



## **Committee of the Whole Report**

### **For the Meeting of July 4, 2019**

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**To:** Committee of the Whole **Date:** May 29, 2019  
**From:** Andrea Hudson, Acting Director, Sustainable Planning and Community Development  
**Subject:** **Victoria Housing Reserve Fund Guidelines Update**

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### **RECOMMENDATION**

That Council direct staff to:

1. Continue considering Victoria Housing Reserve Fund applications based on gross new units in redevelopment projects.
2. Add a Tenant Assistance Plan section to the Victoria Housing Reserve Fund application form to provide clarity on tenant protections for redevelopment projects seeking funding.
3. Establish a Victoria Housing Reserve Fund Working Group for future policy reviews and revisions to the Victoria Housing Reserve Fund Guidelines on an as-needed basis.
4. Update the Victoria Housing Reserve Fund Guidelines as follows:
  - a. add a funding cap, indicating that grant contributions must not exceed non-refundable contributions from other levels of government on the same project
  - b. remove staff assessment timeline of "within one month after the intake deadline, and two months to receive a Council decision."
  - c. replace existing fund definitions with Victoria Housing Target definitions and only fund units for very low, low, and low to moderate incomes

### **EXECUTIVE SUMMARY**

The purpose of this report is to provide information, analysis, and recommendations on updates to the Victoria Housing Reserve Fund (VHRF) Guidelines in response to previous Council motions related to requests for funding on redevelopment projects: 1) to consider funding only net new units, and 2) considerations for maintaining rent levels when tenants are required to move in projects funded by the VHRF.

Additionally, as of May 2019, the fund has insufficient capacity to fulfil requests for funding received in the March 31, 2019 funding call. This report proposes some solutions that Council may consider improving the long-term sustainability of the fund, including capping total eligible grants and seeking additional opportunities for sourcing contributions to the fund.

## PURPOSE

The purpose of this report is to provide Council with information, analysis, and recommendations on considerations around funding options and tenant protections on redevelopment projects receiving grant contributions from the Victoria Housing Reserve Fund.

## BACKGROUND

The Victoria Housing Reserve Fund (VHRF) provides financial grants to assist with the development and retention of affordable housing for households with very low to moderate incomes, as well as to help achieve Victoria's affordable housing targets.

In March 2019, after awarding funds to two separate applicants to the VHRF, both of which were redeveloping existing affordable housing projects, Council made the following motions:

1. On March 14, 2019, Council directed staff to report back in the context of the next update on the Victoria Housing Strategy on the following:

*Incorporating the following provisions into the criteria for housing reserve fund applications:*

1. *All existing tenants are offered alternate rental housing at existing rent levels;*
2. *No net loss of units at existing rent levels in the new building, subject to annual increases as permitted under the Residential Tenancy Act;*

*That the staff report include considerations for viability of redevelopment projects*

*That staff be directed to do this work on a priority basis as part of the Victoria Housing Strategy.*

2. And on March 21, 2019, Council made another motion:

*That staff be requested to report back on options for basing City grant programs on net additions to the affordable housing stock.*

## ISSUES & ANALYSIS

### 1. Jurisdictional Affordable Housing Fund Review in British Columbia and Other Cities

In consideration of the Council motions related to funding redevelopment applications, an updated policy scan and jurisdictional review of municipal affordable housing funds was conducted by staff (Attachment A). This included a literature review of municipal policy documents, institutional research and publications as well as interviews with municipal staff.

As of May 2019, 12 municipalities in Metro Vancouver and 14 local governments in the Capital Regional District currently have a variation of an affordable housing fund. In addition, other cities such as Kelowna, Calgary, Edmonton, and Saskatoon have similar funding programs. These policies are tailored to best suit each municipality's unique contexts, with differences including housing need and demand, residential land values, supply of land, municipal government capacity and resources as well as length of policy implementation, among others. However, there are common elements supported by research, publications, and current implementation.

#### Funding Sources and Uses

Most municipalities fund their affordable housing funds through a density bonus system with varying level of contributions. Some municipalities source the fund through property taxes and general

revenue surplus, while some offer tax abatements, city development application and permit waivers, development cost charge reduction and waivers, while others have land banks. Non-profits are typically the primary users of the fund, however, other municipalities (e.g. the City of North Vancouver) also allow use of the fund at Council's discretion for conferences, pop-up housing demonstrations, consultants, and other housing related activities.

### Experience with Administering Funds

Municipalities had varying and limited experience with non-profits applying to the affordable housing fund for the purpose of redevelopment, however, discussions around upcoming redevelopment projects were expressed. At this time, there are municipalities that support redevelopment projects based on gross units, including Coquitlam, Saskatoon, and Kelowna, and others, like North Vancouver (City) and Edmonton that support net new units. There are also municipalities, such as Burnaby, that supports both gross and net new based on the project proposal. As well, Port Moody and Calgary have yet to face this scenario and have not indicated whether gross or net new units are supported. As each municipality uses their fund in different capacities, the common themes were that all redevelopment projects require funding securement and that any form of funding, whether for gross or net units, is helpful in assisting with the viability of the project and/or leveraging the securement of other funds. For example, the City of Coquitlam's fund criteria caps city contributions to the amount contributed by the Province, in order to help address issues related to the City's appropriate role in fund contributions in comparison to senior levels of government.

### Tenant Assistance Policies

Many mainland BC municipalities have a tenant assistance policy in place that supports tenant relocation as part of redevelopment projects. With varying level of details in the policy, some municipalities incorporated components of tenant relocation assistance and right of first refusal (with varying compensation and discounts/offering for right of first refusal). Some municipalities, such as Surrey and Vancouver, indicate conditions of the tenant assistance policy for non-market or social housing, but most municipalities provide general policy language about redevelopment projects that may or may not include non-market or social housing. To note, while this policy is triggered in a rezoning, most municipalities do not infer a grant funding relationship. Table 1 summarizes the policy components of BC municipalities.

*Table 1: Summary of BC Municipalities with Tenant Assistance Policies, including whether this policy is adopted and implemented, offers tenant relocation assistance, and offer right of first refusal (x = yes)*

City	Tenant Assistance Policy	Tenant Relocation Assistance	Right of First Refusal
Burnaby	x	x	x
Coquitlam	x	x	
Delta			
Langley (City)			
Langley (Township)	x		x
Maple Ridge	x	x	x
New Westminster	x	x	
North Vancouver (City)	x	x	x

City	Tenant Assistance Policy	Tenant Relocation Assistance	Right of First Refusal
North Vancouver (District)	x	x	x
Pitt Meadows			
Port Coquitlam			
Port Moody	x	x	x
Richmond	x	x	x
Surrey	x	x	x
Vancouver	x	x	x
<b>Victoria</b>	<b>x</b>	<b>x</b>	<b>x</b>
West Vancouver			
White Rock	x	x	x

*Note: while municipalities have varying level of details in the Tenant Assistance Policy, there may be other complementary policies in place that offer support for tenants in redevelopment projects.*

Staff in other municipalities mentioned that they allow some flexibility in their tenant assistance policy for non-profits. For example, in cases where non-profits bring forward a redevelopment project, non-profits may already have tenant assistance plans or procedures in place to relocate and rehouse tenants into appropriate accommodations within their own housing stock or others (e.g. market, below-market, non-market, social housing, etc.). In these cases, flexibility in the tenant assistance policy guidelines and the affordable housing fund in each development are important to respond accordingly to the unique project and tenant support needs.

## 2. Consultation with Non-Profit Housing Providers and Funders

Staff reconvened the non-profit housing providers who participated in the last VHRF focus group and survey in October 2018 and have also included core funders in this consultation to receive input on the potential implications of the proposed changes. A full summary of the review can be found in Attachment B.

### Participants

Participants provided feedback through email, phone, and in-person, and included representatives from the following organizations (8): Greater Victoria Housing Society; Habitat for Humanity; Pacifica Housing; Capital Regional Housing Corporation; M'akola Development Services; Capital Regional District (CRD); BC Housing; and Canada Mortgage and Housing Corporation (CMHC).

### A. Gross vs net unit grant program

Non-profit housing providers recommend that the City should continue considering the grant program based on gross units in redevelopment projects. Non-profits cautioned that if funds were only granted for net new units, the redevelopment of aging housing stock requiring upgrades or repairs would be discouraged and the creation of new housing units on project sites would be limited.

