

However, under the *loan-centric situation*, which assumes that 75% of the project cost (\$2,925,000) is financed through a loan, it is unlikely that a traditional financial institution would approve the loan. According to the analysis, the NOI would not cover the debt service in the initial years of the project post renovation. If additional grants or lower interest loans (e.g. community bonds) are not available, the rental rates will need to be increased, impacting affordability. To have an adequate cash flow to cover debt service and achieving a debt service ratio of at least 1.1, the rental rate would need to increase from \$450/month to \$900/month.

### Challenges

1. The installation of an elevator would benefit seniors who have some mobility difficulties but are able to live independently. In terms of financial considerations, the cost of an elevator would add at least \$200,000 to the construction cost. In addition, the number of units and the ground floor commercial square footage would decrease in order to place the elevator, which in turn would decrease the revenue and increase operating cost. The addition of an elevator may be more suitable in a larger building or a new construction.

2. In Vancouver, the affordability of housing for low- and moderate-income seniors is a challenging issue. In order to finance a major renovation of a heritage building through loans, the rental rate needs to be at least close to market rate.

3. One of the unique aspects of the Society buildings is the social gathering spaces, both the formal halls with ancestral shrines and commemorative artefacts as well as the daily gathering spaces where member read newspaper, play mahjong, and organize social programs. The decision to reduce the amount of space allocated to Society use, regardless of the frequency of use, needs to be made by Society members.

4. Repurposing non-residential floors space would necessitate major adaptive type renovations to create self-contained suites with washrooms and kitchens and fully code compliant exit, egress, and fire and life systems.

5. Adapting non-residential heritage buildings would trigger a number of City of Vancouver housing policy standards, such as the requirements for a minimum suite size of 180sf and self-contained suites.

6. When renovating older buildings with archaic fabric, there exist the potential for unforeseen costs, project scope creep, and unknown major building deficiencies.

### **Scenario 3: New construction for supportive or assisted living housing**

The third scenario explores the opportunity for purpose-built supportive or assisted living through new construction on a non-heritage site. In general terms, the main difference between supportive and assisted living is the degree of support provided. Supportive living describes an apartment-style accommodation with one or more meals a day provided, emergency response, weekly housekeeping services, laundry, and some recreational activities. Personal and health related services are delivered by the local health authority or privately. Assisted living differs in that it also provides some personal care services for seniors within the same building, such as bathing help and medication supervision (see Section 2 of this report). With regards to space requirement, the needs of supportive and assisted living residences are similar under City of Vancouver's Seniors Supportive and Assisted Housing Guidelines (2004).

The project's construction cost is estimated to be approximately \$4 million. The project costs between Scenario 2 and 3 are very similar. As previously noted, the construction cost of a new construction is similar to that of a major heritage building renovation for new (residential) use (Scenario 2). However, they differ in post construction net operating income. One of the primary objectives of presenting this scenario is to discuss the opportunities for developing additional housing that offers a more supportive environment. In Chinatown there is currently only one assisted living building with 33 units. The analysis shows the financial constraints and discusses possibilities to increase the project's efficiency.

#### Project Cost

Land Costs	\$0	
Hard Costs	\$3,507,500	\$230 psf x 3,050 sf x 5 floors
Soft Costs	\$526,125	15% x Hard Costs
Seismic	\$0	Included in hard cost
Financing Costs	TBD	Approx 4% interest x loan amount x 2 years x ½
Leasing & TI Costs	TBD	Tenant improvement allowance \$20 to \$30 psf
<b>Total Costs</b>	<b>\$4,033,625</b>	



### Projected Income – Rent Only

With reference to the Seniors Supportive and Assisted Housing Guidelines (2004), a 25' lot building with 5 floors could support 24 units. However, not all guidelines requirements were met. The challenges are discussed at the end of this section.

The monthly rent in supportive and assisted living includes a housing portion (also referred to as shelter portion) as well as a service portion. The projected income and net operating income calculation below is based on \$450 per unit per month and it is for the housing portion of the monthly rent only. It is important to keep in mind that in addition to the housing portion, the monthly cost of service provision can range from \$500 to \$3000 or more depending on the level of services provided.

<b>Lot Size (w x l)</b>	<b>Supportive/Assisted Living Housing Portion Only</b>	
	25' x 122'	3,050 sf
	<b>Use</b>	<b>Rent (\$/Yr)</b>
5 <sup>th</sup> Floor	Residential	\$32,400
4 <sup>th</sup> Floor	Residential	\$32,400
3 <sup>rd</sup> Floor	Residential	\$32,400
2 <sup>nd</sup> Floor	Residential	\$32,400
1 <sup>st</sup> Floor	Amenity	\$0
Basement	Vacant	\$0
<b>Gross Income</b>		<b>\$129,600</b>
Vacancy (5%)		- \$6,480
<b>Effective Gross Income</b>		<b>\$123,120</b>
Expenses (40%)		- \$49,248
<b>Net Operating Income</b>		<b>\$73,872</b>

In this analysis, the following assumptions are made. A detailed pro forma of this scenario is in the appendix.

1. Vacancy rate is 5%. A recent report by the Seniors Advocate of BC (2015) reports an estimated 10% vacancy rate. However, the assisted living facility operated by SUCCESS in Chinatown currently has a wait list.<sup>44</sup> There are many factors that can contribute to the difference in vacancy rates. For instance, Seniors Advocate of BC's estimate is the average for the province and uses figures from health authorities without there being a standardised methodology for tracking vacancies. For the purpose of projecting income, the middle value of 5% is assumed.
2. Operating expense are 40% of effective gross income (housing portion only). This is the same as in Scenario 1 and 2.
3. Each unit is outfitted with a small kitchen. A central commercial kitchen is not factored into the conceptual plans and construction costs. For 24 residents, arrangement can be made to

<sup>44</sup> Seniors Advocate of BC (2015), p. 5. Interviews were conducted with staff at SUCCESS on September 30, 2015 and October 1, 2015.

have meals prepared elsewhere and delivered. For example, SUCCESS prepares meals at its Simon KY Lee Residential Care kitchen for Meals on Wheels and other facilities. When meals are not provided residents will also be able to buy grocery or prepared food conveniently in Chinatown.

4. For the purpose of this preliminary study, basement is not considered because there are many factors that influence its use, size, and construction costs. Furthermore, this also allows for ease of comparison across scenarios where the basements of existing buildings are used by ground floor tenants for no additional rent.

#### Financing Considerations

When compared with Scenario 2, which has a similar cost of construction, Scenario 3 demonstrates how the decrease in number of units to meet supportive or assisted living building requirement impacts project financing.

Even under the *grant-centric situation* which assumed that 50% of the project cost is received from municipal, provincial, and federal governments and philanthropic organizations, the Society would not be able to make the loan payment for the borrowed portion of the project cost. A loan-centric situation is therefore not considered.

	Grant-Centric	
Equity	\$300,000	8%
Loan	\$1,700,000	42%
Grant	\$2,000,000	50%
Total	\$4,000,000	100%

The annual payment to service is determined as follows.

Loan Amount	\$1,700,000	From financial institution
Amortization	25 years	
Interest Rate	4%	
Loan Payment/Year	<b>\$107,308</b>	Includes loan interest and principal repayment

In this example, the net operating income cannot support the loan payment.

NOI	\$73,872	Net operating income
Less Loan Payment	<u>- \$107,308</u>	To financial institution
Cash Flow	<b>-\$33,436</b>	Cash flow after debt service
	0.69	Debt service ratio (NOI / Debt Payments)

However, there are some considerations to make the project more financially viable.

1. Increase the amount of grant. The calculation assumes that 50% of the project cost is funded through grants. Any increase in grant funding would decrease the amount that would need to be borrowed. For instance, in this example, if 70% of the \$4 million project cost could be funded through the grants, the annual payment to service a lowered \$900,000 loan is approximately \$57,000. There would be an acceptable cash flow after debt service.

NOI	\$73,872	Net operating income
Less Loan Payment	<u>- \$56,810</u>	To financial institution
Cash Flow	<b>\$17,062</b>	Cash flow after debt service
	1.30	Debt service ratio (NOI / Debt Payments)

2. Increase the monthly housing rent charged. Assuming that there is no increase in available funding above the 50% matching grant, in order to achieve an acceptable cash flow the monthly housing rent would need to double to \$900. This would, however, impact affordability of this project for low- and moderate-income seniors.

NOI	\$147,744	Net operating income
Less Loan Payment	- \$107,308	To financial institution
Cash Flow	<b>\$40,436</b>	Cash flow after debt service
	1.38	Debt service ratio (NOI / Debt Payments)

3. Decrease the operating cost. The literature on assisted living reference 40 to 60 units as the minimum number of units to achieve economies of scale to offer competitive rental rates and provide reliable 24-hour care.<sup>45</sup> One way to achieve the economy of scale through narrow lots is to have a cluster of two or three buildings in close proximity so that staff, resources, and building amenities can be shared. Many of the Society buildings are located on the same block or within a few blocks of one another, thus making the creation of a housing cluster possible. In this example, if there were two assisted living buildings on the same block, the same service provider could look after 48 seniors.

### Challenges

1. On a 25'-wide lot, fulfilling the parking requirement is difficult, even with the relaxation supported under the Seniors Supportive and Assisted Housing Guidelines (2004). In this example, the conceptual plans support two surface parking spaces. The construction cost does not include costly parking solutions such as underground parking excavation or parking elevators.
2. As noted in the previous section, to be a registered assisted living facility, there is a required list of services that must be offered. Seniors must also meet certain requirements to be placed in these facilities. Given the financial and design challenges of a narrow 25' wide lot, Society members and service providers may prefer to offer services but not meet the assisted living requirements. There is still a place for these enhanced supportive living facilities in the continuum of care. For instance, the facility may be able to serve seniors who do not yet qualify for assisted living, but would like to live in a facility that provided some on-site care.
3. Even though there are challenging financial and design considerations to develop an assisted living facility on a 25' wide lot, a building with 24 residents can make for a tighter knit community.

### **Other infill and new development opportunities**

Scenarios 1 to 3 focused on Society-owned buildings. In thinking about other infill and new development opportunities in Chinatown, two additional factors would need to be considered. The first is land cost. The previous section analyzed the potential of developing senior housing in buildings owned by Societies that would continue to own them, and in such cases the land cost was zero. The second is lot constraints. Specifically, the previous section assumed a narrow lot size (25' wide lot) as well as heritage constraints.

<sup>45</sup> Regnier, Victor (2002). Design for Assisted Living: Guidelines for Housing the Physically and Mentally Frail. New York: John Wiley & Sons, p. 23.

The following presents two additional scenarios for comparison. The first (scenario 4) factors land cost into the financial analysis. The second (scenario 5) questions the increased efficiency of a larger 50' wide lot.

