



Capital Region Housing Corporation

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September 27, 2024

Mayor and Council
City of Victoria
1 Centennial Square
Victoria, BC V8W 1P6

Dear Mayor Alto and Council:

**Re: Victoria Housing Reserve Fund – Pandora Affordable Housing Redevelopment,
930 Pandora Avenue**

The Capital Region Housing Corporation (CRHC) is pleased to submit this application for funding through the Victoria Housing Reserve Fund (VHRF) program to help support the Pandora Avenue project. The CRHC is seeking a \$1,160,500 contribution from the VHRF. This contribution will help provide 158 new affordable rental homes to the North Park neighbourhood, which is an area in great need of additional rental housing options as well as community space. The project is a partnership between the City of Victoria, BC Housing and the CRHC to build non-market rental homes and create new community space at 930 Pandora Avenue. The CRHC will enter into a long-term lease and operate the 158 affordable rental homes. BC Housing will lease 47 supportive housing units with the City of Victoria retaining ownership of the land and improvements in addition to operating the main floor community space. This VHRF application is specific to the CRHC's affordable housing component of the project which will provide affordable rental housing options for low-to moderate income families, seniors, couples, single occupants, persons with disabilities, and very-low-income individuals at risk of homelessness.

CRHC Introduction

As the largest social housing provider in the capital region, the CRHC has a mandate to develop and manage affordable housing to meet the needs of people living in the capital region. The CRHC has been in operation for over 40 years and currently provides more than 2,000 units of affordable housing across more than 51 separate developments. The CRHC is committed to increasing housing opportunities that are safe, inclusive, sustainable, and remain affordable as the lives of the families change and grow.

Project Summary

The Pandora project is a multi-partner project between the CRHC, the City of Victoria and BC Housing to construct affordable rental housing, supportive housing, a community space, and a daycare, respectively. The City of Victoria purchased the land at 930 Pandora Avenue to develop a ground-floor community centre. The partnership with BC Housing and the CRHC will add two floors of supportive housing above the community centre, with an additional 17 floors of affordable rental housing. In total, this development will provide 47 supportive housing units, 158 affordable rental homes, a community space and a daycare that will provide childcare services to support tenants of the affordable rental homes. The project has a delegated development permit and has submitted a building permit application. The affordable rental homes will include:

- 158 affordable rental homes leased and operated by CRHC, including:
 - 57 new family-oriented homes (two and three-bedroom units)
 - Eight accessible homes, with increased adaptability for all remaining units
- No tenant relocation needed
- Rental affordability secured
- Target of BC Energy Code – Step 3
- Compliant with City of Victoria Zero Carbon Step Code EL-4 emissions targets
- Great outdoor and indoor amenity areas
- Access to childcare in the same building

Target Population

The Affordable Housing project will provide 57, two and three-bedroom homes for families and 101, studio and one-bedroom homes that can accommodate couples, singles and people at risk of homelessness. Of the 158 affordable rental homes, 32 homes are provided at BC Housing Deep Subsidy rental rates. Priority through the tenant selection process is given to Indigenous people experiencing homelessness and women fleeing violence. The housing needs identified for the local area also include individuals and small or single-parent families. Unit composition also targets single occupant households including individuals leaving transitional and supportive housing, and youth leaving the care system.

Accessibility

The Pandora Affordable Housing project will offer 158 new affordable rental homes. All homes are inclusive, with eight homes that are designed as fully accessible for those with physical disabilities. Accessible design requirements are in alignment with the BC Housing Design Guidelines and Construction Standards, which exceed the current BC Building Code requirements.

The remaining 150 homes are targeting a universal design standard outlined by the Canada Mortgage and Housing Corporation (CMHC). This standard, which is very similar to the provincial Adaptable Dwelling Unit standard, allows for future modifications to provide increased opportunities for tenants to remain in their units if accessibility needs arise as they age. Additionally, both the indoor and outdoor amenity spaces are fully accessible.

