



# VICTORIA COOL AID SOCIETY

210 GORGE ROAD EAST

## VICTORIA HOUSING RESERVE FUND

July 5, 2018



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Mayor & Council  
City of Victoria  
1 Centennial Square  
Victoria BC V8W 1P6

**RE: Victoria Housing Reserve Fund Request**  
**210 Gorge Road East – Affordable Housing**

Dear Mayor Helps and Council,

I am delighted to ask for the City's support of our proposal for the redevelopment of an existing Cool Aid property at 210 Gorge Road East. We are requesting a grant of \$600,000 towards the 50 affordable rental housing units that will be created as a result of this proposal. No request is being made for the 32 supportive housing units that will also be integrated into the new apartment building.

The site is currently owned by Cool Aid but the buildings are over 60 years old and unsuited for secure housing because the buildings have traditional motel-style exterior access to each unit. Now more than 60 years old, the buildings have reached the end of their useful life. They were not designed for permanent residential housing, and leave the site significantly underutilized. We are proposing that the existing buildings be demolished and replaced with a new 82-unit purpose-built apartment building. Existing tenants will be temporarily placed in alternative supportive housing for the duration of construction and offered an opportunity to return to their homes in the newly built housing. Occupancy is planned for December 2020.

Currently 21 adults are housed on the site who are challenged with addictions and mental health conditions. With the redevelopment of this property, we will relocate existing residents during the construction period and they will be able to return home in the new building upon completion. The proposed new building targets an integrated resident population by providing 32 units for adults needing supportive and/or shelter rate housing and 50 affordable apartments for people with low to moderate incomes – such as seniors, working singles and low income couples. The rental rate structure for the affordable rental units will not exceed the median household income for the Victoria census

metropolitan area as defined by Statistics Canada. Based on 2015 census data, the median household income is \$69,965. Certainly, Cool Aid's intent is to deepen affordability as much as possible, so we intend on offering units at rates which fall between the low to moderate income thresholds.

Our current proposed rental rate structure is as follows:

Unit type	Unit Size	Current Proposed Rent	Household Income Range
10 Studio units	330 sf	\$750	\$30,000
20 Studio units	330 sf	\$850	\$34,000
10 One bdrm units	500 sf	\$1,125	\$45,000
10 Two bdrm units	700 sf	\$1,500	\$60,000
32 supportive units	330 sf	\$375	Income Assistance Shelter Rate

The proposed project meets many policy objectives of the City's Official Community Plan and the recently adopted Burnside Gorge Neighbourhood Plan. Under the OCP, this site is designated as Urban Residential which supports low and mid-rise multi-unit buildings up to approximately six storeys. The architectural form is highly complementary to surrounding sites which are all low to mid-rise multi-family developments. Accommodation will be made for a future bike lane along Gorge Road East and an extensive garden has been included along the Carroll Street frontage.

Supporting this project will add 50 new affordable rental homes to Victoria's inventory and an additional 11 units of supportive housing. We anticipate that an additional 71 or more tenants will be housed as a result, including some who are homeless and others who are at risk of homelessness. Bringing affordable rental housing together with supportive housing will create a much more diverse community within the building.

The project is currently supported by BC Housing and the CRD through the \$90 million Regional Housing First Program, CRD through their Housing Trust Fund and CMHC. Cool Aid is also contributing \$2.1 million towards the redevelopment by providing the land and cash equity from donations. In addition to this, the Sisters of St. Ann have generously provided \$450,000 towards this project.

Cool Aid currently manages 525 apartments in 15 buildings in Victoria, Saanich and Langford, and we have been providing supportive housing since 1991. We are the largest operator of supportive housing outside of the Lower Mainland and were the first in the Province to introduce this model of care. We also provide a wide variety of healthcare, employment, nutrition, recreation and support services to over 12,000 people each year.

We ask the City of Victoria to join Cool Aid and our partners in supporting this estimated \$18 million project with a grant of \$600,000. We are grateful for your contributions to the supportive units through the Capital Regional District. We would be happy to provide you with any additional information you would like.