	<b>Scenario 4</b> New Construction Supportive/Assisted Living	<b>Scenario 5</b> New Construction Supportive/Assisted Living
Lot Size	25'	50'
Land Cost	\$2,000,000	\$4,000,000
Residential Units	24	48
Ground floor CRU	No	No

#### **Scenario 4: Purchased 25' lot for new construction of supportive/assisted living housing**

This scenario assumes the purchase of a 25' wide lot for the construction of new housing for supportive or assisted living. Supportive or assisted living was chosen for comparison because this housing type is specifically geared toward seniors and facilitates aging in place. Housing for independently living is housing built for the general rental and ownership market. Using a stricter set of requirements as set out in the Seniors Supportive and Assisted Housing Guidelines (2004) allows for an analysis based on needs of an older population rather than the wider population.

#### Project Cost

Land Costs	\$2,000,000	Based on comparables in Chinatown
Hard Costs	\$3,507,500	\$230 psf x 3,050 sf x 5 floors
Soft Costs	\$526,125	15% x Hard Costs
Financing Costs	TBD	Approx 4% interest x loan amount x 2 years x ½
Leasing & TI Costs	TBD	Tenant improvement allowance \$20 to \$30 psf
Total Costs	<b>\$6,033,625</b>	

#### Financial Consideration

The financial calculation assumes that the land cost is added to the loan amount. In order to service the loan payment, the rent rates would have to dramatically increase. Compare this scenario with the last scenario (Scenario 3) in which a Society provided the land.

	<b>Scenario 3</b> Society provides the land land cost = \$0	<b>Scenario 4</b> Land is purchased land cost = \$2,000,000
Equity	\$300,000	\$300,000
Loan	\$1,700,000	\$3,700,000
Grant	\$2,000,000	\$2,000,000
Total	\$4,000,000	\$6,000,000

To service the \$1,700,000 (Scenario 3), the monthly housing rent needs to be at least \$900. In comparison, if all other factors were the same, to service the \$3,700,000 loan (Scenario 4), the monthly housing rent needs to be at least doubled to \$1800. This monthly rent is solely for the cost of housing and does not yet include the cost of care services provision. A detailed pro forma of this scenario is in the appendix.

	Scenario 3 Society provide the land land cost = \$0 monthly housing rent = \$900	Scenario 4 Land is purchased land cost = \$2,000,000 monthly housing rent = \$1800
Loan Amount	\$1,700,00	\$3,700,000
Amortization	25 years	25 years
Interest Rate	4%	4%
Loan Payment/Year	\$107,308	\$233,553
NOI	\$147,744	\$295,488
Less Loan Payment	-\$107,308	-\$233,553
Cash Flow	\$40,436	\$61,935
Debt Service Ratio	1.38	1.27

The analysis demonstrates that without grant funding to purchase the land, the resulting housing rent will be unaffordable for low- and moderate-income seniors. To finance the cost of land would mean raising the rent level to above market rent.

#### **Scenario 5: Purchased 50' lot for new construction of supportive/assisted living housing**

Taking the analysis a step further, Scenario 5 asks the question of whether a larger project would make for a more financially viable project. A larger lot does increase the efficiency of building design and operation; however, the efficiency gained does not decisively offset the construction and operating costs.

In terms of cost, doubling the lot size from 25' to 50', doubles the total project cost. Following the Seniors Supportive and Assisted Housing Guidelines (2004), the number of units would also double from 24 to 48 units. The building efficiency (rental square footage) increases about 10%, resulting in larger unit sizes. In a larger building efficiency increases because some common area square footage, such as hallways, elevators, and mechanical duct spaces, are necessary regardless of whether the building is 25' or 50' wide. In this case, an even higher efficiency is needed to more than double the number of rental units.

#### Project Cost

Land Costs	\$4,000,000	Based on comparables in Chinatown
Hard Costs	\$7,015,000	\$230 psf x 3,050 sf x 5 floors
Soft Costs	\$1,052,250	15% x Hard Costs
Financing Costs	TBD	Approx 4% interest x loan amount x 2 years x 1/2
Leasing & TI Costs	TBD	Tenant improvement allowance \$20 to \$30 psf
Total Costs	<b>\$12,067,250</b>	

#### Financial Considerations

Servicing an addition \$4 million in loans for the land cost increases the rental rate, making the housing unaffordable to low and moderate income seniors. For example, assume that the fund for the land is borrowed and added to the total loan amount, to a maximum of 75% of the total project cost.

Scenario 5		
Equity	\$300,000	2%
Loan	\$9,000,000	75%
Grant	\$2,700,000	23%
Total	\$12,000,000	100%

To service the \$9 million loan amount, the monthly rent would need to be over \$2,000 for the housing portion only. This is higher than the current market rate for Chinatown. The net operating income calculation below makes the same assumption as Scenario 3 and 4, with regards to vacancy rate, operating expense, and basement use. A detailed pro forma for this scenario is in the appendix.

Lot Size (w x l)	Assisted Living	
	50' x 122'	6,100sf
	Use	Rent (\$/Yr)
5 <sup>th</sup> Floor	Residential	\$288,000
4 <sup>th</sup> Floor	Residential	\$288,000
3 <sup>rd</sup> Floor	Residential	\$288,000
2 <sup>nd</sup> Floor	Residential	\$288,000
1 <sup>st</sup> Floor	Amenity	\$0
Basement	Vacant	\$0
<b>Gross Income</b>		<b>\$1,152,000</b>
Vacancy (5%)		- \$57,600
<b>Effective Gross Income</b>		<b>\$1,094,400</b>
Expenses (40%)		- \$437,760
<b>Net Operating Income</b>		<b>\$656,640</b>

With a rental rate of \$2000, there would just be an acceptable net operating income to service the loan payment.

NOI	\$656,640	Net operating income
Less Loan Payment	- \$568,102	To financial institution
Cash Flow	<b>\$88,538</b>	Cash flow after debt service
	1.16	Debt service ratio (NOI / Debt Payments)

If land had to be purchased through loan financing, it is not convincing that a project on a 50' wide lot would be more financially viable than a project on a 25' wide lot. However, this financial calculation considers only the housing component of supportive and assisted living, which also has a service component. In terms of service provision costs, having more units within the same building would increase operating efficiency. Service providers interviewed have reported that

due to economy of scale, staffing and servicing a facility with more units would reduce the cost of service provision per senior.

The above discussion comes strictly from a financial perspective and assumes certain parameters to facilitate comparison across the scenarios. It highlights the challenges but it does not mean that the project is impossible. There are other considerations that could be factored in to make for a more feasible project. For instance, the amenity space requirement could be reduced because of the social spaces provided by nearby Society halls. The rentable space gained could increase the projected income.

### **Opportunities for Additional Senior Housing in Chinatown: An Estimate**

The above scenarios demonstrate the financial feasibility of creating additional senior housing in Chinatown. The analysis shows the economic and design challenges of constructing senior housing in smaller buildings on 25' wide lots. It further demonstrated how financing sources affect rental rates and affordability as well as the potential ability and willingness of Societies to undertake a renovation or a new construction project. In conclusion, there are great benefits in forming partnerships with Societies to create senior housing in terms of financial feasibility and value alignment. The Society buildings portfolio is an important asset in pursuing affordable senior housing in Chinatown.

However, it is important to also consider the number of Society-owned buildings and the potential number of senior housing units that could be created within this portfolio of buildings. The map in Appendix 8 shows that within the Chinatown boundary, there are 20 Society-owned buildings. Many of the buildings already have existing residential uses and therefore the number of *additional* housing units that could be created would be limited.

The following calculation is a high-level estimate of *additional* housing units that could be created for seniors in the portfolio of Society-owned buildings. From a financial perspective, it would be most feasible to create senior housing from existing residential buildings. However, converting these buildings for senior housing would potentially displace the existing residents and therefore they are not considered as opportunities for new senior housing in this calculation.

Of the 20 Society-owned buildings in Chinatown, 12 are on the Vancouver Heritage Register. Currently, there are four residential buildings and one live-work building. The four residential buildings have a total of 182 units. Of the remaining 7 heritage buildings, a change of use would be required to create senior housing units and there would be technical challenges to overcome in order to meet building codes and standards. Furthermore, given Societies' need for gathering and activity spaces, an estimate of two to three floors of an existing five storey building would be converted for housing. The senior housing units created in the heritage buildings would be limited to seniors who can live independently and have no mobility issues as the buildings are without elevators.

The eight non-heritage buildings in Chinatown consist of 4 residential buildings and 4 non-residential buildings. If the residential buildings are not considered in this analysis, there would be 4 potential buildings for new senior housing construction (two on 25' lot and two on 50' lots). If the Societies that own the four buildings agree to contribute their land for senior housing construction, the four sites could potentially yield approximately 144 units. The calculation presumes that a 25' wide lot would yield 24 units and a 50' wide lot would yield 48 units.

The map also indicates the Society-owned buildings in neighbouring Strathcona and Downtown Eastside. The majority are existing residential buildings. There are six non-residential buildings

– five on 25' wide lot and one on 125' lot. The large 125' lot presents much potential for senior housing development. However, it is currently in poor condition and listed for sale.

All the scenarios assume meeting the very basic requirements for senior housing development and do not consider optimal uses for each individual building. They also do not factor in the cost of meeting the parking requirements. Meeting the parking by-law requirements on narrow lots is expensive and challenging, and usually will determine project viability. For the purpose of this analysis, parking requirements are not factored in. Based on these broad assumptions, the high-level estimate for potential additional senior housing units is approximately 144 units from the Societies buildings portfolio in Chinatown. However, the actual achievable number in implementation would probably be smaller due to factors like participation of Societies, differing optimal uses for each building that are not exclusively residential, and financing and funding opportunities.

In addition to these potential infill opportunities presented by partnering with Societies, there are further opportunities to leverage for senior housing through rezoning projects and the few city-owned sites. These projects usually are on larger assembled lots where higher number of supportive or assisted living units can be achieved. They present important opportunities to deliver certain housing options for seniors that are difficult to achieve on the narrow lots owned by Societies. City Council's recent decision to replace the Georgia and Dunsmuir viaducts with a ground level street network and planning of a mix-use neighbourhood also presents new opportunities for social housing development. According to City of Vancouver's Downtown Eastside Plan, additional 300 units of social housing could be created if the Viaducts sites are redeveloped.<sup>46</sup>

### **Key Considerations for Senior Housing Development in Chinatown**

This Study was also asked to provide key considerations for determining suitable sites for senior housing development in Chinatown. The list below outlines top 10 considerations, drawing from the research and analysis done as well as discussions with staff at SUCCESS, a provider of various types of senior housing and programming for Chinese seniors.

#### **(1) Lot size**

Lot size impacts both construction and operating cost efficiencies. In addition, larger lot size could more feasibly offer a range of unit types and programming options, such as housing for couples, particularly in assisted living.

#### **(2) Land cost**

Purchasing land for senior housing ensures that affordable housing options are available for seniors in the long term. However, land prices in Chinatown have increased tremendously in the last few years. How the land cost is financed impacts the resulting rental rate and project feasibility.

#### **(3) Parking**

Meeting the parking bylaw requirements on narrow lots is expensive and challenging. The scenarios presented in this report do not factor in the cost of meeting the parking requirements.