CRD, BC Housing and CMHC all noted that for non-profit housing development and operations, the viability of a project is subject to current development and market conditions (e.g. land cost, construction cost, etc.). All funders stated that they consider gross units for a project, with a note that the CRD could consider both net new and gross in a redevelopment dependent on project proposal. Different levels of government have different applicant requirements (e.g. mixed rents and incomes, building code standards, etc.) and reducing municipal grant eligibility to net new units could create more challenges for non-profits to meet all funding requirements.

**B. Tenant Assistance - All existing tenants are offered alternate rental housing at existing rent levels**

The City of Victoria's Tenant Assistance Policy currently applies to projects where tenants may be displaced due to the redevelopment or renovation of existing rental units. The policy includes a section on relocation assistance where applicants must provide tenants with three alternate housing options, which should be comparable in size, location and rent amount (unless otherwise agreed to by the tenant), and that all options be in the CRD, with at least one in the same neighbourhood. Rent should be set at no more than the CMHC average rents for the area, or at a level comparable to the tenant's current rate if higher than CMHC average.

When redevelopment displaces tenants in non-profit housing projects, providers noted that they offer alternate rental housing within their housing portfolio, or they ask for support from other non-profits to assist in providing temporary affordable housing units for displaced residents. In this way, tenants are able to continue to live in subsidized housing during the redevelopment process. Non-profits indicated that a strict restriction on rent levels will significantly increase operational costs and would require additional subsidy from senior levels of government. For some non-profits, the impact of restricting rent levels could make projects unviable for redevelopment. Other non-profits even indicated that they may not consider applying to the VHRF should this change be adopted for the administrative burden of the fund process and guidelines.

**C. Tenant Assistance – No net loss of units at existing rent levels in the new building**

Under the recent changes to the Residential Tenancy Act in May 2018, tenants can exercise the right of first refusal and enter into a new tenancy agreement at a rent determined by the landlord if the landlord ends their tenancy to renovate or repair rental unit. This provision only applies to rental units in residential properties containing 5 or more units and does not apply in instances of demolition of residential property.

The Tenant Assistance Policy is flexible for non-market and social housing development, where negotiating for reduced compensation for tenants may be possible (e.g. when tenants are permanently relocated in comparable accommodation within an organization's existing portfolio). However, the policy recommends that tenants affected by any redevelopment should be offered the right of first refusal at 10% below starting market rents for the new units.

Non-profits have expressed concern that allowing no net loss of units at existing rent levels in new buildings would be very difficult to achieve without financial support from other levels of government. Further, these changes could jeopardize the development of actual affordable housing under certain funding programs, depending on the program(s) that the proponent may be applying for, or in instances where there is no senior government support. For example, in projects with no additional funding, deeper affordability for existing units can only be achieved by raising the rents in the other units, which may compromise the more expensive units' eligibility for funding.

## Tenant Assistance Recommendations and Policy Update

To provide better clarity for non-profits seeking funding for redevelopment projects, staff recommend adding a section on tenant assistance provisions as part of the VHRF application form. In this section, non-profits can indicate how the organization will help successfully relocate tenants based on the existing tenant needs. An updated application form is presented to Council and can be found in Attachment C. This section would summarize the tenant assistance plan during the fund application process; a full tenant assistance plan in detail would still be required as part of a rezoning application.

### Summary of Feedback

Overall, feedback from participants expressed concern for the viability of projects with the provisions that the City is considering, and some suggested they would no longer seek support from the fund on affordable housing projects. Staff recommend Council consider continuing to fund gross new units in redevelopment projects that meet the eligibility requirements in the Victoria Housing Reserve Fund Program Guidelines.

Non-profit societies also expressed concerns about maintaining existing rent levels in both the alternate accommodation and on return to the redeveloped units, noting that the financial impacts of these changes could impact project viability and the ability of applicants to meet other funders' requirements. Given this information, and the mandate of non-profit societies to provide housing that is affordable for tenants, staff recommend Council consider directing staff to provide more clarity to the VHRF application form in instances of redevelopment, and maintaining alignment of the Tenant Assistance Policy requirements, with added flexibility for non-profit societies relocating tenants within existing or partner non-profit housing portfolios.

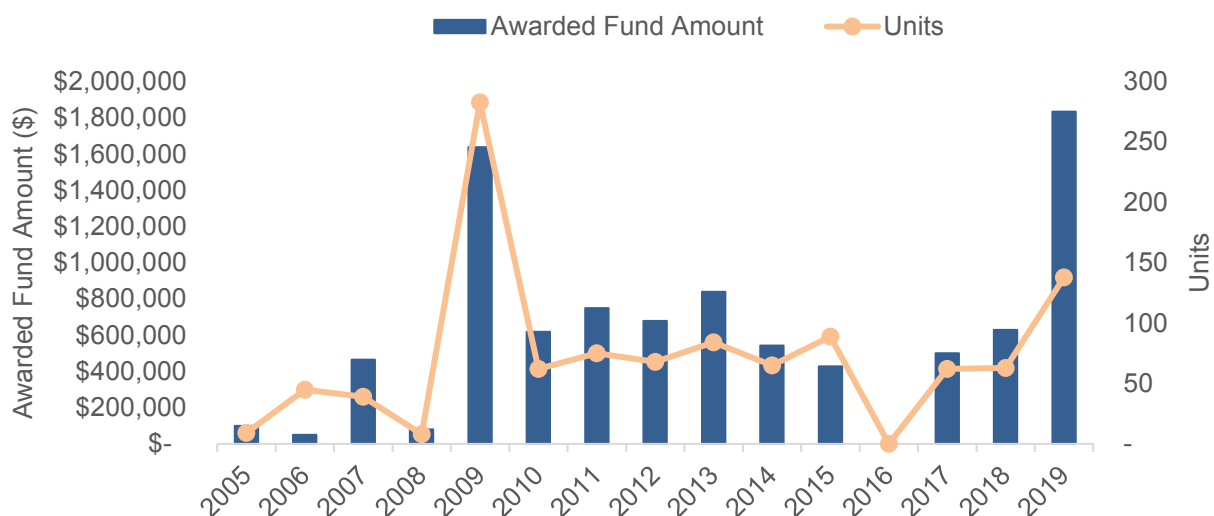
### **3. VHRF Working Group**

The VHRF Guidelines will require continual review and revision to maximize the use of the fund. Organizations from the non-profit housing providers and core funders have agreed to be a part of a working group to review changes on an 'as needed' basis.

### **4. Fund Pressures**

Since 2005, the VHRF has awarded approximately \$9,100,000 to housing projects contributing nearly 1,100 units of affordable housing. Figure 1 illustrates the annual amount of funds awarded and the number of units from 2005 to May 2019. In recent years, the funding assistance has changed from a per door basis to a per bedroom basis with different fund amounts (one, two, and three bedroom) which would reflect the number of units proposed to the awarded fund amount. The list of awarded funds and types of housing projects are also reported out in the City's Annual Housing Report (Attachment D).

As of today, the remaining balance in the VHRF is \$403,915. At the last intake on March 31, 2019, staff received two applications that, combined, may be eligible for up to \$2.2 million in funding. While this amount could change throughout the application process, there are likely to remain substantial funding pressures and a potential oversubscription of the fund. However, both applicants have asked staff to hold on bringing the VHRF request forward as both projects require a rezoning and have opted to wait until this has been achieved.



Year	Awarded Fund*	Units*
2005 - 2019	\$9,162,452	1,090

Figure 1: Awarded housing reserve fund amount and number of units from 2005 – May 2019.

*\*Note: Some projects are subject to change pending permit approvals and final completion*

While initially Council directed staff to return with eligible applications three months following the intake deadlines, staff recommend Council to consider removing the evaluation timeframe. Staff will continue to process these applications and bring to Council as quickly as possible given the City's priorities for affordable housing, however the uncertainty of the development process and consideration of grants alongside rezonings means these types of situations are likely to reoccur, so some flexibility is warranted.