Sincerely,

A handwritten signature in black ink that reads "Kathy Stinson".

Kathy Stinson, CPA, CMA, CIHCM  
Chief Executive Officer  
kstinson@CoolAid.org  
250-414-4792

cc: Jesse Tarbotton, Senior Housing Planner



Sustainable Planning and  
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1 Centennial Square  
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# Victoria Housing Reserve Fund Application for Funding

The Victoria Housing Reserve Fund Program Guidelines contain important information on project eligibility and the application process. Please review the guidelines prior to completing an Application for Funding.

The entire Application for Funding must be completed along with all other documents identified on the Application Checklist. Please attach additional pages if more space is needed.

An appointment is strongly encouraged prior to applying for funding to ensure the project meets eligibility criteria. To make an appointment, email [communityplanning@victoria.ca](mailto:communityplanning@victoria.ca).

If you have any questions about the criteria or the process, please contact the Community Planning Division at [communityplanning@victoria.ca](mailto:communityplanning@victoria.ca) or 250.361.0382.

## 1. Letter to Mayor and Council

Please include a letter to Mayor and Council highlighting key aspects of the proposed project and how it meets the objectives of the Victoria Housing Reserve Fund Program as outlined in the Program Guidelines.

## 2. Proponent Information

Organization Name Victoria Cool Aid Society Non-profit Society Yes ☒ No ☐

Contact Person/Position Kathy Stinson, CEO or Deanna Bhandar, Director of Real Estate Development

Business Address 101-749 Pandora Avenue, Victoria BC, V8W 1N9

Telephone 250-383-1977 (143)

Fax 250-383-1639

Email dbhandar@coolaid.org

Date of Incorporation October 28, 1976

Canada Revenue Agency Charity # 12820 5069 RR0001

Previous Projects Funded through the Victoria Housing Reserve Fund, if any: Cottage Grove, Queens Manor

I have read and understand the Victoria Housing Reserve Fund Program Guidelines ☒

I understand funding is a one-time, non-renewable grant ☒

Application Date mm/dd/yyyy July 5, 2018

Applicant Signature 

## 3. Project Summary

Submission of building and site plans are required as part of the application package.

Address/location of project 210 Gorge Road East

Developer and contact information (if different from the Proponent) Deanna Bhandar, Director of Real Estate Development

Project Architect and contact information Number TEN, 250-360-2106

Owner and Operator of Housing Victoria Cool Aid Society

Housing type (strata/apt etc.), number of units and sizes (bedrooms) Apartments: 62 studio + 10 one bedroom + 10 two bedroom





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## Victoria Housing Reserve Fund Application for Funding

Target population, incomes (as defined in the Program Guidelines) and target rents or sale price per unit

Support services provided (if any)

Additional features

Target Completion Date

How does the project meet the objectives of the Victoria Housing Reserve Fund Program as described in the Program Guidelines?

Describe how the project is consistent with the City's Official Community Plan (OCP), Neighbourhood Plan policies and zoning.

What development approvals are required or have been received?



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## Victoria Housing Reserve Fund Application for Funding

#### 4. Experience and Capacity to Develop and Manage Affordable Housing

Outline the proponent's experience in the development and management of affordable housing. How does this project compare to this previous experience and the proponent's capacity to complete the project in the short-term and manage it over the long-term?

#### 5. Project Financing and Sustainability

A. Describe how the funding model will support long-term financial sustainability and housing affordability. Please also attach a detailed Capital Budget and 10-year Operating Budget. For affordable home ownership projects, detail how the units will be affordable and will remain so over time.

#### 6. Partnerships

List partners in this project (developers, agencies, other levels of government etc.), and detail their involvement.

#### 7. Other Information

Provide any other information that supports your application.