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<sup>46</sup> City of Vancouver (2014). Downtown Eastside Local Area Plan, p. 98.



(4) Aging in place

Many seniors would prefer to live in the same home for as long as possible, rather than move to a new facility whenever their needs change. Elevators are therefore an important consideration for senior housing.

(5) Purpose-built housing

Purpose-built senior housing will offer greater building and operating efficiency.

(6) Type of senior housing

Each type of senior housing has its own set of criteria. It is helpful at the planning and design phase of a project to determine the type of housing as well as the type of services that will be provided.

(7) Intergenerational housing

Intergenerational housing is based on the idea of building a community of seniors, families, and single adults. A recent study by United Way and Sparc BC (2013) reports that seniors who live alone are primarily concentrated in and around the downtown core, including Chinatown.<sup>47</sup> In addition to fostering social connections, intergenerational housing can facilitate the mixing of market housing and subsidized senior housing.

(8) Affordability

Affordability of the housing units is a critical consideration in developing senior housing. There is a need for more affordable senior housing. Chinatown has traditionally been an affordable neighbourhood with a diverse housing mix. In Vancouver, the waiting list for senior social housing is over 2000 households (2012 figure).<sup>48</sup> The type of funding and project financing available greatly impact affordability.

(9) Sense of security

Feeling a strong sense of security in our home and neighbourhood is important to everyone regardless of age, but it is particularly important to seniors. Feeling safe and secure empowers seniors to live independently and remain longer in their homes. Sense of security is often approached from the perspective of education and preparedness. However, site selection and design for senior housing can help greatly in creating a safe living environment.

(10) Ground Floor

Ground floor storefronts are an essential part of Chinatown's character and pedestrian-oriented scale. Commercial units can also contribute significantly to a building's rental income. It may be challenging to maintain storefronts in the design of supportive and assisted living residences, which has specific amenity and programming space requirement.

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<sup>47</sup> United Way and Spark BC (2013). Seniors in the Lower Mainland: A Snapshot of Facts and Trends, March 2013, p. 12.

<sup>48</sup> United Way and Spark BC (2013), p. 21.

## Section 5

### Partnership Opportunities and Financial Tools for Housing Delivery

Section 5 explores partnership opportunities and financial tools that are aligned with and available to stimulate and develop housing for seniors.

In the Chinatown Society Legacy Project Report, Appendix B (Review of Existing Funding Opportunities and Identification of New Program) provides a detailed overview of various tools, programs and resource that are also relevant to revitalizing Chinatown and stimulating the creation and development of both affordable and senior housing stock.

The Table below lists a number of potential partners and financial tools that are specifically aligned with supporting both affordable and senior type housing. It also identifies a potential housing delivery option, life leases, where Societies continue to own the building and the land. However, this option is more likely orientated toward seniors who are financially secure.

<b>Partnership Opportunities &amp; Financial Tools for Housing Delivery and Operations Support</b>	
Partnership	<b>Federal Government</b>
Overview	Historically, the federal government has played a lead role in funding and financing senior housing programs. Policy decisions in 2009 by the federal government resulted in downloading responsibility over social and senior housing to the provinces. There are however a number of grant related programs currently available
Programs	<p><b>CMHC Seed Funding: \$10,000</b> Seed Funding provides financial assistance to cover some of the soft costs incurred in the proposal and development stage of an affordable housing project.</p> <p><b>Mortgage Loan Insurance:</b> CMHC offers financing flexibilities, including loan-to-value ratios of up to 95% and reduced premiums. The higher the level of affordability, the greater the flexibilities offered.</p> <p><b>New Horizons for Seniors Program: \$150 - 750k 3 years</b> Organizations that want to help seniors make a difference in the lives of others and in their communities are eligible to receive federal grants and contributions funding. Projects must be led or inspired by seniors and address one or more of the following four program objectives:</p> <ol style="list-style-type: none"> <li>1. promoting volunteerism among seniors and other generations;</li> <li>2. engaging seniors in the community through the mentoring of others;</li> <li>3. expanding awareness of elder abuse, including financial abuse;</li> <li>4. supporting the social participation and inclusion of seniors.</li> </ol>
Financing Programs	No
Target Population	Low income, geared to income, affordable

Partnership	<b>Provincial Government</b>
Overview	BC Housing is a provincial crown corporation that is tasked with developing social housing in British Columbia. There are currently no active programs that specifically target development of seniors housing, however under BC Housings Community Partnership Initiatives program new affordable seniors housing would be eligible for mortgage financing .
Programs	<b>The Shelter Aid for Elderly Renters (SAFER):</b> The SAFER program helps make rents affordable for BC seniors with low to moderate incomes. SAFER provides monthly cash payments to subsidize rents for eligible BC residents who are age 60 or over and who pay rent for their homes.
Financing Programs	<b>Community Partnership Initiatives:</b> BC Housing partners with municipalities, nonprofit organizations and other community groups to implement innovative strategies that create more affordable housing for British Columbians in greatest need. The Community Partnership Initiatives arranges mortgage financing for housing solutions, without the need for ongoing operating subsidies.  Through the program, BC Housing provides advice, referrals to partnership opportunities and arranges construction or long-term financing for nonprofit organizations to create self-sustaining, affordable housing developments. BC Housing's capacity to arrange financing with favorable terms is the cornerstone of the program.
Target Population	Low income, geared to income, affordable

Partnership	<b>Municipal Government</b>
Overview	The City of Vancouver offers a number of general grants aimed at supporting development of affordable and seniors type housing.
Programs	<b>Heritage Façade Grant:</b> The HFG provides \$50,000 towards the restoration of principle façades. This grant only applies to heritage designated buildings.  <b>SRA Conversion Grant:</b> This grant provides \$5k per suite for the provision of adding Kitchen amenities in existing SRA type properties (subject to Council Approval).  <b>Affordable Housing Grant:</b> This grant provides \$10k per new unit of housing (subject to Council Approval)
Financing Program	No
Target Population	Low income, geared to income, affordable

Partnership	<b>Nonprofit Organization</b>
Overview	A number of nonprofit organizations provide dedicated housing and support services for seniors in Vancouver. Housing facilities range independent living housing to assisted living residences to residential care facilities. These organizations provide the expertise to operate and

	manage support services. Funding for developing seniors housing is typically provided from active government programs and an organization's equity. Funding for operations varies from health authority subsidies (care type facilities), rent supplements (assisted living), and income geared to rent (independent living). Partnerships with nonprofit organizations to provide seniors housing is possible with shared visions and objectives. For a listing of nonprofit organizations and resources: <a href="http://www.seniorsservicessociety.ca/find_housing.html">http://www.seniorsservicessociety.ca/find_housing.html</a>
Programs	No
Financing Program	No
Target Population	Low income, geared to income, affordable

Partnership	<b>Life Lease through Nonprofit Organizations or For Profit Organizations</b>
Overview	<p>A life lease is a legal agreement that permits purchasers to occupy a home for life (or until they are no longer capable of living there) in exchange for an initial lump sum payment and subsequent monthly payments to cover the ongoing management fees and maintenance and operating expenses (and in some cases rent, depending on the size of the initial payment).</p> <p>With the rapid aging of the Canadian population, it is possible that interests in life leases will continue to grow and expand.</p>
Programs	<p>Significant variation exists between and within provinces in how individual life lease projects are developed and managed. There are five basic forms:</p> <p><b>Zero-balance:</b> The resident pays an amount up front designed to prepay rent for his/her expected remaining life. No residual value is repaid to the occupant or their estate at the time of departure or death. Consequently, the purchase price for an interest in this type of life lease is least expensive relative to other forms.</p> <p><b>Declining Balance:</b> The resident pays an amount up front based on life expectancy. The estate is paid a residual value which declines each year to zero at the end of specific period of time. This type of life lease is slightly more expensive than the zero-balance form.</p> <p><b>No Gain:</b> The amount redeemed at the time of sale remains the same as that paid at the time of initial occupancy in nominal terms, though declining in real terms, as there is no provision for annual inflationary increases to be taken into account. This is in essence a zero-interest loan to the sponsor for the time of occupancy of the unit.</p> <p><b>Price Index:</b> Redemption value increases based on annual price index factor being applied to the purchase price, for instance, the Consumer Price Index (CPI). This has certain risks for the sponsor if real estate values are increasing more slowly than general inflation.</p> <p><b>Market Value:</b> The life lease interest is redeemed at whatever price the market will bear at the time of sale. Purchasers pay an amount similar to</p>

	that for a comparable condominium unit.
Financing Program	<p><b>Construction Financing</b> Criteria that must be met to get advances under this financing (number of units sold, time limits on these sales, etc.) need to be made clear to the sponsor up front. This is likely done by most lenders but recognition of the lack of real estate experience among sponsors may mean this information needs extra emphasis or frequent repeating.</p> <p>A development advisor and/or an experienced construction project manager are needed to ensure the construction costs are monitored and the marketing plan ensures units are sold on schedule.</p> <p><b>Long-term mortgage financing</b> If the sponsors need long-term financing to cover some development costs, they will not want resident interests registered on title unless they are subordinate to the lender's debt. However, this puts the life tenant at risk as the mortgage may take priority over the life lease holder's interest and their capital investment could be lost.</p>
Target Population	Typically financially secure seniors

## Conclusions

Housing initiatives to create and develop senior housing at governmental levels are currently limited. Although there are financing and small capital grant opportunities at provincial and municipal levels of government, there is no ongoing subsidy or significant equity grant type programs to underpin capital development or ongoing operational costs for seniors type housing.

Although conceptually Societies are able to provide equity in the form of land and buildings, substantial grants and ongoing subsidies are required for the provision of low-income housing where revenues from rent geared to income or housing subsidies are low.

The life lease option does however provide an opportunity worth exploring as part of a greater regeneration plan for Chinatown to house and culturally support financially secure Chinese seniors and stimulate intergenerational participation.

## **Section 6**

### **Conclusion and Recommended Strategies**

In June 2015 BC Ministry of International Trade and the City of Vancouver engaged the Chinatown Society Legacy Project (CSLP) consultant team to provide a Senior Housing Feasibility Study for Chinatown. The objective of the seniors housing study is to build on the key findings of CSLP and examine whether adding senior housing and intergenerational programming can be a strategic catalyst to revitalize Chinatown and assist in preserving its under threat cultural value and ethno-specific character.

The final section of this report outlines fundamental key findings. It also identifies opportunities and proposes a set of recommended strategies for senior housing development in Chinatown, with special consideration given to the potential of adapting and repurposing Society buildings.

The following outlines the key messages from section one's overview of Chinese senior housing needs in Vancouver and chapter three's assessment of why Chinatown is well positioned to develop more senior housing to respond to the growing need.