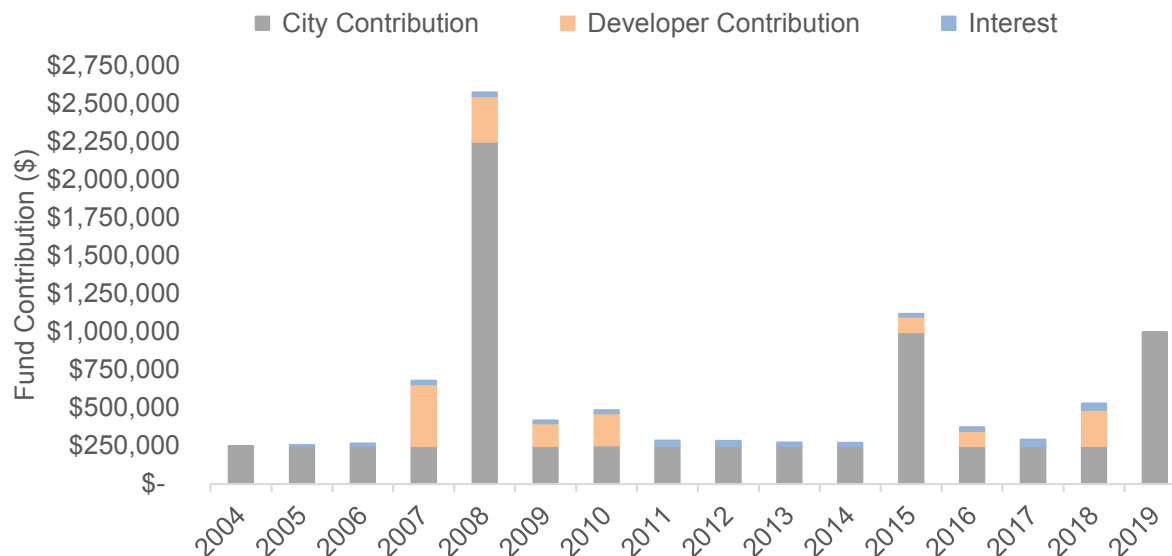
Given the current pressure on the fund, Council may wish to consider any new applications received in the September intake be assessed alongside the two applications received in March to allow consideration of each project on their merits.

### The Role of Funding from Different Levels of Government

The City will also need to reconsider what role the municipal, regional, provincial and federal jurisdictions have when it comes to funding affordable housing projects in the long term. There has been a shift in the political landscape since the VHRF was created. Initially, there was limited financial support available for new affordable housing projects, and there were not enough eligible projects in which to apply the funds. Today, the Province of British Columbia and Government of Canada are both reinvesting in affordable housing at historic levels, and the balance has tipped so that there are more projects being created than the fund can support.

Considering this renewed support and influx of fund applications in recent years, staff recommend that Council consider limiting the total amount of funds projects may receive, either by articulating that the fund request cannot exceed the amount contributed by senior levels of government, by setting a monetary cap (e.g. \$500,000 per project), or a maximum percentage of total capital cost of project (e.g. up to 5% of total capital cost of project). Council may also wish to consider reducing the bedroom unit contribution amount to adjust the current demands of the fund.

## Fund Contributions



Year	City Contribution	Developer Contribution	Interest*
2004 - 2019	\$7,504,192	\$1,502,385	\$349,789

Figure 2: History of city and developer contribution from 2004 – May 2019

\*Note: All reserves receive an interest allocation as part of the City's year-end process

Figure 2 illustrates the various fund contribution amounts from 2004 to May 2019. Currently, the VHRF receives property tax allocations of \$250,000 annually (with some years receiving additional one-time allocations from previous year's surplus to the fund), investment interest accumulations, and developer contributions to the fund as part of rezoning negotiations and in the form of cash-in-lieu Community Amenity Contributions. This includes Council's commitment to increase housing funding from \$250,000 to \$1 million for the 2019 year. As part of the 2020 financial planning process, Council may wish to further explore other fund sources or increase property tax allocations to assist with the continuation and sustainability of the VHRF based on current demand.

## 5. Housing Definition Updates

Table 2 below identifies the existing VHRF guideline definitions and the City of Victoria's updated Housing Targets. The existing definitions include different sources from the Province of BC, BC Housing and Statistics Canada, whereas the city's housing targets are based on the City of Victoria's income, housing cost, household size, and statistical analysis of specific population needs. To create consistency with housing definitions and targets, staff recommend updating the VHRF guideline definitions with the city's current housing target definitions. Alignment of definitions will help better identify and monitor the number of units created by the fund and the overall housing stock. As well, these rent targets can be updated annually based on data availability such as Census, annual BC Housing Income Limits, and annual CIP adjustments.



Table 2: Existing and proposed definition changes for the Victoria Housing Reserve Fund Guidelines

	<b>VHRF (Existing Definition)</b>	<b>City of Victoria Housing Targets 2016 - 2031 (Proposed Definition)</b>
<b>Very Low Income</b>	Households earning no employment income and/or in receipt of Income Assistance	< \$20k / yr
<b>Low Income</b>	Households with a gross annual income at or below current Housing Income Limits (HILs), as published by BC Housing on an annual basis.	\$20 - \$35k / yr
<b>Low to Moderate Income</b>	Not defined	\$35 - \$55k / yr
<b>Moderate Income</b>	Households with incomes at or below the latest available census data for the Victoria census metropolitan area median total income, as defined by Statistics Canada	\$55 - \$85k / yr

### Funding Targets

The City of Victoria's median household income is \$53,126 based on the 2016 Census data. To prioritize projects that provide housing for people with very low and low incomes first, as well as low to moderate income with the City of Victoria's Housing Targets, staff recommend Council to only grant fund units in the first three quartiles, including very low (<\$20,000), low (\$20,000 – \$35,000), and low to moderate income (\$35,000-\$55,000). With these changes, the VHRF would effectively focus on providing housing for people near and below the median household income. Updates can be considered when the Census data becomes available every four years. Staff will also bring forward new housing targets as part of the update to the Victoria Housing Strategy to Council following this report that will be rectified with the new target definitions accordingly.

The revised Victoria Housing Reserve Fund Guidelines with the changes mentioned above can be found in Attachment E.

## **OPTIONS & IMPACTS**

### **Option 1: Adopt the proposed Victoria Housing Reserve Fund Guideline updates (Recommended)**

- Continue to fund gross new units in redevelopment projects seeking funding
- Continue to allow flexibility in rent levels in redevelopment projects seeking funding for non-profit housing societies
- Create a working group to review improvements to the VHRF guidelines on an ongoing basis
- Introduce a maximum funding cap to ensure VHRF funds do not exceed grants from other levels of government
- Remove staff evaluation timeframe for VHRF applications
- Update the VHRF guideline definitions to be consistent with the City of Victoria Housing Targets (2016 – 2031) and only fund units for very low, low, and low to moderate income

**Option 2: Adopt Council motions to fund applications based on net new units for redevelopment projects and maintain existing rent levels in alternate accommodation and on return to redeveloped projects.**

This option is not recommended as analysis and information has indicated these changes may reduce project viability, non-profits' eligibility for VHRF funding, and funding from other levels of government. As a result, these changes may negatively impact the number of new housing units created in Victoria, at a time where non-profit housing development is supported by provincial and federal funding partners.

*Accessibility Impact Statement*

The proposed updates to the VHRF have no accessibility impacts.

*2019 - 2022 Strategic Plan*

This further revision of the VHRF aligns with the 2019 – 2022 Strategic Plan Objectives 1: Good Governance and Civic Engagement and 3: Affordable Housing.

*Impacts to Financial Plan*

The proposed changes to the VHRF guidelines will not have an impact on the financial plan. However, staff recommend exploring other fund sources to sustain the VHRF and fund considerations may have implications to 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, maintain flexibility for non-profit societies applying to the fund who are creating affordable housing in Victoria, and allow funding requests to help achieve Victoria's affordable housing targets and ensure displaced tenants are provided support outlined in the Tenant Assistance Plan revision.

Respectfully submitted,



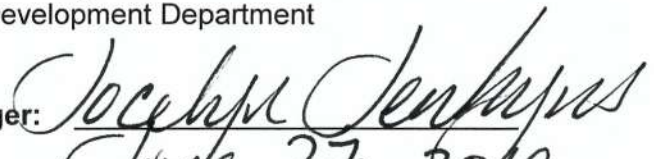
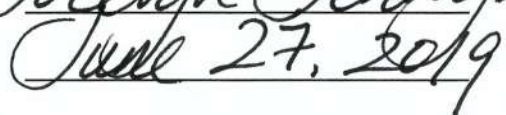
Kai Okazaki  
Planning Assistant  
Community Planning



Andrea Hudson, Acting Director  
Sustainable Planning and  
Community Development Department

**Report accepted and recommended by the City Manager:**

**Date:**

## **List of Attachments**

- Attachment A: Jurisdictional Affordable Housing Fund Review in British Columbia and Other Cities
- Attachment B: Consultation Summary with Non-Profit Housing Providers and Funders
- Attachment C: Revised Victoria Housing Reserve Fund Application Form
- Attachment D: Victoria Housing Reserve Fund Activity 2005 – 2019
- Attachment E: Victoria Housing Reserve Fund Program Guidelines June 2019

## Jurisdictional Affordable Housing Fund Review in British Columbia and Other Cities

A jurisdictional review of municipal affordable housing funds in British Columbia and other cities was conducted. This included a literature review of municipal policy documents, institutional research and publications as well as some interviews with municipal staff. These policies are tailored to best suit each municipality's unique contexts, with differences including housing need and demand, residential land values, supply of land, municipal government capacity and resources as well as length of policy implementation, among others. However, there are common elements supported by research, publications and current implementation.