Project Funding & Partnerships

This project has provisional approval under the BC Housing Community Housing Fund (CHF), with final approval anticipated in January 2025. This project will receive \$25,010,452 in grant funding through the CHF. Any grant funding received through the VHRF will be used to reduce rent levels to the extent possible. This project uses a mixed income approach to provide affordable housing options to a range of household types with varying income levels. Through this approach, 20% of units are provided at deep subsidy rent levels, 50% at rent geared to income (RGI), and the remainder are for those with moderate incomes.

Table 1: Project Equity & Partnerships

(a) Anticipated Project Cost (Affordable Rentals)	\$108,388,027*
(b) Equity	\$26,170,952
Community Housing Fund	\$25,010,452
VHRF Grant	\$1,160,500**
(c) Mortgage	\$82,217,075
(d) Total Cost: (b) + (c)	\$108,388,027
*Final construction costs are being ascertained via tender and quantity surveyor cost estimates prior to final approval.	
**Based on approval of full VHRF request.	

Affordability

The affordable rental homes use a mixed income approach to provide affordable housing to a range of household types and incomes. This approach, through the CHF, allows the project to provide:

- 32 homes (20%) at BC Housing Deep Subsidy (shelter) rates
- 79 homes (50%) at Rent-Geared-to-Income rates
- 47 homes (30%) at moderate income rates

Due to the affordable rent levels, BC Housing will be required to provide an annual operating subsidy for the 60-year term of the operating agreement in order to maintain debt servicing requirements.

Table 2: Affordability Breakdown

Unit Size	Quantity	Affordability Target	VHRF Rent Threshold
Studio	22	Very Low to Low	\$375
	4	Low to Median	\$625
	8	Moderate	\$1,125
1 Bed	8	Very Low to Low	\$425
	50	Low	\$775
	9	Moderate	\$1,250
2 Bed	1	Very Low to Low	\$575
	21	Low to Median	\$1,050
	20	Moderate	\$1,400
3 Bed	1	Very Low to Low	\$700
	4	Low to Median	\$1,150
	10	Moderate	\$1,750

*Rent thresholds as outlined in the VHRF program guidelines. Where BC Housing definitions apply to unit types within primary funding program, BC Housing definitions will govern.

VHRF Support

The Pandora Affordable Housing Redevelopment project will provide affordable homes to 158 families and individuals across an income spectrum that ranges from very low to moderate. Despite the significant amount of equity secured for this project, the redevelopment is subject to financial pressures that may result in higher rent levels. Although an ongoing operating subsidy will be provided through BC Housing, the burden of escalating costs cannot be entirely borne through this subsidy and rent levels may increase to offset rising costs. Cost pressures include:

- Interest rate escalation creating higher cost of borrowing.
- High degree of construction cost escalation throughout the industry.
- Increases to building construction standards that further increase the cost of construction (building code, energy efficiency standards, etc.).
- Primary grant funding is on a per unit basis, regardless of unit type, which puts pressure on family-oriented developments with larger unit types.

The CRHC is seeking a \$1,160,500 contribution from the City of Victoria through the VHRF. This support will provide a significant contribution to the financial viability of the project and help mitigate the financial pressures affecting this redevelopment.

The project offers an exciting opportunity for a significant contribution of affordable rental housing to the North Park neighbourhood and the City as a whole. There is a great need for new affordable housing options and an integrated approach ensures that this building is not just a standalone facility but part of a broader effort to create a supportive and vibrant community. Additionally, this project will advance important municipal and regional goals on sustainability and aligns with the vision of growth outlined by current municipal and provincial policy. The CRHC is excited to work with the City of Victoria and BC Housing to help realize this project as a positive contribution to the community.

Sincerely,



Kevin Lorette, P. Eng., MBA
General Manager, Planning and Protective Services

cc: Ted Robbins, Chief Administrative Office
Don Elliott, Senior Manager, Regional Housing
Rob Fowles, Manager, Planning and Capital Projects

List of Documents Submitted:

1. Application Checklist
2. Application Form
3. Building Plans – On record with City of Victoria through Building Permit Application
4. Site Plans - On record with City of Victoria through Building Permit Application
5. Capital Budget
6. 10-year Operating Budget
7. Financial Statement