- Canadian population is aging and Vancouver exhibits a similar demographic trend. Metro Vancouver has a higher percentage of visible minority groups and Chinese is the largest group (30% of the city's total population).
- Over 90% of Vancouver Chinese seniors are first generation immigrants and most of them speak a Chinese dialect at home.
- Therefore, needs for ethno-specific affordable housing is growing. In next 15 years, up to 3,300 Chinese seniors in City of Vancouver will need subsidized affordable housing, according to the projection done by a UBC Study based on the 2006 census data.
- Neighbourhoods with relevant cultural and social amenities such as Chinatown are great communities in which to situate housing for ethnic seniors.
- Chinatown has many existing characteristics of an age-friendly community. It also aims to be an intergenerational community that promotes aging in place.
- Seniors housing has long been a part of Chinatown, and continues to be today. The community has a significant existing seniors housing stock, although some buildings need further upgrade.
- Seniors make up a large percentage of the current population in Chinatown and Strathcona (22% of the population), and many of whom are low-income and need culturally and linguistically appropriate support services as they age,
- City of Vancouver has a 30 year target of creating 4400 units of social housing in the DTES, of which 1500 units could be accommodated in Strathcona, DEOD, and Chinatown.<sup>49</sup>
- In a scenario where the current population mix is maintained, 22% of the 1500 new social housing units would be prioritized for seniors or 330 units. This estimate would form part of the City-wide need projected by the UBC Study. (Appendix 9)
- Affordable senior housing development is key to an inclusive revitalized Chinatown that is connected to its heritage and cultural roots. It could be an important cultural anchor with rapid changes taking place in Chinatown.

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<sup>49</sup> City of Vancouver (2014). Downtown Eastside Local Area Plan, p. 165.

## **Conclusion and Recommendations**

The following summarizes key conclusion and recommendations:

1. There is an urgent and validated need for affordable senior housing targeted for Chinese seniors in Vancouver. Vancouver's Chinatown is well positioned to continue the legacy established by the benevolent societies and family associations and provide senior housing and intergenerational programming as a strategy to revitalize Chinatown and sustain its characters.
  - 1.1 Conduct an age-friendly assessment including resident surveys and focus group discussions, as well as an age-friendly inventory of services, programs and initiative to provide a baseline.
  - 1.2 Capture the momentum of current interest in the community to develop an intergenerational Chinatown, and prioritize affordable senior housing development as a central revitalization strategy for Chinatown.
2. The Chinatown Societies buildings portfolio of 12 heritage and 8 non-heritage buildings are an important cultural asset in supporting affordable senior housing development.
  - 2.1 SWOT analysis conducted as part of the Society buildings from Chinatown Society Legacy Project details the strengths, weakness, opportunities and risks of establishing a rehabilitation program targeting the 12 Society heritage buildings. The analysis details the opportunities and challenges in three areas: timing, financial constraints, and capacity. The same analysis also applies to the development of senior housing. (Appendix 10)
  - 2.2 With affordable senior housing development as a public policy objective, this particular building portfolio presents additional opportunities for both community and government because of Societies' equity ownership of land and the existing social infrastructure. Financial analysis shows that considering the land cost in Chinatown, it would be very difficult to develop senior housing with affordable rents on 25' or 50' lots, which are typical lot sizes in the neighbourhood.
  - 2.3 Upgrading existing residential buildings without change of use is the most financially viable scenario while still maintaining the affordable rent rates. For major renovation or new construction, if financing is mostly from loans without government or philanthropist funding, the rent rates will need to be at least close to market rate in order for the project to be financially viable.
  - 2.4 There are opportunities to locate independent living, supportive living, and assisted living housing for seniors in the 20 Society buildings. However, residential care is less feasible because most of the buildings are on narrow 25' or 50' lots and could not be cost effectively developed with the necessary amenity for long-term, 24-hour professional supervision of seniors who have complex care needs.
3. Affordable senior housing development and provision of culturally and linguistically appropriate support services for seniors should be considered together, at both the building and neighbourhood scales.

- 3.1 Of the 160,000 residential, retail and programming sq.ft area in the 12 Society heritage buildings in Chinatown only 32% is residential, while 36% is dedicated to Society use, 28% commercial, 3% office and 2% institutional. In considering future development of these buildings, it is important to consider the mix-use nature of these buildings and determine the optimal use for each building.
  - 3.2 Consider optimal uses for each individual building as well as the overall Society building portfolio collectively to reach the economy of scale in implementation. If a Society decides to pursue senior housing for its building, the area in each building that is not suitable for affordable housing could be developed as amenity space dedicated for seniors support services.
  - 3.3 Investigate opportunities and support required for Societies to expand and enhance their existing social programs in order to continue and better serve existing seniors living in Chinatown and nearby areas, many of whom are low-income and require culturally and linguistically appropriate services.
4. In order to promote aging in place in Chinatown and meet the neighbourhood's growing demand for senior housing, a two-prong development strategy that takes into consideration both Society-owned buildings and other building opportunities on larger assembled lots is necessary.
  - 4.1 In addition to the 20 buildings owned by the Societies in Chinatown, there are also 34 Society buildings in Strathcona, representing an opportunity of partnerships with Societies adjacent to Chinatown. Ten of these 54 Society-owned buildings currently do not have residential use and there could be opportunities for additional new senior housing units to be created in these buildings.
  - 4.2 While the Society building portfolio is an important asset in pursuing affordable senior housing development in Chinatown, it is important to recognize that the number of additional housing units that could be created in these buildings and the diversity of housing types that could be accommodated are limited by technical and financial constraints.
  - 4.3 Supportive and assisted living housing types are important parts of a continuum of housing options for seniors with varying levels of mobility and daily needs. In order to promote aging in place in Chinatown, these housing options should be pursued when the opportunity arises with assembled larger lot development where a greater number of supportive and assisted living units can be achieved in one project.
  - 4.4 The objectives for a two-prong development strategy that takes into consideration both the Societies buildings portfolio and other building opportunities on larger assembled lots are to meet the growing demand for senior housing in this neighbourhood and to secure opportunities for a diverse range of housing types for seniors to aging in place in Chinatown.
  - 4.5 Further opportunities to leverage additional senior housing could be considered through Chinatown rezoning policy, development of city-owned sites in the area, and future redevelopment of Viaduct site (Northeast False Creek).



5. Chinatown has traditionally been an affordable neighbourhood with a diverse housing mix. The affordability of senior housing units should remain a critical consideration.

5.1 Provincial and Federal Government housing initiatives to create and assist in the development of senior housing are currently limited. Although there are financing and capital grant opportunities at provincial and municipal levels of government, there is no ongoing subsidy or significant equity grant-type programs to underpin capital development or ongoing operational costs for senior housing.

5.2 Although conceptually Societies are able to provide equity in the form of land and buildings, substantial grants and ongoing subsidies are required for the provision of low-income housing for seniors.

5.3 The life-lease option provides an opportunity worth exploring as part of a greater strategy for Chinatown to house and culturally support Chinese seniors and to stimulate intergenerational participation.

### **Toward a Chinatown Senior Housing Strategy**

With a vision of an intergenerational Chinatown where all generations have opportunities to live, work and play, it is particularly vital to start with providing diverse housing options for all. It is with a diverse population base that Chinatown will start to diversify both culturally and economically. Such change is in fact taking place currently with new housing developments and new shops and restaurants. At this critical junction when change is rapidly taking place in Chinatown, senior housing for Chinese seniors could ensure that Chinese culture and heritage continues to be part of Chinatown's future.

The following summarizes the above conclusion into four recommendations to initiate the development of a Chinatown Senior Housing Strategy:

#### Recommendation 1

Prioritize affordable senior housing development as a central revitalization and conservation strategy for Vancouver's Chinatown.

#### Recommendation 2

Establish a two-prong development approach for Chinatown senior housing strategy that takes into consideration both Society-owned buildings and other building opportunities on larger assembled lots in order to provide a diverse range of housing options with continuum of care for seniors to age in place in Chinatown.

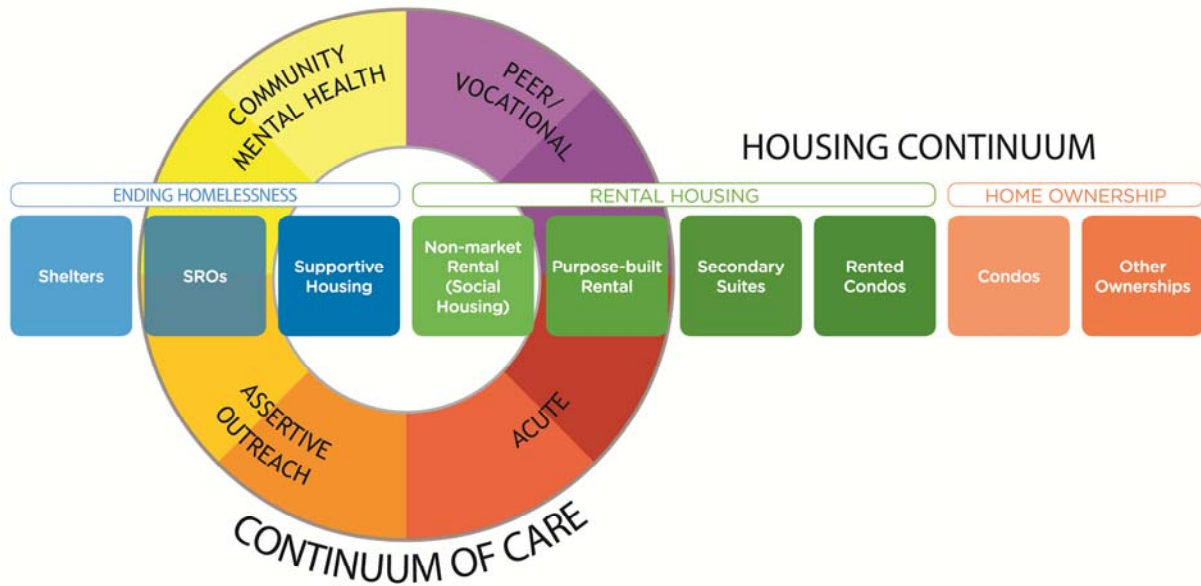
#### Recommendation 3

Develop a coalition of partners including all levels of governments, Chinese Societies, and other private and nonprofit partners to support and implement a Chinatown senior housing strategy in order to strengthen the intangible heritage of this important National Historic Site.

#### Recommendation 4

Establish an entity to build capacity, coordinate partnerships, manage funding, and lend technical assistance and development expertise to Chinese Societies in undertaking a senior housing development project. The entity could be a public agency or a community organization, and could be a new organization or a new arm of an existing organization. The functions of capacity building, partnership coordination, funding management, and development support could also be undertaken by several different agencies.

## Appendix 1



Source: City of Vancouver (2014). Downtown Eastside Local Area Plan. Adopted by City Council March 15, 2014, p. 102.