As of May 2019, 12 municipalities in Metro Vancouver and 14 local governments in the Capital Regional District currently have an affordable housing fund. In addition, cities such as Kelowna, Calgary, Edmonton, Saskatoon were reviewed and had similar housing programs.

Metro Vancouver	Capital Regional District	Other Cities
<ul style="list-style-type: none"> <li>• City of Burnaby</li> <li>• City of Coquitlam</li> <li>• City of Maple Ridge</li> <li>• City of New Westminster</li> <li>• City of North Vancouver</li> <li>• City of Port Coquitlam</li> <li>• City of Port Moody</li> <li>• City of Richmond</li> <li>• City of Surrey</li> <li>• City of Vancouver</li> <li>• District of North Vancouver</li> <li>• District of West Vancouver</li> </ul>	<ul style="list-style-type: none"> <li>• City of Colwood</li> <li>• City of Langford</li> <li>• City of Victoria*</li> <li>• District of Central Saanich*</li> <li>• District of Highlands*</li> <li>• District of Metchosin*</li> <li>• District of North Saanich*</li> <li>• District of Oak Bay*</li> <li>• District of Saanich*</li> <li>• District of Sooke*</li> <li>• Township of Esquimalt*</li> <li>• Town of View Royal*</li> <li>• Township of Sidney*</li> <li>• Salt Spring Island and Southern Gulf Islands Electoral areas*</li> </ul>	<ul style="list-style-type: none"> <li>• City of Calgary</li> <li>• City of Edmonton</li> <li>• City of Kelowna</li> <li>• City of Saskatoon</li> </ul>

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*\*Local governments that participates in the Regional Housing Trust Fund, a voluntary requisition program managed by the Capital Regional District involving municipalities to provide up to \$1 million in grants to support development of affordable rental housing units for low to moderate income households.*

The table below are a few examples from other municipalities on their current practice of the Affordable Housing Reserve Fund (AHRF).

Municipality	Housing Funding Source	Housing Fund Users	Housing Funding Use	Tenant Assistance Policy?	Comments
City of North Vancouver	<ul style="list-style-type: none"> <li>• <b>Annual General Revenue</b> (discontinued in 2013)</li> <li>• <b>Density Bonus and Community Benefits Policy 2018</b> - approval for additional density where 20% of cash contributions goes to AHRF</li> </ul>	<ul style="list-style-type: none"> <li>• Non-Profits</li> <li>• City</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>• Fund has a general term of reference that can allow non-project related use (e.g. conferences, pop-up demonstrations, events, sponsorship etc.)</li> <li>• Not many non-profit redevelopment projects to date</li> <li>• Fund has historically been used to support <b>net new units</b>, typically paying for land costs to facilitate new projects</li> </ul>	Yes	<ul style="list-style-type: none"> <li>• DCC waiver can apply with project application</li> <li>• Lower parking requirements for rental housing can apply with project application</li> </ul>
City of Burnaby	<ul style="list-style-type: none"> <li>• <b>Community Benefit Bonus Policy 2014</b> – approval of additional density in exchange for contributing a community benefit (community amenity, affordable and/or special needs housing, cash contribution in-lieu) <ul style="list-style-type: none"> <li>○ Most have opted for cash-in-lieu contributions, where 20% are allocated to the AHRF</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Non-Profits</li> </ul>	<ul style="list-style-type: none"> <li>• Funds new construction and redevelopments</li> <li>• Funds new construction with some in-kind units operated by non-profits</li> <li>• <b>City Lands Program for Non-market Housing</b> - Leases land at reduced or nominal rates, offsetting leasing costs through fund</li> <li>• Fund used to offset city fees</li> <li>• Redevelopment projects application are based on <b>gross or net new units</b>, dependent on project proposal</li> </ul>	Yes	<ul style="list-style-type: none"> <li>• Applicants initiate to staff on project</li> <li>• Burnaby has available land for use and high contributions to fund from development projects</li> </ul>

Disclosure: the policy scan was conducted on municipalities only and based on available web information and publications. The scan may have missed other municipalities that currently do have an affordable housing fund but staff was unable to find the relevant information. The purpose of the review is to summarize housing fund practices in other municipalities.

Municipality	Housing Funding Source	Housing Fund Users	Housing Funding Use	Tenant Assistance Policy?	Comments
City of Port Moody	<ul style="list-style-type: none"> <li><b>Community Amenity Program (CAC) 2017</b> – voluntary CAC contributions be made to the city in the amount of floor area being developed on lot for residential use in a rezoning application. <ul style="list-style-type: none"> <li>33% of the contribution will be allocated to the AHRF</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Non-Profits</li> <li>City</li> </ul>	<ul style="list-style-type: none"> <li>Fund used to acquire land by city for affordable housing projects</li> <li>Fund used to help lease land at below-market rates</li> <li>Contributions to fund can be waived to cover city fees, DCCs, etc. for affordable rental</li> <li>No non-profit redevelopment projects; up to Council's discretion for funding allocation on <b>gross or net new units</b></li> </ul>	Yes	<ul style="list-style-type: none"> <li>Preference for low-income units</li> <li>Waiving any fund guidelines in policy will be subject to the discretion of Council</li> </ul>
City of Coquitlam	<ul style="list-style-type: none"> <li><b>Density Bonus Program</b> – Approximately 10% of all density bonus contribution goes to AHRF. High density residential and mixed-used sites contribute 50% to the housing fund as part of the 3-step density bonus system (only step 3 for high density projects contributes to AHRF)</li> </ul>	<ul style="list-style-type: none"> <li>Non-Profits</li> </ul>	<ul style="list-style-type: none"> <li>Non-profit can request partnership with developer to help build project construction</li> <li>For-Profit can select non-profit partners in the form of in-kind affordable market rental projects <ul style="list-style-type: none"> <li>E.g. For-profit developers can build units within project and sell units to non-profit (hard and soft cost apply only)</li> </ul> </li> <li>Cap city contribution amount to non-profits to not exceed amount contributed by the Province</li> <li>Redevelopment project applications are based on <b>gross units</b></li> </ul>	Yes	<ul style="list-style-type: none"> <li>Focus on affordable housing for low- and moderate income, single parent, family, single-person household</li> <li>Letter of Intent submitted to General Manager of Planning and Development</li> </ul>

Disclosure: the policy scan was conducted on municipalities only and based on available web information and publications. The scan may have missed other municipalities that currently do have an affordable housing fund but staff was unable to find the relevant information. The purpose of the review is to summarize housing fund practices in other municipalities.

Municipality	Housing Funding Source	Housing Fund Users	Housing Funding Use	Tenant Assistance Policy?	Comments
City of Saskatoon	<ul style="list-style-type: none"> <li><b>Land Banks</b> – revenue generated on the sale of city-owned lands, maintenance and expansion</li> </ul>	<ul style="list-style-type: none"> <li>Non-Profits</li> </ul>	<ul style="list-style-type: none"> <li>Fund provides non-profits 10% cash grant of total capital projects</li> <li>Non-profits can also receive a 5-year tax abatement of incremental increase in property tax</li> <li>Would support redevelopments applications based on <b>gross units</b> (value of project, point of retaining stock, and adding new)</li> </ul>	No	<ul style="list-style-type: none"> <li>First-come, first-serve on a yearly allotment</li> <li>Evaluation on a point-based system</li> <li>Also has CMHC mortgage flexibility program for affordable homeownership</li> <li>Saskatoon has available land for land banks</li> </ul>
City of Kelowna	<ul style="list-style-type: none"> <li><b>Rental Housing Grants</b> – partial DCC credits funded by taxation</li> <li><b>Rental Housing Tax Exemption program</b> – Tax exemption on value of improvements for 10 years</li> </ul>	<ul style="list-style-type: none"> <li>Non-Profits</li> <li>For-Profits</li> </ul>	<ul style="list-style-type: none"> <li>Partial relief of DCCs for all rental housing projects (5-15% depending on number of applications)</li> <li>Tax exemption is available to all rental housing projects as long as vacancy rate is below 3%</li> <li>Would support redevelopment applications based on <b>gross units</b></li> </ul>	No	<ul style="list-style-type: none"> <li>Fixed pool of grant offered on a yearly intake</li> <li>Tax exemption can be at any time of the year</li> <li>10-year Housing Agreement required</li> <li>Non-profits and for-profits have equal opportunity to the fund</li> </ul>

Disclosure: the policy scan was conducted on municipalities only and based on available web information and publications. The scan may have missed other municipalities that currently do have an affordable housing fund but staff was unable to find the relevant information. The purpose of the review is to summarize housing fund practices in other municipalities.



