

June 17, 2020 (revised)

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

**RE: Victoria Housing Reserve Fund Request**  
**Crosstown – Affordable Housing**

Dear Mayor Helps and Council,

We are pleased to submit this request for funding under the Victoria Housing Reserve Fund in support of our proposal to create 154 units of mixed income affordable rental housing at our property located at 3020 Douglas Street and 584 Burnside Road East. Victoria Cool Aid Society is requesting a grant of \$450,000 towards the 100 units of very low, low income and median income housing units that will be created as a result of this project and funded under the BC Housing Community Housing Fund.

**About Our Organization**

Cool Aid currently manages over 600 apartments in 17 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.

**Project Background**

With support from BC Housing, we are currently operating 52 units of supportive housing in the Tally Ho motel under a Temporary Use Permit. Our Rezoning and Development Permit application for a phased redevelopment of 3020 Douglas/ 584 Burnside Rd E. was approved by Council on June 11, 2020. Phase 1 (Burnside frontage) of our redevelopment plans include creating 52 replacement units to offer permanent, fully self-contained homes for the tenants currently housed at the Tally Ho. In addition to these 52 replacement units, we will develop 2 more supportive housing units and 100 units for seniors, families, couples and adults seeking affordable rental housing - including 4 live-work units to support low-income artists in our community under a newly created "Artist in Residence" program. The 54 units of supportive housing will be owned by BC Housing as a condition of their funding and operated by Cool Aid. The remaining 100 units of affordable rental

housing will be owned by Cool Aid and we are seeking this Housing Reserve fund for the 70 units of very low, and low to median income units that are eligible.

#### Project Information

The current tenants at the Tally Ho will maintain their housing throughout the construction of Phase 1 and when construction is complete, they will be able to take up residence in the newly built units. In addition to the range of housing options created on this site, there is an opportunity to develop 30,000 sf of commercial space as a complimentary service to the planned residences. The space will include offices and a daycare, and an opportunity for Cool Aid to pursue innovative new programming that will benefit both our tenants and the wider community. By connecting our tenants with employment opportunities through social enterprise, Cool Aid will be taking the next step to create training opportunities for our residents. The site will be a neighbourhood hub, welcoming families, seniors, office workers, and local neighbours to a place that supports the community's desire for more gathering spaces. This will be an opportunity to further build community and contribute to the local economy.

#### Compliance with Municipal Policies

Our development proposal meets the 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 General Employment with Limited Residential, which supports low and mid-rise multi-unit buildings up to approximately six storeys. The Burnside Gorge Neighbourhood Plan has placed an emphasis on the neighbourhood's desire for housing diversity, including affordable housing options and family-oriented housing. This project delivers not only affordable housing (including 3-bedroom suites suitable for families), but also includes a significant family support service: an onsite daycare. A further goal of both the neighbourhood plan and the OCP has been to preserve and invigorate retail opportunities. The planned commercial space includes 3 commercial retail units fronting Burnside Road, which are envisioned as service-based retail businesses that will create activity along the street frontage.

#### Affordability

The rental rate structure for the 100 affordable rental units includes units at income assistance rates, subsidized low income rates, and housing for moderate income levels. The addition of these much needed affordable rental housing units to our portfolio will have the collateral impact of reducing homelessness in our community, as we will be able to transition stabilized tenants from our supportive housing developments into the subsidized rental units in our mixed income projects.

Our current proposed rental rate structure and grant request is as follows:

Unit type	Target Income Level	Number of Units	Proposed Rent	Income Threshold	Eligible Grant	Grant Requested
Studio Units (Replacement Supportive Housing Units)	Very Low	52	\$375	<\$19,000	Not Eligible	N/A
Studio Units 40 units	Very Low	20	\$375	<\$19,000	\$200,000	\$200,000
	Low - Median (Rent Geared to Income)	20	Average rent: \$604 Rental Range: \$425- 875	\$20,000 to \$34,999	\$100,000	\$100,000
One bedroom 49 units	Very Low (Supportive Housing Program)	2	\$375	<\$19,000	Not Eligible	N/A
	Low-Median (Rent Geared to Income)	30	Average rent: \$697 Rental Range: \$425 -995	\$20,000 to \$39,800	\$150,000	\$150,000
	Affordable Market Rent	17	\$1,475	>\$59,000	Not Eligible	N/A
Two bedroom 4 units	Affordable Market Rent	4	\$1850	>\$74,000	Not Eligible	N/A
Three bedroom 9 units	Affordable Market Rent	9	\$2,350	>\$94,000	Not Eligible	N/A
<b>TOTAL ELIGIBLE GRANT</b>	<b>\$450,000</b>					
<b>TOTAL GRANT REQUESTED</b>						<b>\$450,000</b>

In Closing

By combining affordable rental units for working families and seniors, with commercial uses such as daycare services, office space, and dynamic service retail, the project's goal is to provide meaningful neighbourhood connections. Crosstown's mandate reflects that of Cool Aid's, in providing inclusive and welcoming spaces with community at heart. The project has been selected for funding by BC Housing through the Community Housing Fund and the Supportive Housing Fund and we have secured CMHC Seed Funding to support pre-development costs on the project. We ask the City of Victoria to join Cool Aid and our partners in supporting this large-scale and innovative project with a grant of \$450,000.