## Appendix 2 Senior Housing in Chinatown and Strathcona

### Affordable Rental Housing for Independent Living Chinatown

<b>Affordable Rental</b> Chinatown	<b>Units</b>	
Keefer Block 188 Keefer	22	Owned and managed by SUCCESS
CBA Manor 34 East Pender Street	34	Total 44 units for low-income seniors (60+) & families. Seniors accepted in 1bdm, 2bdm.
Solheim Place 251 Union Street	86	Open to seniors, persons with disabilities, and families.
Lore Krill Housing Coop 239 East Georgia Street	78	Open to seniors, singles, and families. Total 97 units. Seniors accepted in studio, 1bdm, 2 bdrm.
	220	
<b>Society Building</b> Chinatown	<b>Units</b>	
May Wah Hotel Shon Yee Benevolent Assoc. 262 East Pender Street	120	SRA
Asia Hotel Mah Society of Canada 139 East Pender Street	36	SRA
Han Shen Building Wong's Benevolent Assoc 27 East Pender Street	10	
Yue Shan Society 33 East Pender Street	14	
Shakespeare Rooms Yee Fung Toy Society 224 East Georgia Street	12	
Lung Jen Benevolent Assoc. 240 Keefer Street	5	SRA
Dart Coon Club 107 East Pender Street	34	
Sun Ah Hotel Lung Kong Kung Shaw 100 East Pender Street	41	SRA
	272	

## Strathcona

<b>Affordable Rental</b>	<b>Strathcona</b>	<b>Units</b>	
Chau Luen Tower Chau Luen Kon Sol Society 325 Keefer Street	82		
Chinatown Lions Manor 1 830 Campbell Avenue	68	BC Housing Affordable Senior Housing Registry	
Chinatown Lions Manor 2 830 Campbell Avenue	18	BC Housing Affordable Senior Housing Registry	
Chinatown Lions Manor 3 102 Main Street	54	BC Housing Affordable Senior Housing Registry	
MacLean Park 705 Jackson Avenue	137	BC Housing Affordable Senior Housing Registry	
MacLean Park Extension 350 Jackson Avenue	228	BC Housing Affordable Senior Housing Registry	
Stamps Place 400 Campbell Avenue	134	BC Housing Affordable Senior Housing Registry	
China Villa 300 East Pender Street	51	Open to those aged 65+	
Chinese Freemason Manor 768 Prior Street	81	Open to those aged 45+	
Chinese United Church Lodge 430 Dunlevy Avenue	29	Open to those aged 45+	
Happy Manor 551 East Georgia Street	27		
Lesya Ukrainka Manor 827 East Pender Street	26		
Shon Yee Place 628 East Hastings Street	72		
Mau Dan Gardens Coop 350 – 400 East Pender Street	60		
Rose Garden Coop 853 East Pender Street	48		
	<hr/> 1,115		

<b>Society Building</b> Strathcona	<b>Units</b>	
Shon Yee Benevolent Assoc. 408 Jackson Avenue	45	Heritage status B
Lee Kwong Kai Assoc. 532 Keefer Street	1	Heritage status B
Natives of Toi Shan Society 237 East Hastings Street	33	Heritage status C; SRA
Yan's Fraternal Society 518 E Cordova Street	2	Heritage status C
Hoy Ying Assoc. 459 East Pender Street	3	Heritage status C
Ming Sun Benevolent Society 437 Powell Street	8	SRA
Tsung Tsing (Canada United Hakka) Assoc 542 Keefer	6	SRA
Hing Mee Society of Vancouver 533 Prior Street	6	SRA
Sam Duck Society 462 Union Street	1	
Tse Clasmen Assoc. 738 East Hastings Street	3	
Yin Ping Benevolent Society 414 Columbia Street	14	SRA
Ing Suey Sun Tong Assoc 389 East Hastings Street	7	SRA
Canada Quan Lung Sai Tong Assoc 389 East Hastings Street	2	
Shon Yee Benevolent Assoc Fererra Court 618 East Hastings	72	
Chau Luen Kon Sol Society 325 Keefer Street	81	
Lew Mow Way Tong 359 East Pender Street	9	SRA
Hoo Tow Society 606 East Hastings Street	4	
Oi Qiang Society of Canada 337 Prior Street	1	
Gee Fraternal Society 442 East Hastings Street	2	
Chee Dack Gen Tong Society 327 Prior Street	1	
Chee Dack Gen Tong Society	2	

331 Prior Street	
Fong Leun Tong Society 430 East Hastings Street	2
Hoy Clansman Association 336 Union Street	2
Hip Dug Ton Society 872 Heatley Avenue	2
Fong Leun Tong Society 380 East Hastings Street	2
	<hr/> 311

Source for Affordable Rental Buildings: The Housing Registry. Housing for Seniors and Adults with Disabilities, Zone 6, Vancouver. September 2015. Seniors Services Society [www.seniorsservicessociety.ca](http://www.seniorsservicessociety.ca)

Source for Society Rental Building: Compiled from multiple sources (BCAA 2008, SRO 2014, PRSIM, DP board minutes, other COV internal databases) and limited by availability; accuracy cannot be guarantee and may contain discrepancies.

## Assisted Living

### Chinatown

<b>Building</b> Chinatown	Units	
Harmony House 580 Shanghai Alley	33	14 one bedroom; 19 studio Managed by SUCCESS

### Strathcona

<b>Building</b> Strathcona	Units	
Smith-Yuen Apartments 475 East Hastings Street	52	Social housing for seniors living with mental health issues; offers supportive services.

Source: BC Ministry of Health website, last updated 2015:

<http://www.health.gov.bc.ca/assisted/locator/index.php/displayfacility/bycommunity/2>

PHS Community Services Society website: <http://www.phs.ca/index.php/project/smith-yuen-apartments/>

## Residential Care

### Chinatown

<b>Building</b> Chinatown	Beds	
Simon KY Lee 555 Carrall Street	103	14 one bedroom; 19 studio Managed by SUCCESS

### Strathcona

<b>Building</b> Strathcona	Beds	
Villa Cathay 970 Union Street	150	112 single rooms; 19 double rooms

Source: Vancouver Coastal Health website:

<http://www.vch.ca/your-health/health-topics/residential-care/vancouver-facilities/vancouver-residential-care-facilities>

## CSLP

## No change of use

2015 \$	%	\$/gsf
\$ -	0%	-
\$ 1,830,000	66%	120
\$ 274,500	10%	18
\$ 686,250	25%	45
\$ -	0%	-
\$ -	0%	-
\$ -	0%	-
<b>\$ 2,790,750</b>	<b>100%</b>	<b>183</b>

**○ \$ 2,800,000**

\$ 1,100,000	39%
\$ 300,000	11%
\$ -	0%
\$ -	0%
\$ 1,400,000	50%
\$ -	0%
\$ -	0%
<b>\$ 2,800,000</b>	<b>100%</b>

<b>Loan</b>	<i>PV</i>	\$1,100,000	<i>Quoted j2</i>	4.00%		
	<i>N</i>	12	<i>Effective j1</i>	4.04%		
	<i>t</i>	25	<i>Interest j12</i>	3.97%		
	<i>t'</i>	300	<i>j12/12</i>	0.003		
	<i>Payment/Mo</i>	\$ 5,786		<i>Payment/Yr</i>	\$ 69,435	
<i>Period</i>	-	13	25	37	49	61
<b>Loan End Bala</b>	\$1,100,000	\$1,073,729	\$1,046,396	\$1,017,960	\$ 988,374	\$ 957,593

Nominal		2015	2016	2017	2018	2019	
Sum (5 Yrs)		0	1	2	3	4	5
	<i>Index</i>	<i>1.00</i>	<i>1.01</i>	<i>1.02</i>	<i>1.03</i>	<i>1.04</i>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
\$ 330,544	-	64,813	65,461	66,109	66,757		67,405
\$ 220,320	-	43,200	43,632	44,064	44,496		44,928
\$ 220,320	-	43,200	43,632	44,064	44,496		44,928
\$ 220,320	-	43,200	43,632	44,064	44,496		44,928
\$ 220,320	-	43,200	43,632	44,064	44,496		44,928
<b>\$1,211,824</b>	<b>\$ -</b>	<b>\$ 237,613</b>	<b>\$ 239,989</b>	<b>\$ 242,365</b>	<b>\$ 244,741</b>		<b>\$ 247,117</b>
\$ (60,591)	\$ -	\$ (11,881)	\$ (11,999)	\$ (12,118)	\$ (12,237)		\$ (12,356)
<b>\$1,151,233</b>	<b>\$ -</b>	<b>\$ 225,732</b>	<b>\$ 227,989</b>	<b>\$ 230,247</b>	<b>\$ 232,504</b>		<b>\$ 234,761</b>

**\$ 225,732 Optimized**

\$/Year			\$/lsf										
\$ -			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -			\$ -	-	-	-	-	-	-	-	-	-	-
\$ -			\$ -	-	-	-	-	-	-	-	-	-	-
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\$ -			\$ -	-	-	-	-	-	-	-	-	-	-
\$ -			\$ -	-	-	-	-	-	-	-	-	-	-
\$ 90,293	Less	7	\$ 460,584	\$ -	\$ 90,293	\$ 91,196	\$ 92,108	\$ 93,029	\$ 93,959				
\$ 18,059	Add	7	\$ 92,117	\$ -	\$ 18,059	\$ 18,239	\$ 18,422	\$ 18,606	\$ 18,792				

**\$ 153,498**

\$/Year									
\$ 43,163	\$ 204,766	\$ -	\$ 43,163	\$ 42,102	\$ 40,998	\$ 39,849	\$ 38,654		
\$ 26,271	\$ 142,407	\$ -	\$ 26,271	\$ 27,333	\$ 28,437	\$ 29,586	\$ 30,781		
<b>\$ 69,435</b>	<b>\$ 347,173</b>	<b>\$ -</b>	<b>\$ 69,435</b>	<b>\$ 69,435</b>	<b>\$ 69,435</b>	<b>\$ 69,435</b>	<b>\$ 69,435</b>		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
<b>\$ 69,435</b>	<b>\$ 347,173</b>	<b>\$ -</b>	<b>\$ 69,435</b>	<b>\$ 69,435</b>	<b>\$ 69,435</b>	<b>\$ 69,435</b>	<b>\$ 69,435</b>		

**\$ 84,063**

28%

2.21

2.25

2.30

## Appendix 4 PRO FORMA SR HOUSING

CSLP

## Renovate Non-Residential Building (25' x 122' Site), Scenario 2, Grant Centric

Renovate existing building, change of use

	Width	Length	Land sf	FSR*	Gross sf	2015 \$	%	\$/gsf
Land Costs	25	122	3,050	5.0	15,250	\$ -	0%	-
Hard Costs	\$ 170	x Gross Building Area (gsf)				\$ 2,592,500	67%	170
Soft Costs	15%	x Hard Costs				\$ 388,875	10%	26
Seismic Costs	\$ 60	x Gross Building Area (gsf)				\$ 915,000	23%	60
Construct Financing Costs	30% Loan	0%	Interest Only x Loan Amount x 2 Yrs x 1/2			\$ -	0%	-
Leasing/Marketing Costs						\$ -	0%	-
Other Costs						\$ -	0%	-
<b>Total Project Costs</b>						<b>\$ 3,896,375</b>	<b>100%</b>	<b>256</b>
						<b>\$ 3,900,000</b>		