Municipality	Housing Funding Source	Housing Fund Users	Housing Funding Use	Tenant Assistance Policy?	Comments
City of Edmonton	<ul style="list-style-type: none"> <li>• <b>Affordable Housing Investment Plan (2019-2022)</b> – support the creation of 2,500 new or renovated units of affordable housing in next 4 years (investment of approx. \$132 million of city resources) <ul style="list-style-type: none"> <li>○ <b>Grants</b> allocation of \$10 million per year</li> </ul> </li> </ul>	Non-Profits	<ul style="list-style-type: none"> <li>• Contributing land as sale or long-term lease at nominal values or limit funding affordable housing projects to increase ability to generate additional funding from other orders of government or through self-sustainable funding models</li> <li>• Leverage city resources further of \$377 million of combined provider equity, private financing, and funding from other orders of government</li> <li>• Would support redevelopment projects based on <b>net new units</b></li> </ul>	No	<ul style="list-style-type: none"> <li>• Has capital and operating budgets in plan for affordable housing investments</li> <li>• Has land to offer development opportunities for non-profits</li> <li>• Grant program application process expected to launch 2019 under Edmonton's priority investment areas</li> </ul>

Disclosure: the policy scan was conducted on municipalities only and based on available web information and publications. The scan may have missed other municipalities that currently do have an affordable housing fund but staff was unable to find the relevant information. The purpose of the review is to summarize housing fund practices in other municipalities.



Municipality	Housing Funding Source	Housing Fund Users	Housing Funding Use	Tenant Assistance Policy?	Comments
City of Calgary	<ul style="list-style-type: none"> <li><b>Economic Resilience Strategy</b> - Community Economic Resiliency Fund allocation</li> </ul>	Non-Profits	<ul style="list-style-type: none"> <li><b>Housing Incentive Program</b> – encourage the development of affordable housing and stimulate the economy <ul style="list-style-type: none"> <li>Grant up to \$50,000 to cover pre-development activities with affordable housing projects</li> <li>Rebate on all city development fees related to affordable housing project</li> </ul> </li> <li><b>Home Program Grant</b> – helps non-profit groups support Calgarians in affordable housing by launching initiatives in areas of increasing community well-being <ul style="list-style-type: none"> <li>Completed within 12 months from time of fund awarded</li> <li>Budget of \$15,000 or less</li> <li>E.g. salaries, rental of space, project materials, meeting costs, office expenses, volunteer engagement and recognition</li> </ul> </li> <li><b>Property Tax Exemption</b> - reduce tax burden on eligible non-profits to provide necessary service</li> <li><b>No clear indication</b> on redevelopment projects</li> </ul>	No	<ul style="list-style-type: none"> <li>Has capital and operating budget in Economic Resiliency Strategy for affordable housing investments</li> <li>Has city-owned lands to offer sale to non-profits for development</li> <li>CMHC mortgage flexibilities program on Affordable homeownership projects is available</li> </ul>

Disclosure: the policy scan was conducted on municipalities only and based on available web information and publications. The scan may have missed other municipalities that currently do have an affordable housing fund but staff was unable to find the relevant information. The purpose of the review is to summarize housing fund practices in other municipalities.

## Consultation Summary with Non-Profit Housing Providers and Funders

Staff reconvened the non-profit housing providers who participated in the last VHRF focus group and survey in October 2018 and have also included core funders in this consultation to receive input on the potential implications of the proposed changes.

### Participants

Participants provided feedback through email, phone, and in-person, and included representatives from the following organizations (8): Greater Victoria Housing Society; Habitat for Humanity; Pacifica Housing; Capital Regional Housing Corporation; M'akola Development Services; Capital Regional District; BC Housing; and Canada Mortgage and Housing Corporation (CMHC).

### Motions

On March 14, 2019, Council directed staff to report back in the context of the next update on the Victoria Housing Strategy on the following:

*Incorporating the following provisions into the criteria for housing reserve fund applications:*

- 1. All existing tenants are offered alternate rental housing at existing rent levels;*
- 2. No net loss of units at existing rent levels in the new building, subject to annual increases as permitted under the Residential Tenancy Act;*

*That the staff report include considerations for viability of redevelopment projects*

*That staff be directed to do this work on a priority basis as part of the Victoria Housing Strategy*

And on March 21, 2019, Council made another motion:

*That staff be requested to report back on options for basing City grant programs on net additions to the affordable housing stock*

The summary of the results are provided in the tables below.

	Non-Profit Housing Providers	Funders
	<ul style="list-style-type: none"> <li>• Capital Regional Housing Corporation</li> <li>• Greater Victoria Housing Society</li> <li>• Habitat for Humanity</li> <li>• Pacifica Housing Society</li> <li>• M'akola Development Services</li> </ul>	<ul style="list-style-type: none"> <li>• Capital Regional District (CRD)</li> <li>• BC Housing</li> <li>• Canadian Mortgage Housing Corporation (CMHC)</li> </ul>
<b>March 14, 2019</b>  <b>Tenant Assistance – all existing tenants are offered alternate rental housing at existing rent levels</b>	<ul style="list-style-type: none"> <li>• Non-profits are well-connected with one another and attempts to best relocate and rehouse tenants successfully</li> <li>• Deal with various types of tenants: <ul style="list-style-type: none"> <li>○ Tenants with operating subsidy</li> <li>○ Tenants who don't have operating subsidy that may or may not have financial hardship with paying rent far below-market</li> <li>○ Recommend that all tenants are offered housing that are affordable to the tenant based on a maximum level of rent (30% of their income)</li> </ul> </li> <li>• Restriction on rent in alternate rental housing can increase operational cost for non-profits and additional subsidy or funding from senior levels of government would be needed</li> <li>• Imposing grant on alternate rental housing would make projects less viable (more capital cash or subsidy rent would be required for the redevelopment)</li> <li>• Sometimes, non-profits may not take the city grant because it may not be worth the process (e.g. administrative burden)</li> </ul>	<ul style="list-style-type: none"> <li>• Funders acknowledge that this can create challenges if there are not enough rental housing stock available for non-profits to relocate at existing rent levels and therefore, would need to find other funds to subsidize accordingly</li> <li>• Funder recommend flexibility in the guidelines for non-profits in assisting pro forma needs</li> <li>• Funder identifies that operating revenue may be impacted by rent restrictions which in turn can compromise the viability of new housing projects.</li> <li>• Funder recommends that existing tenants evaluated prior to relocation to ensure they are appropriately housed and fully accessing the programs and subsidies available to them.</li> </ul>
<b>Staff Recommendation: Add a Tenant Assistance Plan section to the Victoria Housing Reserve Fund application form to provide clarity on tenant protections for redevelopment projects seeking funding.</b>		

	Non-Profit Housing Providers	Funders
	<ul style="list-style-type: none"> <li>• Capital Regional Housing Corporation</li> <li>• Greater Victoria Housing Society</li> <li>• Habitat for Humanity</li> <li>• Pacifica Housing Society</li> <li>• M'akola Development Services</li> </ul>	<ul style="list-style-type: none"> <li>• Capital Regional District (CRD)</li> <li>• BC Housing</li> <li>Canadian Mortgage Housing Corporation (CMHC)</li> </ul>
<b>March 14, 2019</b>  <b>Tenant Assistance – No net loss of units at existing rent levels in the new building</b>	<ul style="list-style-type: none"> <li>• Non-profits are trying to build housing with pro forma and the best affordability that they can as a vision and mission statement</li> <li>• Offering tenants alternate rental housing at existing rent levels and then coming back to the same unit at same rent level would be difficult without the support of other levels of government funding</li> <li>• Can jeopardize the development of actual affordable housing depending on program(s) that the proponent may be applying for</li> <li>• Some non-profits already rehouse tenants and offer right of first refusal (case-by-case basis)</li> <li>• May have restrictions on operating agreement and subsidy program to transfer</li> </ul>	<ul style="list-style-type: none"> <li>• Funders understand that flexibility is needed with the non-profit portfolio to build and operate units</li> <li>• Funders understand that non-profits are doing their best in their redevelopments and recommend flexibilities for tenant assistance and right of first refusal</li> </ul>
<b>Staff Recommendation:</b> Add a Tenant Assistance Plan section to the Victoria Housing Reserve Fund application form to provide clarity on tenant protections for redevelopment projects seeking funding.		