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# NEED AND DEMAND STUDY

## COMMUNITY NEED AND DEMAND

The City of Victoria's Housing Strategy 2016-2025 targets 800 affordable rental units by 2026 "to ensure adequate supply and avoid putting downward pressure on housing supply".<sup>i</sup> In Greater Victoria, the key indicators for affordable rental housing need are 1) the current low vacancy rate, and 2) high average monthly rental costs. Additionally, the need for shelter rate housing is evidenced by the Greater Victoria Centralized Access to Supportive Housing's (CASH) long waitlist, and the growing number of individuals with a history of chronic shelter use.

The Victoria Foundation's annual *Vital Signs* publication provides indicators of substantive housing affordability issues. Current affordability statistics include:

- The annual income of a person earning minimum wage is \$26,312. Devoting 30% of this income to housing would only support a monthly rent of less than \$657, which is well below current average market rents.
- The annual income of a senior receiving CPP/OAS and GIS is \$23,604. Devoting 30% of this income to housing would only support a monthly rent of less than \$590, which is well below current average market rents in the Capital Region.

The majority of the proposed building will be allocated to affordable rental apartment units for those with low-to-moderate household incomes. Housing is deemed "affordable" based on median household income as recognized by a Housing Affordability Index, such as the one administered by Canada Mortgage & Housing Corporation (CMHC). These affordable housing units will provide much needed rental housing stock.

## RENTAL MARKET

As of 2017, the vacancy rate for rental housing was 0.7%<sup>ii</sup>, which is below the 3% vacancy rate generally considered "healthy". The rental demand projection for the Capital Regional District, in which Victoria is a key municipality, estimates that 4,564 households will require new rental units by 2038.

## AFFORDABLE RENTAL RATES

Given that there are 1,488 (83%) renter households in need of affordable, adequate, and suitable housing, and the median household income is \$69,965, Cool Aid has set the rental rates in this proposed project to target renters with a maximum income of \$45,000 for singles (equating to \$1,125/month rent) and \$60,000 for doubles (equating to \$1,500/month rent). This will ensure that we are offering 40 units at the low to moderate income level and at the same time preserving 32 units at income assistance rates and an additional 10 units below HILS levels.

Table 1: 2018 BC Household Income Limits

PLANNING AREA	STUDIO	1 BDRM	2 BDRM
Victoria	\$34,500	\$39,800	\$51,700

# PROPONENT PROFILE

Cool Aid's mission is to provide housing, shelter, health, and employment services. Cool Aid operates 15 supportive and affordable housing buildings, accounting for 525 residential units throughout the region. Five of our buildings (Fairway Woods, Mount Edwards, Hillside Terrace, Olympic Vista, and Cottage Grove) offer supportive and affordable housing for seniors.

We also operate the Access Health Centre; REES Centre where we provide outreach, counselling, and volunteer opportunities and which includes the Community Casual Labour Pool. Our Downtown Community Centre offers thousands of individuals a variety of free recreation, wellness, food, arts, and vocational training opportunities including the Every Step Counts Running Program. We are proud to be celebrating our 50<sup>th</sup> year of providing housing, health and support services for our community's most disadvantaged people.

## BOARD OF DIRECTORS AND GOVERNANCE

Victoria Cool Aid Society is governed by a Board of Directors. The board provides accountability and transparency as an oversight body for the organization and is responsible for developing and approving a strategic plan and annual budget. Members of the board establish organizational policy, authorize programs, and act as the trustees of the society on behalf of the membership.

## ORGANIZATIONAL CAPACITY

Victoria Cool Aid Society has a high level of organizational capacity, and has a demonstrated ability to successfully develop, manage, and operate residential buildings. It has been operating housing for 50 years in Victoria. As such, the operations team has a comprehensive understanding of what is required to operate housing, including budgeting, policy development, rent collections processes, and tenant relations.

Cool Aid employs over 300 staff who provide operations and property management services to the organization's units and/or deliver support services to tenants and clients. Staff will adjust existing systems to accommodate the new building and hire new staff where and when appropriate. Current staff assigned to the new project will include the property manager and property assistant, as well as the maintenance manager, IT manager, on-site staff and manager of housing.