Loan	\$ 1,650,000	42%
Equity	\$ 300,000	8%
Bond 1	\$ -	0%
Bond 2	\$ -	0%
Grant 1	\$ 1,950,000	50%
Grant 2	\$ -	0%
Other Funding	\$ -	0%
<b>Total Project Funds</b>	<b>\$ 3,900,000</b>	<b>100%</b>

<b>Bond</b>	PV	\$ -	i	3.00%	Interest paid annually
	N	1	\$	-	Principal repay at maturity
	t	5			
	t'	5			
					Payment/Yr \$ -

Loan	PV	\$1,650,000	Quoted j2	4.00%		
	N	12	Effective j1	4.04%		
	t	25	Interest j12	3.97%		
	t'	300	j12/12	0.003		
	Payment/Mo	\$ 8,679			Payment/Yr	\$ 104,152
Period	-	13	25	37	49	61
Loan End Bala	\$1,650,000	\$1,610,593	\$1,569,594	\$1,526,939	\$1,482,561	\$1,436,390

### 收入 INCOME

CURRENT					Isf/Unit 12					OPTIMIZED				Sum (5 Yrs)	0	1	2	3	4	5
租金	Current Use	\$/Year	%	\$/Isf	Effcy	Gross sf	Lease sf	Units	Av Size \$/Unit/Mo	Optimized Us	\$/Year	%	\$/Isf		Index	1.00	1.01	1.02	1.03	1.04
B	N/A	\$ -	0%	-	0%	-	-	1	- \$ -	N/A	\$ -	0%	-	\$ -	-	-	-	-	-	-
1	Retail	\$ 25,925	100%	10	85%	3,050	2,593	1	2,593 \$ 5,401	Retail	\$ 64,813	33%	25	\$ 330,544	-	64,813	65,461	66,109	66,757	67,405
2	Vacant	\$ -	0%	-	85%	3,050	2,593	1	2,593 \$ -	Society	\$ -	0%	-	\$ -	-	-	-	-	-	-
3	Vacant	\$ -	0%	-	85%	3,050	2,593	8	324 \$ 450	Residential	\$ 43,200	22%	17	\$ 220,320	-	43,200	43,632	44,064	44,496	44,928
4	Society	\$ -	0%	-	85%	3,050	2,593	8	324 \$ 450	Residential	\$ 43,200	22%	17	\$ 220,320	-	43,200	43,632	44,064	44,496	44,928
5	Society	\$ -	0%	-	85%	3,050	2,593	8	324 \$ 450	Residential	\$ 43,200	22%	17	\$ 220,320	-	43,200	43,632	44,064	44,496	44,928
Total Income		\$ 25,925	100%	2	85%	15,250	12,963	24	Res Units		\$ 194,413	100%	15	\$ 991,504	\$ -	\$ 194,413	\$ 196,357	\$ 198,301	\$ 200,245	\$ 202,189
Less Vacancy		\$ (1,296)			5%	Vacancy Rate					\$ (9,721)			\$ (49,575)	\$ -	\$ (9,721)	\$ (9,818)	\$ (9,915)	\$ (10,012)	\$ (10,109)

EFF. GROSS INCC \$ 24,629 Current

\$ 184,692 Optimized

\$ 941,929 \$ - \$ 184,692 \$ 186,539 \$ 188,386 \$ 190,233 \$ 192,080

EXPENSES	\$/Year	\$/sf	Exp Incr/Yr	\$/Year	\$/sf
行政 Administration	\$ -	-	0%	\$ -	-
保險 Insurance	\$ -	-	0%	\$ -	-
地稅 Property Tax	\$ -	-	0%	\$ -	-
維修 Repairs & Mai	\$ -	-	0%	\$ -	-
廣告 Marketing	\$ -	-	0%	\$ -	-
水電 Utilities	\$ -	-	0%	\$ -	-
Replacement	\$ -	-	0%	\$ -	-
Less <b>Total Expens</b>	<b>\$ 9,852</b>	<b>1</b>	40% x Effective Gross Income	<b>\$ 73,877</b>	Less <b>6</b>
Add <b>Exp Recovery</b>	<b>\$ 1,970</b>	<b>1</b>	2,593 sf, NNN leases Recovery/Exp	<b>\$ 14,775</b>	Add <b>6</b>

NET OPERATING I \$ 16,748

\$ 125,590

\$ 640,452 \$ - \$ 125,590 \$ 126,846 \$ 128,096 \$ 129,340 \$ 130,578

### DEBT SERVICE

	\$/Year		\$/Year		
Loan Interest	\$ -		\$ 64,745	\$ 307,150	\$ - \$ 64,745 \$ 63,153 \$ 61,497 \$ 59,774 \$ 57,981
Loan Principal	\$ -		\$ 39,407	\$ 213,610	\$ - \$ 39,407 \$ 40,999 \$ 42,655 \$ 44,378 \$ 46,171
Loan Paymer	\$ -		<b>\$ 104,152</b>	<b>\$ 520,760</b>	<b>\$ - \$ 104,152 \$ 104,152 \$ 104,152 \$ 104,152 \$ 104,152</b>
Bond Payments	\$ -		\$ -	\$ -	\$ - \$ - \$ - \$ - \$ - \$ -
<b>Total Debt Payments</b>			<b>\$ 104,152</b>	<b>\$ 520,760</b>	<b>\$ - \$ 104,152 \$ 104,152 \$ 104,152 \$ 104,152 \$ 104,152</b>

CASH FLOW AFTE \$ 16,748

\$ 21,438

\$ 119,692 \$ - \$ 21,438 \$ 22,694 \$ 23,944 \$ 25,188 \$ 26,426

Cash on Cash (Equity) Return

7%

Debt Srv Cover = NOI/Debt Service

1.21

1.22

1.23

1.24

1.25



# Appendix 5 PRO FORMA SR HOUSING

CSLP

## Construct New Residential Building (25' x 122' Site), Scenario 3, Grant Centric

New supportive/assisted living housing

	Width	Length	Land sf	FSR*	Gross sf	2015 \$	%	\$/gsf
Land Costs	25	122	3,050	5.0	15,250	\$ -	0%	-
Hard Costs	\$ 230 x Gross Building Area (gsf)					\$ 3,507,500	87%	230
Soft Costs	15% x Hard Costs					\$ 526,125	13%	35
Seismic Costs	\$ - x Gross Building Area (gsf)					\$ -	0%	-
Construct Financing Costs	30% Loan	0% Interest Only x Loan Amount x 2 Yrs x 1/2				\$ -	0%	-
Leasing/Marketing Costs						\$ -	0%	-
Other Costs						\$ -	0%	-
<b>Total Project Costs</b>						<b>\$ 4,033,625</b>	<b>100%</b>	<b>265</b>
						<b>\$ 4,000,000</b>		

Round number to

Bond	PV	\$ -	i	3.00%	Interest paid annually
	N	1	\$	-	Principal repay at maturity
	t	5			
	t'	5			
					Payment/Yr \$ -

Loan	\$ 1,700,000	43%
Equity	\$ 300,000	8%
Bond 1	\$ -	0%
Bond 2	\$ -	0%
Grant 1	\$ 2,000,000	50%
Grant 2	\$ -	0%
Other Funding	\$ -	0%
<b>Total Project Funds</b>	<b>\$ 4,000,000</b>	<b>100%</b>

Loan	PV	\$1,700,000	Quoted j2	4.00%		
	N	12	Effective j1	4.04%		
	t	25	Interest j12	3.97%		
	t'	300	j12/12	0.003		
	Payment/Mo	\$ 8,942			Payment/Yr	\$ 107,308
Period	-	13	25	37	49	61
Loan End Bala.	\$1,700,000	\$1,659,399	\$1,617,158	\$1,573,210	\$1,527,487	\$1,479,917

### 收入 INCOME

CURRENT					Isf/Unit 12					OPTIMIZED				Sum (5 Yrs)	0	1	2	3	4	5								
租金	Current Use	\$/Year	%	\$/Isf	Effcy	Gross sf	Lease sf	Units	Av Size \$/Unit/Mo	Optimized Us	\$/Year	%	\$/Isf		Index	1.00	1.01	1.02	1.03	1.04								
B	Vacant	\$	-	0%	-	0%	-	1	-	\$	-	0%	-	\$	-	\$	-	\$	-	\$	-							
1	Vacant	\$	-	0%	-	60%	3,050	1,830	1	1,830	\$	-	0%	-	\$	-	-	-	-	-	-							
2	Vacant	\$	-	0%	-	60%	3,050	1,830	6	305	\$	450	Residential	\$	32,400	25%	18	\$	165,240	-	32,400	32,724	33,048	33,372	33,696			
3	Vacant	\$	-	0%	-	60%	3,050	1,830	6	305	\$	450	Residential	\$	32,400	25%	18	\$	165,240	-	32,400	32,724	33,048	33,372	33,696			
4	Vacant	\$	-	0%	-	60%	3,050	1,830	6	305	\$	450	Residential	\$	32,400	25%	18	\$	165,240	-	32,400	32,724	33,048	33,372	33,696			
5	Vacant	\$	-	0%	-	60%	3,050	1,830	6	305	\$	450	Residential	\$	32,400	25%	18	\$	165,240	-	32,400	32,724	33,048	33,372	33,696			
Total Income		\$	-	0%	-	60%	15,250	9,150	24	Res Units	\$	129,600	100%	14	\$	660,960	\$	-	\$	129,600	\$	130,896	\$	132,192	\$	133,488	\$	134,784
Less Vacancy		\$	-			5%	Vacancy Rate				\$	(6,480)			\$	(33,048)	\$	-	\$	(6,480)	\$	(6,545)	\$	(6,610)	\$	(6,674)	\$	(6,739)

EFF. GROSS INCC \$ - Current

\$ 123,120 Optimized \$ 627,912 \$ - \$ 123,120 \$ 124,351 \$ 125,582 \$ 126,814 \$ 128,045

EXPENSES	\$/Year	\$/lsf	Exp Incr/Yr	\$/Year	\$/lsf					
行政 Administration	\$ -	-	0%	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -
保險 Insurance	\$ -	-	0%	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -
地稅 Property Taxe	\$ -	-	0%	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -
維修 Repairs & Mai	\$ -	-	0%	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -
廣告 Marketing	\$ -	-	0%	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -
水電 Utilities	\$ -	-	0%	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -
Replacement	\$ -	-	0%	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -
Less Total Expens	\$ -	-	40%	\$ 49,248	Less 5	\$ 251,214	\$ -	\$ 49,248	\$ 49,740	\$ 50,238
Add Exp Recovery	\$ -	-	-	\$ -	Add 5	\$ -	\$ -	\$ -	\$ -	\$ -

NET OPERATING I \$ -

\$ 73,872 \$ 376,698 \$ - \$ 73,872 \$ 74,611 \$ 75,345 \$ 76,073 \$ 76,797

### DEBT SERVICE \$/Year

Loan Interest	\$ -	\$ 66,707	\$ 316,457	\$ -	\$ 66,707	\$ 65,067	\$ 63,360	\$ 61,585	\$ 59,738
Loan Principal	\$ -	\$ 40,601	\$ 220,083	\$ -	\$ 40,601	\$ 42,241	\$ 43,948	\$ 45,723	\$ 47,570
Loan Paymer	\$ -	\$ 107,308	\$ 536,541	\$ -	\$ 107,308	\$ 107,308	\$ 107,308	\$ 107,308	\$ 107,308
Bond Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Debt Payments	\$ -	\$ 107,308	\$ 536,541	\$ -	\$ 107,308	\$ 107,308	\$ 107,308	\$ 107,308	\$ 107,308