	Non-Profit Housing Providers	Funders
	<ul style="list-style-type: none"> <li>• Capital Regional Housing Corporation</li> <li>• Greater Victoria Housing Society</li> <li>• Habitat for Humanity</li> <li>• Pacifica Housing Society</li> <li>• M'akola Development Services</li> </ul>	<ul style="list-style-type: none"> <li>• Capital Regional District (CRD)</li> <li>• BC Housing</li> <li>• Canadian Mortgage Housing Corporation (CMHC)</li> </ul>
<b>March 21, 2019</b>  <b>Options for basing city grant programs on net additions to the affordable housing stock</b>	<ul style="list-style-type: none"> <li>• Gross unit makes sense (x4)</li> <li>• Discourages non-profits to redevelop if net new units were funded (x3)</li> <li>• Current market condition is costly on residual land acquisition, construction cost, and public buy-in, etc.</li> <li>• Doesn't matter the amount of unit municipalities fund; it's the amount of fund received for viability of projects</li> <li>• A new era of housing projects undergoing redevelopments for non-profits (consider what does the next 20-30 years will look like as projects are reaching the end of life)</li> <li>• Generally, non-profits are redeveloping old stock that isn't suitable for the tenant anymore; need to consider long term tenant affordability over time; advantages of new units being created and longer building life</li> </ul>	<ul style="list-style-type: none"> <li>• CRD Regional Housing Trust Fund guidelines indicate "to assist in the retention of existing or construction of new affordable housing" so gross can be considered in a redevelopment; CRD can consider both net new or gross in a redevelopment dependent on the project proposal</li> <li>• BC Housing considers gross units for redevelopment projects.</li> <li>• CMHC considers gross units for redevelopment projects</li> <li>• In order to qualify for CMHC funding, there are higher requirements than BC Housing to be met on mixed rents and incomes</li> <li>• CMHC consider projects on a holistic view don't base funding on capital or operating budget; consider projects based on the pro forma and then determining the viability of project</li> <li>• CMHC can help reach the deeper affordability by subsidy and lowering rent levels if requested</li> <li>• Funders understand that a viability of a project can be at risk for redevelopment based on development and market dynamics (pro forma, land cost, construction cost, operating budget, restriction on rent, etc.)</li> <li>• Funders review each application on a case-by-case basis with different needs and requests</li> </ul>
<b>Staff Recommendation:</b> Continuing to fund gross new units in redevelopment projects seeking funding		

	<b>Non-Profit Housing Providers</b>	<b>Funders</b>
	<ul style="list-style-type: none"> <li>• Capital Regional Housing Corporation</li> <li>• Greater Victoria Housing Society</li> <li>• Habitat for Humanity</li> <li>• Pacifica Housing Society</li> <li>• M'akola Development Services</li> </ul>	<ul style="list-style-type: none"> <li>• Capital Regional District (CRD)</li> <li>• BC Housing</li> </ul> Canadian Mortgage Housing Corporation (CMHC)
<b>Other Comments</b>	<ul style="list-style-type: none"> <li>• If Council don't trust the non-profits, then don't give us the money</li> <li>• Interested to see how to help applicants qualify for affordable homeownership</li> </ul>	<ul style="list-style-type: none"> <li>• Each funder have different requirements to be met and can add to cost of project viability</li> </ul>



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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 \_\_\_\_\_ Non-profit Society Yes ☐ No ☐

Contact Person/Position \_\_\_\_\_

Business Address \_\_\_\_\_

Telephone \_\_\_\_\_

Fax \_\_\_\_\_

Email \_\_\_\_\_

Date of Incorporation \_\_\_\_\_

Canada Revenue Agency Charity # \_\_\_\_\_

Previous Projects Funded through the Victoria Housing Reserve Fund, if any: \_\_\_\_\_

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 \_\_\_\_\_

Applicant Signature \_\_\_\_\_

## 3. Project Summary

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

Address/location of project \_\_\_\_\_

Developer and contact information (if different from the Proponent) \_\_\_\_\_

Project Architect and contact information \_\_\_\_\_

Owner and Operator of Housing \_\_\_\_\_

Housing type (strata/apt etc.), number of units and sizes (bedrooms) \_\_\_\_\_



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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?





#### **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**

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. Tenant Assistance

If there are existing tenants involved in the project, describe how the tenants will be assisted throughout the project. Refer to the [Tenant Assistance Policy and Guidelines](#) for further information. Please indicate the following:

### a. Compensation by Tenancy Length

### b. Notification to End Tenancy

### c. Moving Expenses

### d. Relocation Assistance

### e. Right of First Refusal

### f. Vulnerable Tenants

**Note:** Please be advised that additional information may be requested as part of the Tenant Assistance Plan for Council's consideration.

## 8. Other Information

Provide any other information that supports your application.

## Victoria Housing Reserve Fund Activity

The Victoria Housing Fund was established for the purpose of providing grants for capital funding to:

- assist in the development and retention of housing for households with very low, low or moderate incomes;
- support community diversity and infrastructure; and
- facilitate the development of affordable rental housing.

Housing Fund Activity						
Year	Agency	Address	Amount	Units	Type of units	Neighbourhood
2019	Greater Victoria Housing Society	2558 Quadra Street	\$440,000	40	Seniors, Working Adults, Adults with Disabilities and Families	Hillside Quadra
2019	Capital Regional Housing Corporation	330-336 Michigan	\$1,395,000	98	Seniors, Adults with Disabilities, Working Singles, and Families	James Bay
2018	North Park Manor Society	875 North Park	\$30,000	3	Low and medium income for Seniors	North Park
2018	Victoria Cool Aid Society	210 Gorge Road East	\$600,000	60	Affordable apartments for low and moderate income	Burnside Gorge
2017	Pacific Housing Advisory Association	1601 - 1609 Douglas St	\$500,000	62	No/Low Income Housing	Downtown
2015	Victoria Cool Aid Society	3211-3223 Quadra St	\$112,000	45	Supportive Housing	Saanich
2015	Society of St. Vincent de Paul	4351 West Saanich Rd	\$297,000	42	Low Income & Supportive Housing	Saanich
2015	Victoria Native Friendship Centre	120 Gorge Rd	\$20,000	2	Low Income & Supportive Housing	Burnside Gorge
2014	Greater Victoria Rental Housing Society	1950 Blanshard St	\$543,725	65	Affordable rental	Burnside Gorge
2013	Pacifica Housing Advisory Association	105 Wilson Street	\$840,000	84	Affordable Rental	Victoria West
2012	Gr. Victoria Housing Society	35 – 39 Gorge Rd	\$680,000	68	Affordable rental units	Burnside Gorge
2011	City of Victoria	710 Queens Ave	\$360,000	36	Low income supported housing	Burnside Gorge
2011	City of Victoria	120 Gorge Rd	\$390,000	39	Low income aboriginal housing	Burnside Gorge
2010	Gr. Victoria Housing Society	575 Pembroke	\$250,000	25	Low income single rental	Downtown
2010	Gr. Victoria Housing Society	15/21 Gorge Rd	\$370,000	37	Low income family rental	Burnside Gorge
2009	Pacifica Housing	105 Wilson St	\$510,000	51	Affordable rental units	Victoria West
2009	Cool Aid Society	525 Ellice St	\$296,341	104	80 emergency shelter beds and 24 supported housing units	Burnside Gorge

# Victoria Housing Reserve Fund Activity Cont'd

The Victoria Housing Fund was established for the purpose of providing grants for capital funding to:

- assist in the development and retention of housing for households with no, low or moderate incomes;
- support community diversity and infrastructure; and
- facilitate the development of affordable rental housing.

