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Council Member Motion
For the COTW Meeting of March 13, 2025

To:	Committee of the Whole	**Date:**	March 13, 2025
From:	Councillor Jeremy Caradonna and Councillor Krista Loughton		
Subject:	Advocacy to the Province to Modify Amenity Cost Charge Policy to Better Support Affordable Housing		

Background

The Province has created new legislation that brings shape and clarity to the amenity contributions that developers make to local governments. These Amenity Cost Charges (ACCs) will replace the more freewheeling system of Community Amenity Contributions (CACs) that cities have relied on to fund parks, public realm improvements, arts, and affordable housing for the past many years.

In general, this provincial legislation is welcome and will add much-needed order and standards to amenity contributions. That said, the current policy contains a flaw, in that it does not allow ACCs to be used for non-predetermined projects identified ahead of time by staff. As a result, it would be challenging to use ACCs as a means of recapitalizing the City's Housing Reserve Fund (HRF), which is used to finance or co-invest in affordable housing projects. Currently, CAC monies regularly recapitalize the HRF, where they often sit for 6 months or a year before being used to finance affordable housing. This system works very well, and the City generally has no trouble finding affordable housing projects to co-invest in.

Here are the facts on the Housing Reserve Fund:

- Current unrestricted balance: $2.2m
- Annual contributions to the HRF in a typical year from property taxes: $400k
- Approximate amount that the City has furnished to affordable housing projects since October of 2022: $6m

If the provincial ACC policy is not tweaked to allow for ACCs to finance non-predetermined projects, including affordable housing, then the City will be deprived of an incredibly important

revenue stream to replenish the HRF. This outcome would have a negative effect on the City's ability to advance affordable housing during a housing affordability crisis.

If the ACC policy is not changed, the only ways to replenish the HRF moving forward would be: 1) property taxes (or other civic revenue sources), 2) stratified bonus density projects, or 3) voluntary donations. Some monies would likely come from stratified bonus density projects, but the rest would come from property taxes, and $400k annually is simply not enough to keep pace with the demand for HRF investments from non-market housing providers.

To be clear, the City has three main ways that it supports housing affordability: 1) through approvals of non-market housing projects, 2) via policies that encourage affordability, and 3) through direct investments via the HRF. The third pillar would be compromised without changes in ACC policy from the Province.

Finally, there are many examples in recent years of affordable housing projects that have relied on HRF financing to close equity gaps and make projects viable. These financial contributions are not symbolic handouts, but rather essential forms of financing that help get projects over the line. Recent grants include Caledonia (CRHC, $1m), Village on the Green (CRHC, $2.4m), Michigan Square (CRHC, $620k), Chown Place (Gorge View Society, $770k), and Forest Heights (Greater Victoria Housing Society, $2.5m).

Recommendation

That Council directs the Mayor to advocate to relevant provincial Ministries and MLAs, without slowing down or otherwise affecting the adoption of any City bylaws related to the Official Community Plan updating process, to request:

1. either amendments to the provincial Amenity Cost Charge (ACC) policy that would allow ACCs to be used to support non-predetermined affordable housing projects, for instance via the City's Housing Reserve Fund, or the creation of an alternate cost charge tool that could be used to invest in affordable housing; and

2. any additional minor amendments to the ACC policy, identified by staff and the Mayor, that would advance the City's strategic interests.

Coun. Jeremy Caradonna   Coun. Krista Loughton

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