## CURRENT HOUSING OPERATIONS

VCAS currently owns and/or operates 525 rental units. The following table provides a high-level sample of Cool Aid's units.

Table 2: Sample of Current Housing

SAMPLE OF CURRENT HOUSING				
Name	Cottage Grove	Hillside Terrace	Pandora Apts	Fairway Woods
Location	3207 Quadra St	1460 Hillside	757 Pandora	597 Goldstream
Target tenant	Seniors	Seniors	Low Income Singles	Seniors
Type of housing	Light Support	Assisted Living	Supportive	Supportive
Total # of Units	45 units	45 units	40 units	32 units

# PROJECT TEAM PROFILE

Victoria Cool Aid Society has a long history of securing valuable properties and successfully developing housing in the Capital Region District. To date, we have led the development of 11 projects ranging from emergency shelters to supportive and affordable rental housing.

## ROLES AND RESPONSIBILITIES

VCAS will be responsible for the following aspects of the project:

- Finance modeling and costing
- Develop RFP for contractors, issue tender
- Liaise with BC Housing and CRD throughout design and construction
- Post-completion and one-year warranty review

## PROJECT TEAM

For this project, Victoria Cool Aid Society will rely on its internal expertise to deliver this project. This team will include, but is not limited to:

- **Kathy Stinson**, Chief Executive Officer
- **Deanna Bhandar**, Director of Real Estate Development
- **Don McTavish**, Director of Residential Services
- **Andrew McNamara**, Manager of Property Management

# ARCHITECT PROFILE

Number TEN Architectural Group is an integrated practice of architecture, planning, strategic advisory services, interior design and visual communications. Their breadth of work is diverse and includes specializations in commercial/residential, schools, recreation centres, hospitality and institutional projects.

The practice's design philosophy places a high value on collaborative design responses, an integrated approach to sustainability and energy conservation, and a creative engagement with client objectives. Barry Cosgrave is the principal architect leading design of the 210 Gorge redevelopment.

## PROJECT TEAM

- **Barry Cosgrave**, Principal Architect
- **Mark Anthony**, Associate Architect

# PROJECT DETAILS

## TARGETED CLIENT GROUP AND ALIGNMENT

VCAS is the largest provider of supportive housing in the Capital Region District and has been providing affordable, supportive housing utilizing a housing first perspective and incorporating a harm reduction approach to the most marginalized people in our community for the past 25 years. Cool Aid owns 320 rental units and manages more than 525 rental units in 15 different buildings.

This project targets an integrated resident population: adults needing supportive housing, working singles, low income couples and seniors.



## PROJECT LOCATION AND DETAILS

In 2006, Cool Aid assumed operations of Cedar Grove, and subsequently purchased the property in 2009. The site currently contains two buildings, which were originally designed for motel use. Built to modest standards, the buildings have traditional motel-style exterior access to each unit. Now more than 60 years old, the buildings have reached the end of their useful life. They were not designed for permanent residential housing, and leave the site significantly underutilized.

Located in a mixed-residential neighbourhood, 210 Gorge Road East is close to downtown, with convenient transit and walking access to a full spectrum of wellness, recreation, and commercial services. Situated at the northeast corner of Gorge Road and Carroll Street, the property is ideally suited for a new purpose-built residential development. The surrounding land uses include several rental apartment buildings to the south, a large condominium to the east and a townhouse complex to the north. The site slopes from northwest to southwest and includes a significant elevation difference of 4.63 m (15 ft) from the highest point to the lowest point.

Cool Aid has chosen to redevelop the site located at 210 Gorge Road. This location best meets the needs of the targeted individuals described above because of the demand for housing with supports and affordable rental units and proximity to goods and services. Public transportation, public amenities, and commercial services are all located in either the same development or nearby.