CASH FLOW AFTE \$ -

\$ (33,436) \$ (159,843) \$ - \$ (33,436) \$ (32,697) \$ (31,964) \$ (31,235) \$ (30,511)

Cash on Cash (Equity) Return

-11%

Debt Srv Cover = NOI/Debt Service

0.69

0.70

0.70

0.71

0.72

## Appendix 6 PRO FORMA SR HOUSING

## Construct New Residential Building (25' x 122' Site), Scenario 4, Grant Centric, Buy Land

CSLP

New supportive/assisted living housing

	Width	Length	Land sf	FSR*	Gross sf	2015 \$	%	\$/gsf
Land Costs	25	122	3,050	5.0	15,250	\$ 2,000,000	33%	131
Hard Costs	\$ 230	x Gross Building Area (gsf)				\$ 3,507,500	58%	230
Soft Costs	15%	x Hard Costs				\$ 526,125	9%	35
Seismic Costs	\$ -	x Gross Building Area (gsf)				\$ -	0%	-
Construct Financing Costs	30%	Loan				\$ -	0%	-
Leasing/Marketing Costs		Interest Only x Loan Amount x 2 Yrs x 1/2				\$ -	0%	-
Other Costs						\$ -	0%	-
<b>Total Project Costs</b>						<b>\$ 6,033,625</b>	<b>100%</b>	<b>396</b>
						<b>\$ 6,000,000</b>		

Round number to

Loan	\$ 3,700,000	62%
Equity	\$ 300,000	5%
Bond 1	\$ -	0%
Bond 2	\$ -	0%
Grant 1	\$ 2,000,000	33%
Grant 2	\$ -	0%
Other Funding	\$ -	0%
<b>Total Project Funds</b>	<b>\$ 6,000,000</b>	<b>100%</b>

<b>Bond</b>	PV	\$ -	i	3.00%	Interest paid annually
	N	1			Principal repay at maturity
	t	5			
	t'	5			
					Payment/Yr \$ -

Loan	PV	\$3,700,000	Quoted j2	4.00%		
	N	12	Effective j1	4.04%		
	t	25	Interest j12	3.97%		
	t'	300	j12/12	0.003		
	Payment/Mo	\$ 19,463			Payment/Yr	\$ 233,553
Period	-	13	25	37	49	61
Loan End Bal	\$3,700,000	\$3,611,633	\$3,519,697	\$3,424,046	\$3,324,531	\$3,220,995

### 收入 INCOME

CURRENT					Isf/Unit 12					OPTIMIZED				Sum (5 Yrs)	0	1	2	3	4	5									
租金	Current Use	\$/Year	%	\$/Isf	Effcy	Gross sf	Lease sf	Units	Av Size	\$/Unit/Mo	Optimized Us	\$/Year	%	\$/Isf		Index	1.00	1.01	1.02	1.03	1.04								
B	Vacant	\$	-	0%	-	0%	-	1	-	\$	Basement	\$	-	0%	-	\$	-	\$	-	\$	-								
1	Vacant	\$	-	0%	-	60%	3,050	1,830	1	1,830	Amenities	\$	-	0%	-	\$	-	\$	-	\$	-								
2	Vacant	\$	-	0%	-	60%	3,050	1,830	6	305	Residential	\$	129,600	25%	71	\$	660,960	-	129,600	130,896	132,192	133,488	134,784						
3	Vacant	\$	-	0%	-	60%	3,050	1,830	6	305	Residential	\$	129,600	25%	71	\$	660,960	-	129,600	130,896	132,192	133,488	134,784						
4	Vacant	\$	-	0%	-	60%	3,050	1,830	6	305	Residential	\$	129,600	25%	71	\$	660,960	-	129,600	130,896	132,192	133,488	134,784						
5	Vacant	\$	-	0%	-	60%	3,050	1,830	6	305	Residential	\$	129,600	25%	71	\$	660,960	-	129,600	130,896	132,192	133,488	134,784						
Total Income		\$	-	0%	-	60%	15,250	9,150	24	Res Units		\$	518,400	100%	57	\$	2,643,840	\$	-	\$	518,400	\$	523,584	\$	528,768	\$	533,952	\$	539,136
Less Vacancy		\$	-			5%	Vacancy Rate					\$	(25,920)			\$	(132,192)	\$	-	\$	(25,920)	\$	(26,179)	\$	(26,438)	\$	(26,698)	\$	(26,957)

EFF. GROSS INCO \$ - Current

\$ 492,480 Optimized

\$ 2,511,648 \$ - \$ 492,480 \$ 497,405 \$ 502,330 \$ 507,254 \$ 512,179

EXPENSES	\$/Year	\$/lsf	Exp Incr/Yr	\$/Year	\$/lsf																					
行政 Administration	\$ -	-	0%	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
保險 Insurance	\$ -	-	0%	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
地稅 Property Tax	\$ -	-	0%	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
維修 Repairs & Mai	\$ -	-	0%	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
廣告 Marketing	\$ -	-	0%	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
水電 Utilities	\$ -	-	0%	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Replacement I	\$ -	-	0%	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Total Expense	\$ -	-	40%	\$ -	-	x Effective Gross Income		1%	\$ 196,992	Less 22	\$ 1,004,857	\$ -	\$ 196,992	\$ 198,962	\$ 200,952	\$ 202,961	\$ 204,991									
Add Exp Recovery	\$ -	-	-	\$ -	-	sf, NNN leases Recovery/Exp		0%	\$ -	Add 22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NET OPERATING I \$ -

\$ 295,488

\$ 1,506,791 \$ - \$ 295,488 \$ 298,443 \$ 301,378 \$ 304,293 \$ 307,189

### DEBT SERVICE \$/Year

Loan Interest	\$ -	\$ 145,186	\$ 688,760	\$ -	\$ 145,186	\$ 141,616	\$ 137,902	\$ 134,038	\$ 130,017
Loan Principal	\$ -	\$ 88,367	\$ 479,005	\$ -	\$ 88,367	\$ 91,937	\$ 95,651	\$ 99,515	\$ 103,536
Loan Paymen	\$ -	\$ 233,553	\$ 1,167,765	\$ -	\$ 233,553	\$ 233,553	\$ 233,553	\$ 233,553	\$ 233,553
Bond Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Debt Payments	\$ -	\$ 233,553	\$ 1,167,765	\$ -	\$ 233,553	\$ 233,553	\$ 233,553	\$ 233,553	\$ 233,553

CASH FLOW AFTE \$ -

\$ 61,935

\$ 339,026 \$ - \$ 61,935 \$ 64,890 \$ 67,825 \$ 70,740 \$ 73,636

Cash on Cash (Equity) Return

21%

Debt Srv Cover = NOI/Debt Service

1.27

1.28

1.29

1.30

1.32

## Appendix 7 PRO FORMA SR HOUSING

CSLP

## Construct New Residential Building (50' x 122' Site), Scenario 5, Grant Centric, Buy Land

New Supportive/Assisted Living Housing

	Width	Length	Land sf	FSR*	Gross sf	2015 \$	%	\$/gsf
Land Costs	50	122	6,100	5.0	30,500	\$ 4,000,000	33%	131
Hard Costs	\$ 230 x Gross Building Area (gsf)					\$ 7,015,000	58%	230
Soft Costs	15% x Hard Costs					\$ 1,052,250	9%	35
Seismic Costs	\$ - x Gross Building Area (gsf)					\$ -	0%	-
Construct Financing Costs	30%	Loan 0% Interest Only x Loan Amount x 2 Yrs x 1/2				\$ -	0%	-
Leasing/Marketing Costs						\$ -	0%	-
Other Costs						\$ -	0%	-
<b>Total Project Costs</b>						<b>\$ 12,067,250</b>	<b>100%</b>	<b>396</b>
						Round number to <b>\$ 12,000,000</b>		

Loan	\$ 9,000,000	75%
Equity	\$ 300,000	3%
Bond 1	\$ -	0%
Bond 2	\$ -	0%
Grant 1	\$ 2,700,000	23%
Grant 2	\$ -	0%
Other Funding	\$ -	0%
<b>Total Project Funds</b>	<b>\$ 12,000,000</b>	<b>100%</b>

<b>Bond</b>	PV	\$ -	i	3.00%	Interest paid annually
	N	1			- Principal repay at maturity
	t	5			
	t'	5			
					Payment/Yr \$ -

Loan	PV	\$9,000,000	Quoted j2	4.00%		
	N	12	Effective j1	4.04%		
	t	25	Interest j12	3.97%		
	t'	300	j12/12	0.003		
	Payment/Mo	\$ 47,342			Payment/Yr	\$ 568,102
Period	-	13	25	37	49	61
Loan End Bala.	\$9,000,000	\$8,785,054	\$8,561,424	\$8,328,760	\$8,086,696	\$7,834,852

### 收入 INCOME

CURRENT					Isf/Unit 12						OPTIMIZED				Sum (5 Yrs)	0	1	2	3	4	5		
租金	Current Use	\$/Year	%	\$/Isf	Effic	Gross sf	Lease sf	Units	Av Size	\$/Unit/Mo	Optimized Us	\$/Year	%	\$/Isf		Index	1.00	1.01	1.02	1.03	1.04		
B	N/A	\$	-	0%	-	0%	-	-	1	-	\$	-	0%	-	\$	-	\$	-	\$	-	\$	-	
1	Retail	\$	-	0%	-	69%	6,100	-	1	-	\$	-	0%	25	\$	-	-	-	-	-	-	-	
2	Vacant	\$	-	0%	-	69%	6,100	4,209	12	351	\$	288,000	25%	68	\$1,468,800	-	288,000	290,880	293,760	296,640	299,520		
3	Vacant	\$	-	0%	-	69%	6,100	4,209	12	351	\$	288,000	25%	68	\$1,468,800	-	288,000	290,880	293,760	296,640	299,520		
4	Society	\$	-	0%	-	69%	6,100	4,209	12	351	\$	288,000	25%	68	\$1,468,800	-	288,000	290,880	293,760	296,640	299,520		
5	Society	\$	-	0%	-	69%	6,100	4,209	12	351	\$	288,000	25%	68	\$1,468,800	-	288,000	290,880	293,760	296,640	299,520		
Total Income		\$	-	0%	-	55%	30,500	16,836	48	Res Units	\$	1,152,000	100%	68	\$5,875,200	\$	-	\$1,152,000	\$1,163,520	\$1,175,040	\$1,186,560	\$1,198,080	
Less Vacancy		\$	-			5%	Vacancy Rate					\$	(57,600)		\$	(293,760)	\$	-	\$ (57,600)	\$ (58,176)	\$ (58,752)	\$ (59,328)	\$ (59,904)