Housing Fund Activity						
Year	Agency	Address	Amount	Units	Type of units	Neighbourhood
2009	Capital Region Housing Corp	Dockside Green	\$460,000	46	Affordable rental	Victoria West
2009	Beacon Community Services	834 Johnson St	\$120,000	12	Affordable rental for adults with disabilities	Downtown
2009	BC Housing	950 Humboldt	\$236,681	44	Supportive housing units	Fairfield
2009	BC Housing	469 Swift St/ 1634 Store St	\$16,705	26	Supportive housing units	Downtown
2008	Cridge Centre for the Family	confidential	\$80,000	8	Transition homes for women	Confidential
2007	Victoria Native Friendship Centre	1250 Balmoral St	\$300,000	6	Transitional youth housing	Fernwood
2007	Roofs & Roots Housing Co-operative	1511 Bank St	\$50,000	5	Low income single parent families	South Jubilee
2007	Fernwood Neighbourhood Resource Group	1222 Yukon St	\$60,000	6	Homeless and underhoused families	Fernwood
2007	Capital Region Housing Corp and Beckley Farm Lodge	408 Parry St	\$55,000	22	Frail seniors	James Bay
2006	Our Place	919 Pandora St	\$50,000	45	Supportive housing for homeless at-risk single adults	Harris Green
2005	Pacifica Housing	2821 Irma St (The Georgian Apts)	\$50,000	5	Homeless families and low income empty nesters	Burnside Gorge
2005	Fernwood Neighbourhood Resource Group	1301 Gladstone (The Cornerstone)	\$50,000	4	Homeless and underhoused families	Fernwood



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# Victoria Housing Reserve Fund Program Guidelines

## Program Overview

The Victoria Housing Reserve Fund was established for the purpose of the providing grants for funding to:

- Assist in the development and retention of affordable housing for households with very low, low, or moderate incomes to support community diversity and infrastructure; and
- Facilitate the development of affordable rental housing, and affordable home ownership projects.

Successful applicants will be required to enter into a Housing Agreement with the City of Victoria to ensure the units receiving funding remain affordable housing in perpetuity, or for a time approved by Council. A final report is also required.

For the purposes of this program, the following definitions from the **City of Victoria Housing Targets (2016 - 2031)\*** will be used:

	Very Low Income	Low Income	Low to Moderate Income
<b>Annual Income</b>	< \$20k/yr	\$20 - \$35k/yr	\$35 - \$55k/yr
<b>Housing Costs (Monthly)</b>	< \$500	\$500 - \$875	\$875 - \$1,375

**\*NOTE TO COUNCIL:** Staff will be bringing forward new housing targets as part of the update to the Victoria Housing Strategy to Council that will be rectified with the new target definitions accordingly.

## Who can apply?

Typically, eligible applicants must be a registered non-profit society or partner with a registered non-profit society that will own and operate the housing. Exceptions may apply for affordable home ownership projects, where it can be demonstrated that funding will directly offset the price of unit purchase; however, several restrictions apply. If you are *not* a registered non-profit society, please contact the City of Victoria to determine eligibility prior to submitting a funding application.

## Project Eligibility

All projects must:

- Include financial leveraging and partnerships with other government funding agencies, private industry, community agencies and/or individuals;
- Have VHRF contributions not exceed non-refundable contributions from other levels of government on the same project;
- Target housing for very low, low, and low to moderate income households as defined above;
- Adhere to the Tenant Assistance Policy and submit a Tenant Assistance Plan for staff approval;
- Be located in the City of Victoria;
- Utilize housing reserve funds for construction, development, purchase, or other one-time costs at the discretion of Council;
- If approved, enter into a Housing Agreement securing units funded as affordable housing in perpetuity, or for a time negotiated and approved by Council motion.



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# Victoria Housing Reserve Fund Program Guidelines

## Project Priority

All projects with a completed application package submitted will be evaluated based on the above eligibility criteria and available funds. However, projects that will serve key target populations as identified in the Victoria Housing Strategy will be prioritized:

- affordable family housing with two bedroom or larger units
- projects targeting youth, or women and children
- accessible units for seniors
- mixed affordability/inclusive projects
- projects within the City of Victoria
- housing for individuals and families who are either experiencing homelessness or are at risk
- projects that receive no other supports from the City of Victoria
- projects that serve persons with disabilities
- projects that have affordability in perpetuity
- projects that provide a component of housing for people with low and very low incomes first, over moderate income households

## Funding Assistance

Maximum funding for eligible projects under this program is allocated on a per unit basis as follows:

	1 bedroom unit	2 bedroom unit	3+ bedroom unit
<b>Very Low Income Rental</b>	<b>\$10,000</b>	<b>\$20,000</b>	<b>\$30,000</b>
<b>Low Income Rental</b>	\$10,000	\$20,000	\$30,000
<b>Low to Moderate Income Rental</b>	\$5,000	\$10,000	\$15,000
<b>Affordable Home Ownership</b>	\$5,000	\$10,000	\$15,000

### Important Notes:

- **All projects are eligible for funding only once, and the grant is non-renewable.**
- Should construction of a project for which a grant is approved not commence within two years of the Development Permit approval or should a Development Permit in respect of an approved project not be issued within two years of Council's approval of the grant, the approved grant shall be rescinded.
- The City reserves the right to accept or reject any application, or to grant funding different from the funding framework above without limitation.
- All housing projects will be required to pay Development Cost Charges.
- Applicants are advised that the City will publish project eligibility information from applications to demonstrate that the projects have met all the eligibility requirements. The eligibility information that will be published includes the following:
  - Completed Application Checklist
  - Letter to Mayor and Council describing project and how it meets Victoria Housing Fund Program objectives as outlined in the Program Guidelines
  - Completed Application Form
  - Building plans and site plans.



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# Victoria Housing Reserve Fund Program Guidelines

## Affordable Home Ownership Projects

Applications for Affordable home ownership projects must clearly outline how the project will work, including how the fund will improve the affordability of the units; how the units will remain affordable over time, project administration, tenant eligibility criteria, rental and resale restrictions, and other relevant details.

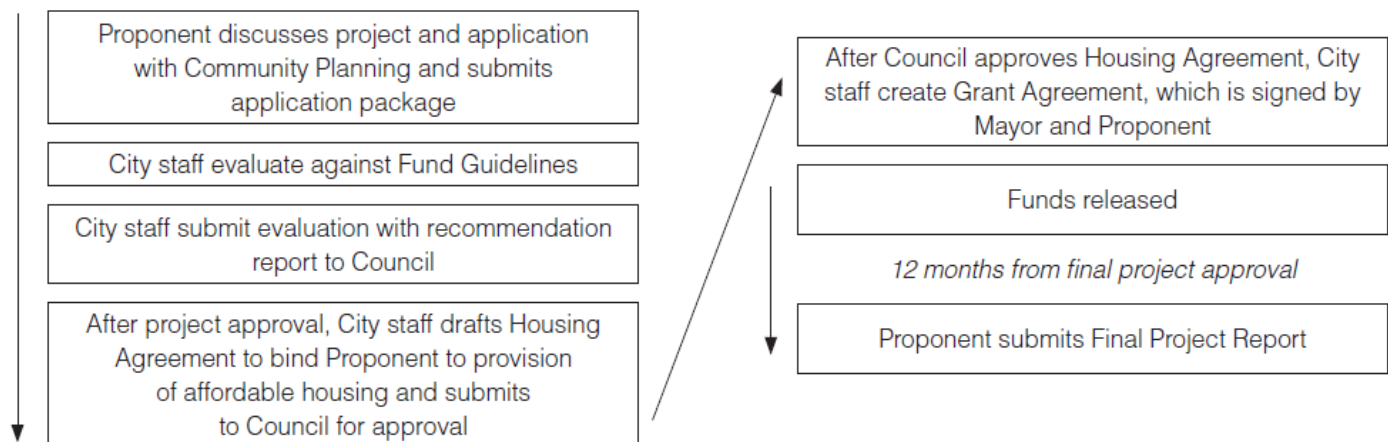
At Council's sole discretion, higher income thresholds for affordable home ownership projects than affordable rental may be considered; however typically units must be offered at a minimum of 10% below market value, with greater consideration for maximum grant funding for projects that offer better affordability.