This development complies with Victoria's Official Community Plan (OCP) and the Development Permit Area (DPA) designation for this area. Through several community consultations, we have worked with our adjacent neighbours to refine the massing and the fifth and sixth storeys have been set back to mitigate the visual impact of the building height. We have made several revisions to the design in respect of the Neighbourhood Plan and our neighbours including:

- glazing and design of the ground level space such that it has the appearance of a commercial frontage
- extensive garden beds and landscaping treatments along the Carroll Street frontage which act as a way of bridging the local community with 210 Gorge residents

## BUILDING SIZE AND DESIGN

The following table outlines the project's details, including size, design, and unit numbers and types. Please see Appendix D for project designs.

Table 4: Building Size and Design

BUILDING SIZE AND DESIGN	
<b>Project name</b>	210 Gorge Road
<b>Address</b>	210 Gorge Road
<b>Owner</b>	Victoria Cool Aid Society
<b>Land owner</b>	Victoria Cool Aid Society
<b>Property manager</b>	Victoria Cool Aid Society
Site amenities (inside)	Lounge area on main level with access to enclosed patio; office and meeting spaces on main level.
<b>Site amenities (outside)</b>	Located on an arterial road; in close proximity to downtown
<b>Parking</b>	<p>Parking spaces provided: 24 spaces; 90 bicycle parking spaces; 2 bike share parking spots</p> <p>Parking Requirements: 90 spaces under current Parking Bylaw; under the revised Schedule C Parking bylaw 30 parking spaces would be required.</p> <p>Transportation Demand Measures: 20 MODO Car Memberships, 2 bike share parking spaces; a bicycle repair room</p>
<b>Type(s) of housing</b>	Multi-family
<b>Total site size</b>	20,700 sf
<b>Building size (# of storeys)</b>	<b>6 storeys</b>
<b>Total square footage</b>	41,147 sf
<b>Total # of units</b>	<b>82 units</b>

## AFFORDABLE RENTAL RATES

The rents for this project are structured to achieve a mix of incomes while preserving affordability to offer housing to low-moderate income singles, seniors, couples and families. The following table outlines the project's proposed rental rates, which are set below true market costs for comparable rental units in the CRD.

Table 6: Rental Rates

UNIT TYPE	UNIT SIZE	PROPOSED RENT	HOUSEHOLD INCOME
10 Studio Units	330 sf	\$750	\$30,000
20 Studio Units	330 sf	\$850	\$34,000
10 One bd Units	500 sf	\$1,125	\$45,000
10 Two bd Units	700 sf	\$1,500	\$60,000
32 Shelter Rate Units	330 sf	\$375	
<b>TOTAL 82 units</b>			

# OPERATION MANAGEMENT PLAN

The following is a high-level overview of the operating budget. Please see Appendix F for a detailed operating budget. The detailed budget reports the residential rental income along with corresponding expenditures to operate, finance and provide property management services and support to tenants. This operating budget is based on Cool Aid's 50 years of operating housing in Victoria and outlines realistic expenditures associated with a project of this size.

## SELF-SUSTAINING OPERATIONS

This project will not require ongoing operating subsidies or supplemental funding from BC Housing.

## SERVICES PROVIDED

The 32 self-contained supportive housing units will provide permanent housing that is subsidized, and has on-site supports, including 24/7 staffing. Support services are generally designed around an individual resident's needs related to physical or mental health, developmental disabilities, or substance use. These are permanent housing units, and there is no time limit on how long an individual can access this supportive housing.

- The building will be staffed 24/7.
- A range of community building and supportive services will be provided in the building
- Pets (dogs and cats) will be permitted.
- 8 units are currently planned to be barrier-free for those with physical disabilities or challenges, and will include one and two-bedroom units in addition to studios. If National Housing Co Investment funding is approved for the project, we will increase the barrier-free units to a total of 17 units to meet their funding requirements.
- All dwelling units are fully self-contained.

Cool Aid will adapt our best practice model to fit the needs of the individuals housed. The program will provide: in-house counselling, medication monitoring, crisis intervention and conflict resolution. Around-the-clock, on-site staffing will aid in monitoring care plan compliance, nutritional and hygiene issues, and provide opportunities for tenant feedback.

