



## Committee of the Whole Report For the Meeting of December 13, 2018

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**To:** Committee of the Whole **Date:** November 30, 2018  
**From:** Andrea Hudson, Acting Director, Sustainable Planning and Community Development  
**Subject:** **Victoria Housing Reserve Fund Program Guidelines Update**

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### RECOMMENDATION

That Council direct staff to:

1. Implement all changes to the Victoria Housing Reserve Fund approved at the September 27, 2018 Committee of the Whole Meeting.
2. Direct staff to update the fund guidelines to incorporate the following changes developed during the consultation period:
  - Develop an eligibility checklist and withhold financial and schedule information for privacy reasons
  - Redefine "No Income" to "Very Low Income"
  - Set a targeted application review timeline
  - Prioritize projects that provide housing for individuals and families who are either experiencing homelessness or are at risk.

### EXECUTIVE SUMMARY

The purpose of this report is to provide the results of the consultation with non-profit housing providers and developers, along with further recommendations for Council's consideration, on changes to the Victoria Housing Reserve Fund (VHRF) Program Guidelines (Attachment A).

Consultation took place in October 2018 and consisted of affordable housing providers and developers providing comprehensive feedback through a circulated survey and focus group meeting. Overall, there was general support for the proposed changes as well as several suggested improvements to support the achievement of fund objectives. Specifically, staff endorse the following additional changes to the VHRF brought forward by housing stakeholders:

- Develop an eligibility checklist and withhold financial and schedule information for privacy reasons
- Redefine "No Income" to "Very Low Income"
- Set a targeted application review timeline
- Prioritize projects that provide housing for individuals and families who are either experiencing homelessness or are at risk.

These changes, together with the recommended updates to the fund guidelines presented to Council in September, will strengthen and expand the VHRF and enhance its long-term sustainability and funding outcomes.

## **PURPOSE**

The purpose of this report is to provide information, analysis, and recommendations on additional updates to strengthen and expand the VHRF following focused consultation with housing stakeholders.

## **BACKGROUND**

The VHRF was created to provide capital funding to assist in the development of affordable housing for households with no, low, or moderate incomes to support community diversity and infrastructure.

The *Victoria Housing Strategy 2016-2025* identified a review and update to the fund guidelines while considering funding allocations and limits, criteria to encourage family-oriented units, and an evaluation of the fund for affordable housing projects outside of Victoria as a priority action for Year 1. After receiving recommendations from staff at Committee of the Whole on November 24, 2016, and subsequent consultation with affordable housing providers and the development community, Council approved several updates to the fund to achieve these objectives on June 15, 2017.

On September 27, 2018, Council received a staff report outlining several additional updates to further strengthen the VHRF. These updates were created in anticipation of a new influx of applications due to renewed commitments by senior levels of government to support the construction of low and moderate income housing. The updates were as follows:

- Create application deadlines in order to assess all applications on their merits rather than on a first-come, first-served basis – one deadline in 2018, and two per year in subsequent years
- Reduce the maximum funding allocation for rental units geared to moderate income households to \$5000 per bedroom
- Limit project eligibility to those located in the city of Victoria
- Require VHRF applicants to adhere to the Tenant Assistance Policy and submit a Tenant Assistance Plan for staff approval, where applicable.

Council approved these updates contingent on consultation with local housing stakeholders, the results of which are the subject of this report.

## **ISSUES AND ANALYSIS**

### **Focus Group**

A request to be part of a focus group to review the proposed changes to the VHRF was sent to a wide range of housing stakeholders, with seven respondents ultimately agreeing to join. Participants were invited to review the proposed changes to the VHRF guidelines in a survey, by email, or if warranted, in an in-person group meeting. Members of the group submitted feedback via email and through the survey and no member deemed an in-person meeting necessary.



## Participants

Participants of the focus group included representatives from the following organizations: the Capital Regional Housing Corporation; Greater Victoria Housing Society; Habitat for Humanity; Pacifica Housing; and Victoria Cool Aid Society. The participants also provided their feedback through the survey. Additionally, staff received written feedback through the survey from representatives of Our Place Society and Threshold Housing Society.

## Feedback

Overall, the response to the proposed guideline updates were positive. A full summary of the consultation can be found in Attachment B.

### Reduction of moderate rental unit funding allocation

The prioritization of low income rental units and reduction of funding allocation for moderate income rental units was generally supported. There were suggestions to increase the funding allocation for low income rental units; however, staff concluded that this would negatively impact the intention of this change by increasing the amount of funding requests and ultimately oversubscribing the fund, resulting in fewer grants issued. There was a recommendation made to ensure that the income targets used in the VHRF align with those used by funding partners such as BC Housing and CMHC. Following this suggestion, staff analysed the income level thresholds set by current funding programs with these partners and have found there is already substantial alignment with the VHRF (Table 1). It is important to note that the definitions of affordability and income level thresholds provided below reflect specific funding programs which change over time. The VHRF Program Guidelines currently allow for Council discretion for projects that may fall outside of these definitions, but fulfil specific housing needs or new affordable housing funding programs.