## How to Apply

**Applications are accepted on or before the bi-annual deadlines of March 31 and September 30, and are assessed concurrently. Project approval is subject to Council's sole discretion and availability of funding.**

1. Review the Program Guidelines to determine eligibility. If you are unsure if your project is eligible or if you have questions about the process, contact the Community Planning Division. A pre-application meeting is strongly encouraged.
2. Complete the application package, ensuring inclusion of all documents identified on the Application Checklist.
3. Submit the application in person, by mail, or email, confirming receipt by contacting the Community Planning Division.
4. Applications are targeted to be assessed concurrently ~~within one month after the intake deadline, and two months to receive a Council decision.~~

## Process Chart



## Contacts

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Phone: 250-361-0382

# Victoria Housing Reserve Fund Guidelines Update



## Introduction

- VHRF established to assist in the development and retention of affordable housing
- Focus on housing for households with very low, low or moderate incomes to support community diversity and infrastructure





## Purpose

- Provide information, analysis and recommendations on considerations around funding options and tenant protections on redevelopment projects receiving grant contributions from the Victoria Housing Reserve Fund



Victoria Housing Reserve Fund Guideline Update – July 4, 2019

## Background

- In 2019 Council directed staff to report back on:
  - *All existing tenants are offered alternate rental housing at existing rent levels*
  - *No net loss of units at existing rent levels in new building, subject to annual increases as permitted under the Residential Tenancy Act*
  - *Options on basing city grant programs on net additions to the affordable housing stock*



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## Tenant Assistance Policy (TAP)

- To help mitigate the potential impacts of displacement on tenants by providing guidelines for developers and property owners to provide additional supports for tenants who are displaced as a result of renovations or development.



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## TAP Review

- **Tenant Relocation Assistance**
  - Most municipalities did not specify or apply to non-market or social housing
  - Allowed flexibility in Tenant Assistance Policy



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## TAP Review

### ➤ Right of First Refusal

- Up to 20% discount on new market rate
- No right of first refusal offering the same rent back into new building



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## Affordable Housing Fund Review

### ➤ Gross vs. Net Unit Grant Program

- Gross Units: Coquitlam, Kelowna, Saskatoon
- Net New Units: North Vancouver (City), Edmonton
- Gross or Net New Units: Burnaby
- To be determined: Port Moody, Calgary



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## Affordable Housing Fund Review

### ➤ Tenant Assistance

- Very few municipalities require this in a redevelopment
- Most municipalities provide more flexibility with non-profits for this policy



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## Consultation and Feedback

### ➤ Gross vs. Net Unit Grant Program

#### ➤ Non-Profits

- Gross units for redevelopments

#### ➤ Core Funders

- Considers funding gross units for redevelopment projects



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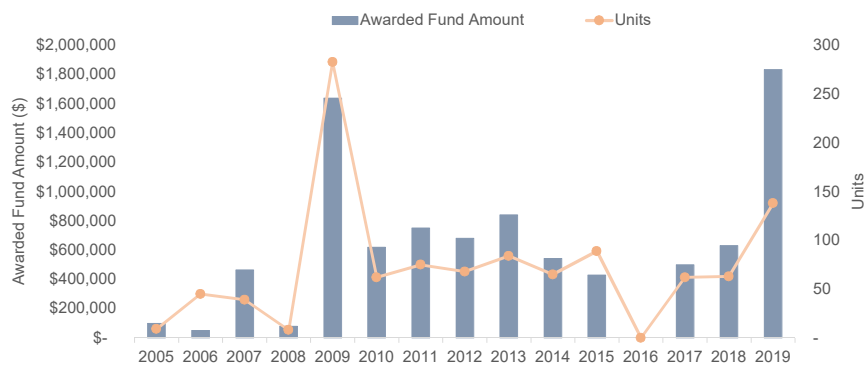
## Consultation and Feedback

- **Tenant Assistance**
  - **Non-Profits**
    - Add modified TAP requirements
  - **Core Funders**
    - Allow flexibility in tenant assistance guidelines



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## Awarded Fund Amount and Units

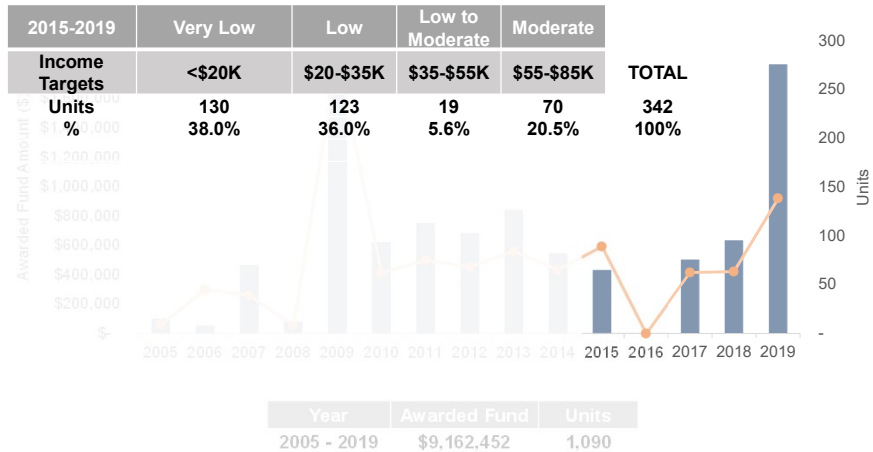


Year	Awarded Fund	Units
2005 - 2019	\$9,162,452	1,090



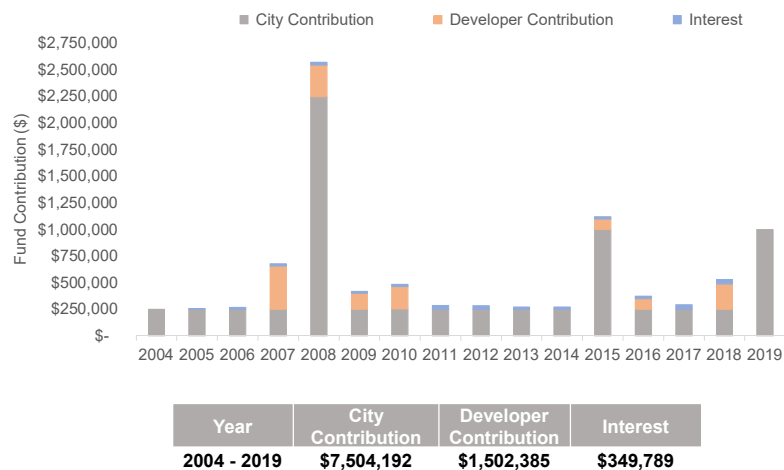
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## Awarded Fund Amount and Units



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## Fund Contributions



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## Fund Pressures

### ➤ Awarded Fund & Units

Year	Awarded Fund	Units
2005 - 2019	\$9,162,452	1,090

### ➤ Fund Contributions

Year	City Contribution	Developer Contribution	Interest
2004 - 2019	\$7,504,192	\$1,502,385	\$349,789

### ➤ Remaining Balance July 2019

= \$403,915



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## Housing Definition Updates

	VHRF (Existing Definition)	City of Victoria Housing Targets 2016 - 2031 (Proposed Definition)
<b>Very Low Income</b>	Households earning no employment income and/or in receipt of Income Assistance	< \$20k/yr
<b>Low Income</b>	Households with a gross annual income at or below current Housing Income Limits (HILs), as published by BC Housing on an annual basis.	\$20 - \$35k/yr
<b>Low to Moderate Income</b>	Not defined	\$35 - \$55k/yr
<b>Moderate Income</b>	Households with incomes at or below the latest available census data for the Victoria census metropolitan area median total income, as defined by Statistics Canada	\$55 - \$85k/yr



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## Recommendations

That Council direct staff to:

1. Continue considering Victoria Housing Reserve Fund applications based on gross new units in redevelopment projects.
2. Add a Tenant Assistance Plan section to the Victoria Housing Reserve Fund application form to provide clarity on tenant protections for redevelopment projects seeking funding.
3. Establish a Victoria Housing Reserve Fund Working Group for future policy reviews and revisions to the Victoria Housing Reserve Fund Guidelines on an as-needed basis.



Victoria Housing Reserve Fund Guideline Update – July 4, 2019

## Recommendations

That Council direct staff to:

4. Update the Victoria Housing Reserve Fund Guidelines as follows:
  - a. add a funding cap, indicating that grant contributions must not exceed non-refundable contributions from other levels of government on the same project
  - b. remove staff assessment timeline of “within one month after the intake deadline, and two months to receive a Council decision.”
  - c. replace existing fund definitions with Victoria Housing Target definitions and only fund units for very low, low, and low to moderate incomes



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