

PACIFICA HOUSING

Affordable homes. Better lives.

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January 24, 2019

City of Victoria
 1 Centennial Square
 Victoria, BC, V8W 1P6
 VIA EMAIL: mayorandcouncil@victoria.ca

Subject: Proposed 1025 Johnson St. Project

Mayor and Council,

Pacifica Housing Advisory Association (Pacifica) has recently entered into a purchase and sale agreement with Dalmatian Developments Limited Partnership by its general partner Dalmatian Developments GP Ltd. (Dalmatian), to purchase 130 units of affordable housing at 1025 Johnson Street in Victoria's downtown. Pacifica is excited to be partnering with BC Housing Management Commission, under the Community Housing Fund, to provide deep affordability to our tenants. The units will be located above the City of Victoria's new Firehall No. 1, which requires that the building be constructed to post-disaster standards, which has increased the construction costs. Due to these higher construction costs, Pacifica is seeking to partner with the City of Victoria through its Housing Reserve Fund and through a 10-year property tax holiday. By providing an equity contribution of \$1.12M and ongoing tax holiday, this will reduce the amount of operational subsidy required, or to deepen affordability. Pacifica is planning on offering rents between 27-78% below private market rents, with the following rental structure and unit mix. This unit mix is subject to fluctuations as the project proceeds through BC Housing approval process.

| Type of Units | Deep Subsidy Rate | Eligible Funding Under Housing Reserve Fund | Rent Geared to Income (60% of HILS) | Eligible Funding Under Housing Reserve Fund | Moderate Income (CMHC Average Rents) | Eligible Funding Under Housing Reserve Fund |
|--------------------|-------------------|---|-------------------------------------|---|--------------------------------------|---|
| | # Units | | # Units | | # Units | |
| Studios | 5 | \$50,000 | 13 | \$65,000 | 7 | \$35,000 |
| 1 Bedroom | 11 | \$110,000 | 27 | \$135,000 | 17 | \$85,000 |
| 2 Bedroom | 9 | \$180,000 | 21 | \$210,000 | 13 | \$130,000 |
| 3 Bedroom | 1 | \$30,000 | 4 | \$60,000 | 2 | \$30,000 |
| Total | 26 | \$370,000 | 65 | \$470,000 | 39 | \$280,000 |
| Percentage | 20% | | 50% | | 30% | |
| Grand Total | 100% | \$1,120,000 | | | | |

The project is currently within the Development Permitting and Rezoning process, with construction to begin as soon as all required permits are in place.

We are actively working with BC Housing and the project's developer to deliver these homes in 2022. The project has completed due diligence review by BC Housing and is proceeding through its approvals process.

Please do not hesitate to contact me should you have any questions.

Best regards,

A handwritten signature in black ink, appearing to be 'ME', written over a large, light-colored circular mark.

Margaret Eckenfelder, Acting Executive Director
Pacifica Housing Advisory Association

cc: Malcolm McNaughton, BC Housing
Tara Schmidt, BC Housing
David Jawl, Dalmatian
Elizabeth Jawl, Dalmatian
Miko Betanzo, Senior Planner, City of Victoria