Cool Aid will facilitate relationship building and community development by providing opportunities for community contributions, socialization, recreation, meetings, gatherings and focus groups. Most of these activities will take place within common areas of the building, tenant garden and grounds.

The locations of the kitchen, common areas and staff office have a direct effect on service delivery. The staff office will be located adjacent to the main entrance, and co-located with the other areas on the main floor within close proximity and visibility of each other. Doing so will ensure effective monitoring of the building, a sense of security among tenants, increased interaction between tenants and staff, high participation rate among tenants, and efficient use of staffing resources.

Cool Aid has the capacity, through its integrated services and facilities, to provide additional support services in the form of health care, mental health and addiction counselling, dental services, peer-based mentorship, assistance in finding employment, and a wide range of recreational, educational and supportive activities. (REES Support Services, Downtown Community Centre, Access Health Centre)



A key part of our social programming also includes a provision for some residents to carry out regular, specific janitorial and gardening duties as appropriate to their skills, abilities and interests, through an honorarium program under the supervision of a housing support worker. This program assists tenants in building their skills and self-esteem and contributes to the creation of a sense of community and pride within and around the building.

Cool Aid currently has a contract in place with Island Health which supports one full-time staff person on-site 24 hours/7days per week. The funding for this position and support is approved on an annual basis and Island Health has indicated their intention to continue funding this position. If Island Health chose not to continue providing funding for staffing at the new development, we would seek to house people in the 32 deep subsidy units with tenants that score lower on the vulnerability assessment tool (VAT) and who are able to live more independently.

#### TENANT SELECTION PROCESS

An income test will be completed upon application for tenants of the 50 affordable rental units.

We anticipate referrals from other housing agencies, service providers and advertising any vacancies on our website and utilizing the Housing Registry maintained by BC Housing as a possible source for tenants.

Supportive housing tenants will be selected through CASH.

All tenants will have the full rights and obligations of the Residential Tenancy Act.

**(Note: We are requesting funds only for the 50 units of affordable housing in this application.)**

# OPPORTUNITIES AND IMPACT

## IMPACT ON PROPONENT

There will be several benefits to adding these units to Cool Aid's portfolio. It will allow Cool Aid to better serve its clients within the CRD by alleviating the pressure of the long waiting list that exists for affordable rental units. There is also the potential opportunity to move tenants to this more independent living setting thereby opening up units in our supportive housing which will in turn, further reduce homelessness in our community.

This project will also support the financial sustainability of the organization, as any surplus from this project will be reinvested into capital investments or program supports for tenants, including other Cool Aid programs. By expanding our operations to include more affordable rental units, Cool Aid will increase our impact and further augment our financial sustainability by growing our capital assets with this new building.

## IMPACT ON COMMUNITY

By replacing an aging asset on a prominent corner along a major arterial road with a modern, residential building, Cool Aid will contribute to the revitalization of the local neighbourhood. The addition of 61 new housing units has the collateral impact of increased activity for the local economy. The thoughtful landscape design of the Carroll and Gorge Road frontages contribute to a positive pedestrian experience. Great care has been taken to ensure the preservation of the existing horse chestnut trees along Gorge Road. An extensive boulevard garden has been incorporated into the design along Carroll Street to act as a medium for interaction between existing neighbours and the new residents of 210 Gorge Rd. The vision for these garden boxes and fruit trees is to provide enhanced food security and nourishment for both the residents and neighbours in addition to the significant therapeutic and social benefits of gardening.

## IMPACT ON TARGET TENANTS

These new units will have a substantial impact on the individuals seeking affordable rental housing within the City of Victoria. The addition of low-cost rental housing units in Victoria will provide permanent housing for people on income assistance and will also provide much needed affordable rental housing units for people with low to moderate incomes.

## APPENDIX LISTING



- A. Project Designs
- B. Budgets
  - a. Capital
  - b. Operating
  - c. 10 Year Operating Pro forma

## END NOTES



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<sup>i</sup> City of Victoria: Victoria Housing Strategy 2016-2025

<sup>ii</sup> CMHC Fall Rental Market Report 2017