**Table 1:** VHRF Alignment of Income Levels and Affordable Housing Definitions

Income Level Thresholds	Victoria Housing Reserve Fund	BC Housing	CMHC	Alignment
<i>Very Low Income</i>	Maximum shelter allowance as defined by Ministry of Social Development and Poverty Reduction	Maximum shelter allowance as defined by Ministry of Social Development and Poverty Reduction	Affordability levels determined by needs assessments and defined by municipal or provincial plans and programs	High Alignment
<i>Low Income</i>	Housing income limits as set by BC Housing on an annual basis	Housing income limits as set by BC Housing on an annual basis		High Alignment
<i>Moderate Income</i>	Victoria census metropolitan area median total household income, as defined by Statistics Canada (\$70,283)	Gross household income that does not exceed the median income for families without children in BC (\$87,697)		Moderate alignment with local consideration



## Tenant Assistance Policy

Staff received valuable feedback on the City's new Tenant Assistance Policy, including a request to provide more clarity regarding alternative provisions for non-profit housing providers who relocate tenants within their existing portfolio with the same rental amounts and equivalent conditions. Staff are currently updating the wording on the Tenant Assistance Policy and guiding documents in response to this recommendation.

## Annual Intake Deadlines

The option to set two annual intake deadlines was received favourably. Participants agreed that it is more equitable to assess applications on their own merits and achievement of city objectives, rather than on a first-come, first-served basis. Participants also recommended that the VHRF application evaluation be separated from the rezoning process for transparency and to avoid development delays. The focused intake dates will achieve this.

## Prioritizing projects that receive no other supports from the City of Victoria

Participants supported the prioritization of projects that receive no other supports from the City of Victoria. Projects throughout the region can submit applications to the Regional Housing Trust Fund, of which the City of Victoria is the second largest contributor.

## **Proposed Additions**

### Eligibility Checklist

Another suggestion was for the City to publish an eligibility checklist to more clearly outline eligibility requirements.

### Withhold Financial and Schedule Information

Finally, the group requested that financial and schedule information should be withheld from publication in order to protect the competitiveness of pending contracts and project viability. The publication of this information does not provide any legal privacy concerns as non-profit organizations are not protected by FoIPPA; however, staff agree that this would ensure transparency and accountability for Council and members of the public, while at the same time not compromising the viability of housing developments.

### Redefine "No Income" to "Very Low Income"

Participants recommended redefining the referenced term "no income" to "very low income" to more accurately reflect the definition in the VHRF guidelines: *...for rental units targeted to very low income individuals or families, affordable housing may also be defined as housing with rents set at or below the maximum shelter allowance as defined by the Ministry of Social Development and Poverty Reduction.*

### Targeted Application Review Timeline

Participants also recommended clearly outlining the application review timeline for applicants to understand when to apply and when to expect to hear from staff. Staff recommend setting a review period of one month for concurrent application review and two additional months to receive a Council decision.

Prioritize projects that provide housing for individuals and families who are either experiencing homelessness or are at risk

Staff recommend adding this participant recommendation, given the recent results of the 2018 Point in Time Count, which estimates that there are at least 1,525 individuals experiencing homelessness in Greater Victoria. Moreover, this addition will deepen the VHRF alignment with existing funding programs such as the Regional Housing First Program which is led by the CRD and is in partnership with BC Housing and CMHC.

**OPTIONS AND IMPACTS**

**Option 1**

Implement all changes to the VHRF approved at the September 27, 2018 Committee of the Whole Meeting and further update the fund guidelines to incorporate changes raised during consultation. (Recommended)

Staff recommend that Council approve the proposed amendments to the VHRF guidelines.

**Option 2**

Decline the additional changes to the Victoria Housing Reserve Fund Guidelines

Accessibility Impact Statement

The recommendations contained in the report have no accessibility impacts.

2015 - 2018 Strategic Plan

The further revision of the Victoria Housing Reserve Fund aligns with the *2015 - 2018 Strategic Plan* Strategic Objectives 1: Innovate and Lead; 3: Strive for Excellence in Planning and Land Use; 6: Make Victoria More Affordable; and 13: Demonstrate Regional Leadership.

Impacts to Financial Plan

The proposed changes to the VHRF guidelines will not have an impact on the financial plan.

Official Community Plan Consistency Statement

This action is consistent with the OCP policy directions of "Land Management and Development" and "Housing and Homelessness".

**CONCLUSIONS**

The amendments to the VHRF guidelines that are outlined in this report will promote the fund's long-term sustainability, allow for the effective prioritization of funding requests to help achieve Victoria's affordable housing targets, and ensure that displaced tenants are provided supports outlined in the Tenant Assistance Policy.



Respectfully submitted,



Hollie McKeil  
Housing Planner  
Community Planning Division



Andrea Hudson, Acting Director  
Sustainable Planning and Community  
Development Department

Report accepted and recommended by the City Manager:



Date: Dec 6, 2018

**List of Attachments**

- Attachment A: Revised Victoria Housing Reserve Fund Program Guidelines
- Attachment B: Consultation Summary - Proposed Revisions to the Victoria Housing Reserve Fund Program Guidelines.