

Revised Victoria Housing Reserve Fund Grant Application

330 – 336 Michigan Street
(Michigan Square)



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Background

- On March 21, 2019 Council approved a VHRF grant application from the CRHC for \$1,395,000 to support the construction of a 98-unit affordable housing apartment at 330-336 Michigan Street.
- Grant is subject to approval of the related development permit.
- VHRF guidelines revised July 2019.
- Current development permit indicates 97 units and CRHC has revised unit composition.



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Revised Unit Composition

Unit Type	Target Income Level	Original Unit Count	Updated Unit Count	Monthly Rent	Eligible VHRF grant per Unit (as per VHRF Guidelines dated March 21, 2019)	Original VHRF Contribution	Updated VHRF Contribution
Studio	Very Low	4	7	\$375	\$10,000	\$40,000	\$70,000
One bedroom	Very Low	7	12	\$375	\$10,000	\$70,000	\$120,000
Two bedroom	Very Low	7	1	\$570	\$20,000	\$140,000	\$20,000
Three bedroom	Very Low	1	0	\$660	\$30,000	\$30,000	\$0
One bedroom	Low	11	9	\$739	\$10,000	\$110,000	\$90,000
Two bedroom	Low	33	11	\$960	\$20,000	\$660,000	\$220,000
Three bedroom	Low	5	2	\$1,380	\$30,000	\$150,000	\$60,000
One bedroom	Moderate	9	12	\$1,250	\$5,000	\$45,000	\$60,000
Two bedroom	Moderate	0	4	\$1,800	\$10,000	\$0	\$40,000
Two bedroom	Moderate	15	11	\$1,950	\$10,000	\$150,000	\$110,000
Two bedroom	Moderate	0	20	\$2,000	\$10,000	\$0	\$200,000
Three bedroom	Market	6	8	\$2,480	N/A	N/A	\$0
Total		98 units	97 units			\$1,395,000	\$990,000



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Evaluation of Revised Application

- Revised grant application evaluated with original VHRF guidelines from March 2019 to provide a fair and consistent evaluation process.
- Revised grant application continues to provide affordable and below market housing through a mix of unit types for individuals and families with very low, low and moderate incomes.
- Revised grant amount will increase the VHRF by \$405,000 resulting in an unallocated balance of \$2,477,942 to support other affordable housing projects.



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Recommendations

That Council:

1. Reduce the grant, approved on March 21, 2019, from the Victoria Housing Reserve Fund to the Capital Region Housing Corporation for the Michigan Square project located at 330-336 Michigan Street from \$1,395,000 to \$990,000 to reflect changes to the project, specifically reduction in number and composition of eligible units.
2. Confirm that all other terms and conditions of the grant approval continue to apply in accordance with the March 21, 2019 approval, except for the number and composition of proposed units.