EFF. GROSS INCC \$ - Current

\$ 1,094,400 Optimized \$5,581,440 \$ - \$ 1,094,400 \$1,105,344 \$1,116,288 \$1,127,232 \$1,138,176

EXPENSES	\$/Year	\$/lsf		Exp Incr/Yr		\$/Year	\$/lsf										
行政 Administration	\$ -	-		0%		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	
保險 Insurance	\$ -	-		0%		\$ -		\$ -		-		-		-		-	
地稅 Property Tax	\$ -	-		0%		\$ -		\$ -		-		-		-		-	
維修 Repairs & Mai	\$ -	-		0%		\$ -		\$ -		-		-		-		-	
廣告 Marketing	\$ -	-		0%		\$ -		\$ -		-		-		-		-	
水電 Utilities	\$ -	-		0%		\$ -		\$ -		-		-		-		-	
Replacement	\$ -	-		0%		\$ -		\$ -		-		-		-		-	
Less <b>Total Expens</b>	\$ -	-	40%	x Effective Gross Income	1%	\$ 437,760	Less 26	\$2,233,016		\$ -	\$ 437,760	\$ 442,138	\$ 446,559	\$ 451,025	\$ 455,535		
Add <b>Exp Recovery</b>	\$ -	-	-	sf, NNN leases Recovery/Exp	0%	1 NNN floor	\$ -	Add 26	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

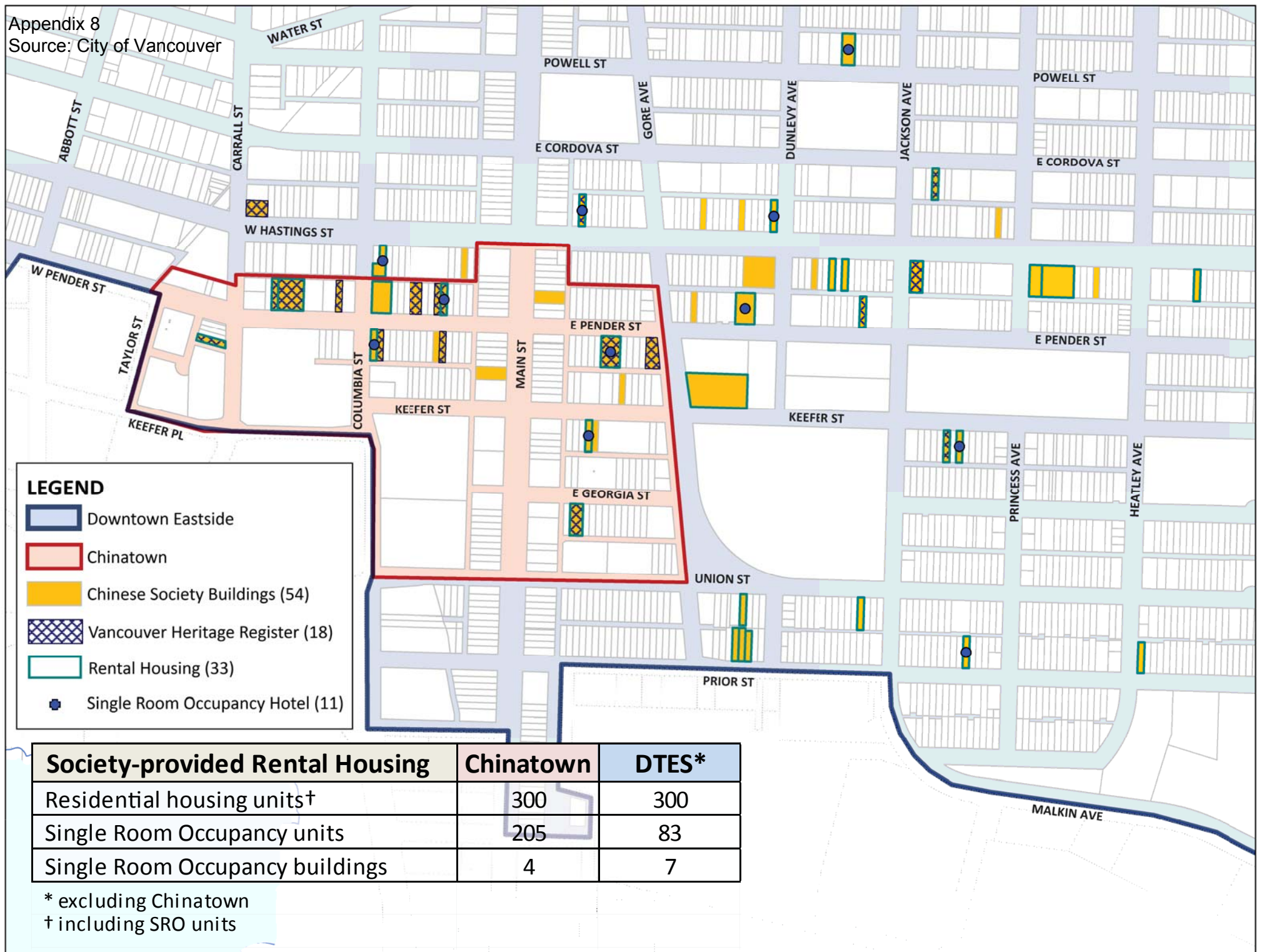
NET OPERATING I \$ - \$ 656,640 \$3,348,424 \$ - \$ 656,640 \$ 663,206 \$ 669,729 \$ 676,207 \$ 682,641

DEBT SERVICE	\$/Year										
Loan Interest	\$ -	\$ 353,156	\$1,675,361	\$ -	\$ 353,156	\$ 344,472	\$ 335,437	\$ 326,038	\$ 316,258		
Loan Principal	\$ -	\$ 214,946	\$1,165,148	\$ -	\$ 214,946	\$ 223,630	\$ 232,664	\$ 242,064	\$ 251,843		
Loan Paymer	\$ -	\$ 568,102	\$2,840,509	\$ -	\$ 568,102	\$ 568,102	\$ 568,102	\$ 568,102	\$ 568,102		
Bond Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
<b>Total Debt Payments</b>		<b>\$ 568,102</b>	<b>\$2,840,509</b>	<b>\$ -</b>	<b>\$ 568,102</b>	<b>\$ 568,102</b>	<b>\$ 568,102</b>	<b>\$ 568,102</b>	<b>\$ 568,102</b>	<b>\$ 568,102</b>	

CASH FLOW AFTE \$ - \$ 88,538 \$ 507,915 \$ - \$ 88,538 \$ 95,105 \$ 101,627 \$ 108,106 \$ 114,539

Cash on Cash (Equity) Return 30% Debt Srv Cover = NOI/Debt Service 1.16 1.17 1.18 1.19 1.20

Appendix 8  
Source: City of Vancouver



## Appendix 9

### Housing Goals in the DTES Plan

The DTES Plan (2014) has a 30 year target of creating 4400 units of social housing in the DTES, with additional needs to be met outside of the neighbourhood (page 165 in the DTES Plan).

It is estimated that through infill and redevelopment opportunities, most of which are in Strathcona and DEOD with smaller opportunities in Chinatown, these areas could achieve 1500 of the 4400 unit target (page 165 in the DTES Plan).

In the 2011 census, 22% of the population in Chinatown and Strathcona are seniors (above 65 years old). To maintain the current population mix, staff used a scenario where 22% of these new social housing units are prioritized for seniors in Chinatown and Strathcona. This scenario indicates 330 units will be needed.

While the DTES Plan does not provide direction on the exact mix of seniors and non-seniors social housing, since achieving the desired units will depend on the proprieties of funding partners, these targets are within the social housing commitment made in the DTES Plan.

It is expected this scenario estimate would form part of the 30-year need identified by the UBC Study on Seniors Housing in city-wide Vancouver amounting to 3,300 units.

For the purpose of this study, these numbers were provided to the consultants for analysis.

Total population by age groups	City		Chinatown and Strathcona*	
0 to 4 years	24,775	4.1%	295	4.2%
5 to 19 years	75,675	12.5%	840	12.0%
20 to 44 years	252,955	41.9%	2,425	34.5%
45 to 64 years	168,170	27.9%	1,905	27.1%
Over 65	81,935	13.6%	1,555	22.2%
	603,510		7,020	

Source: Census 2011

\* using 'best fit' boundary, given limitations of only full city block data available

## Appendix 10 SWOT Analysis from Chinatown Society Legacy Report, Strategic Summary

	1. Time	2. Money	3. Capacity
Strength	<ul style="list-style-type: none"> <li>+Demand for housing and commercial space in Chinatown</li> <li>+Chinese-speaking pop'n in region is increasing, Chinatown positioned to be cultural hub</li> </ul>	<ul style="list-style-type: none"> <li>+Optimizing underperforming spaces can generate significant revenue without redevelopment</li> <li>+Much goodwill exists in communities to strengthen Chinatown</li> </ul>	<ul style="list-style-type: none"> <li>+Societies are nonprofit orgs with social missions aligned with collective good</li> <li>+Societies welcome and willing to participate and to partner</li> <li>+Networks for collaboration already exists between societies locally and globally</li> </ul>
Weakness	<ul style="list-style-type: none"> <li>-Societies struggle with increasing liability of maintaining dilapidating buildings</li> <li>-Societies face accelerating market pressure to sell as property values rise</li> <li>-Chinatown becoming a desirable condo neighbourhood</li> </ul>	<ul style="list-style-type: none"> <li>-Societies' constitution restricts debt financing</li> <li>-Low rental rates yields no building replacement reserves</li> <li>-Most grants apply only to specific building elements, not strategic and comprehensive rehabilitation</li> </ul>	<ul style="list-style-type: none"> <li>-Societies have varying degrees of expertise and capabilities in tangible and intangible development</li> <li>-Younger members are somewhat engaged, issues with decision making and succession planning</li> <li>-2-year board terms does not align with long-term planning and decision making</li> </ul>
Opportunity	<ul style="list-style-type: none"> <li>+ Newer organizations serving recent immigrant groups looking for space (i.e. new societies)</li> <li>+ Chinatown is recognized as National Historic Site drawing awareness its heritage preservation</li> </ul>	<ul style="list-style-type: none"> <li>+ City has committed time and resources into advocacy and grant programs in Chinatown</li> <li>+ Society buildings add to Chinatown tourism</li> </ul>	<ul style="list-style-type: none"> <li>+ Younger generation engaged with Chinatown revitalization (i.e. thesis research, film projects)</li> <li>+ Many Chinatown organizations (e.g. CCC, BIA, SUCCESS) are resources and partners</li> </ul>
Threat	<ul style="list-style-type: none"> <li>- Building conditions becoming liability</li> <li>- Buildings are under insured</li> <li>- Land value rising and development pressure</li> </ul>	<ul style="list-style-type: none"> <li>- To be financially viable, rents in renovated buildings will be higher</li> <li>- Major renovations will increase property taxes</li> </ul>	<ul style="list-style-type: none"> <li>- Signs of change interpreted as Chinatown's decline and gentrification</li> </ul>