We are grateful for the City's enthusiastic support for the development of affordable housing in our community for those most in need. We would be happy to provide you with any additional information you require.

Sincerely,

A handwritten signature in black ink that reads "Deanna Bhandar".

Deanna Bhandar, MSc  
Director, Real Estate Development  
dbhandar@CoolAid.org  
250-383-1977



Sustainable Planning and Community Development  
 1 Centennial Square  
 Victoria, BC V8W 1P6  
 T 250.361.0382  
 E communityplanning@victoria.ca

# 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.

If you have any questions about the criteria or the process, please contact the Community Planning Division at 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 Deanna Bhandar, Director of Real Estate Development

Business Address 101 - 749 Pandora Avenue

Telephone 250-383-1977 ext 143

Fax \_\_\_\_\_

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, Cedar Grove

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 09/30/2019

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

## 3. Project Summary

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

Address/location of project 3020 Douglas Street

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

Project Architect and contact information Paul Hammond, Low Hammond Rowe Architects

Owner and Operator of Housing Victoria Cool Aid Society

Housing type (strata/apt etc.), number of units and sizes (bedrooms) 154 units



Sustainable Planning and Community Development  
 1 Centennial Square  
 Victoria, BC V8W 1P6  
 T 250.361.0382 E [communityplanning@victoria.ca](mailto:communityplanning@victoria.ca) [victoria.ca](http://victoria.ca)

## Victoria Housing Reserve Fund Application for Funding

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

The Crosstown Development will provide housing to a range of individuals including low and moderate income adults, seniors, couples and families. Target rents will be aligned with BC Housing's guidelines including a portion of units at income assistance shelter rates; low income units based on rent geared to income and moderate income level units.

Support services provided (if any)

The 52 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

Additional features

The new housing will be designed to meet Step 3 of the BC Energy Step Code and the non-residential and commercial spaces will be designed to meet Step 2.

Target Completion Date

September 2022

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

The Crosstown Development will contribute 102 new affordable rental units and replace 52 supportive housing units that are currently being operated at the Tally Ho. In total, we will be developing 154 affordable rental housing units including 4 live-work units. Our project meets the objectives of the Victoria Housing Reserve Fund in that we are offering units at very low, low income and moderate income levels. This project will leverage funding and financing from BC Housing and the Housing Reserve Funds will aid in securing this funding commitment by alleviating the equity gap in the project. The unit mix includes studio/ 1 bd/ 2bd and 3 bd and at a minimum 10 accessible units will be provided. In addition to the net gain of 102 new affordable rental housing units; our proposed development also incorporates commercial/retail/daycare and office space which will be very beneficial for the residents on site and the broader community.

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

Crosstown meets the 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 General Employment with Limited Residential, which supports low and mid-rise multi-unit buildings up to approximately six storeys. The Burnside Gorge Neighbourhood Plan has placed an emphasis on the neighbourhood's desire for housing diversity, including affordable housing options and family-oriented housing. This project delivers not only affordable housing (including 3-bedroom suites for families), but also includes a significant family support service: an onsite daycare. A further goal of the Neighbourhood Plan and the OCP has been to preserve and invigorate retail opportunities.

What development approvals are required or have been received?

A concurrent Rezoning and Development Permit application was approved by Council on June 11, 2020.



**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?

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. 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 600 rental units in 16 different buildings.

As an organization, Victoria Cool Aid Society has been operating in the community since 1968 -- over 50 years.

See also supplementary documents.

**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.

A capital and ten-year operating budget is enclosed. Housing affordability will be guaranteed at low rental rates as that is the mandate of Cool Aid and rent revenues are sufficient to meet all operating and mortgage costs. Support services are funded by BC Housing.

**6. Partnerships**

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

CMHC Seed Funding: \$60,000  
 BC Housing Community Housing Fund: \$10,000,000  
 CMHC National Co-Investment Funding: \$2,500,000  
 MCFD Childcare New Spaces Funding: \$1,500,000  
 Infrastructure Grant for Arts and Culture: \$699,335  
 BC Housing Supportive Housing Fund: \$15,000,000  
 Sale of Commercial Space: \$4,473,000

**7. Other Information**

Provide any other information that supports your application.

Please see Attachment