

BACKGROUND

On January 9, 2020, Council approved a VHRF grant application from the Gorge View Society in the amount of \$295,000 to support the development of a 58-unit affordable housing project for seniors and families at 11 Chown Place. The Council motion directs staff to prepare a Housing Agreement to secure all 58 units as rental in perpetuity as well as the related affordability levels as follows:

That Council approve a grant from the Victoria Housing Reserve Fund to the Gorge View Society in the amount of \$295,000 to assist in the construction of a four-storey 58-unit housing project at 11 Chown Place, subject to the following conditions:

1. The applicant obtaining the required development permit approvals for the construction of a four-storey 58-unit housing project at 11 Chown Place on or before January 30, 2022.
2. The execution of a Housing Fund Grant Agreement acceptable to the Director of Sustainable Planning and Community Development and in the form satisfactory to the City Solicitor; outlining terms for the eligible use of the grant, reporting requirements, repayment, indemnification and construction insurance, and communication protocols.
3. The execution of a Housing Agreement, in the form satisfactory to the City Solicitor, to secure
 - a. 58 new housing units as rentals in perpetuity;
 - b. 49 of the new units (one bedroom) to be dedicated for seniors (55+) as follows:
 - i. 11 units for very low income level;
 - ii. 13 units for low income level;
 - iii. 11 units median income level;
 - iv. 14 units at market rent;
 - c. seven of the new units (two bedroom) to be reserved for occupation by families as follows:
 - i. one unit for very low income level;
 - ii. three units for median income level; and
 - iii. three units at market rent; and
 - d. two of the new units (three bedroom) to be reserved for occupation by families with a median income level.
4. The applicant fulfills the applicable requirements of the Victoria Housing Reserve Fund Guidelines; and
5. That the passage of this resolution creates no legal rights for the applicant or any other person, or obligation on the part of the City, until and unless all agreements are fully executed by the City.

A Housing Agreement to secure all 58 units as rental in perpetuity was approved by Council on June 11, 2020. However, through the process of preparing a second Housing Agreement to secure the affordability levels, the applicant has requested that the grant-related Agreement should only apply to the units that are being funded through the VHRF for a period of 60 years rather than 'in perpetuity'.

ISSUES AND ANALYSIS

Term of Housing Agreement

The current VHRF guidelines stipulate that if a grant is approved, the applicant must *enter into a Housing Agreement securing units funded as affordable in perpetuity, or for a time negotiated and approved by Council motion*. The applicant has requested that the Housing Agreement should secure the approved affordability levels of the funded units for a period of 60 years rather than 'in perpetuity'. This change would align with the VHRF guidelines and the 60-year term of the related BC Housing Operating Agreement that will be in place for the project. A 60-year term is also consistent with other housing agreements securing affordability that have been recently approved by Council.

Securing Affordability for Funded Units

The current Council-approved motion directs staff to prepare a Housing Agreement that secures the affordability requirements for all 58 units, including those that are allocated for seniors and families. However, since the approved VHRF grant only provides funding for 35 (eligible) one-bedroom units for seniors, the applicant has requested that the Housing Agreement should only secure the affordability requirements for the funded units. This is consistent with the VHRF guidelines which require a Housing Agreement to secure the funded units as affordable housing.

In addition, the applicant has committed to enter into a 60-year operating agreement with BC Housing that will secure affordability levels for all units including those that are not funded through the City of Victoria. Therefore, the proposed changes to the terms of the Housing Agreement will provide better alignment with the funding and operating requirements from BC Housing.

OPTIONS AND IMPACTS

Option 1 - Approve the requested changes to the Housing Agreement

Approval of the staff recommendation to reduce the term of the Housing Agreement to 60 years and to only secure affordability levels for funded units is consistent with the VHRF guidelines and would allow the Gorge View Society to advance the construction of the 58-unit affordable housing project. The proposed changes to the Housing Agreement will not impact the approved grant or the provision of affordable units for seniors and families.

Option 2 – Decline the requested Changes to the Housing Agreement

If the proposed changes to the Housing Agreement are not approved by Council, the applicant has identified this may impact their ability to establish a funding and operating partnership with BC Housing, which would compromise the feasibility of the project.

Accessibility Impact Statement

Council's consideration of revised terms for the Housing Agreement does not have accessibility impacts. However, the project will provide a total of 50 accessible one- and two-bedroom units.

2019 - 2022 Strategic Plan

Providing grants to support the development of affordable rental housing supports multiple actions described within Strategic Objective Three: Affordable Housing as well as Strategic Objective Eight: Strong, Liveable Neighbourhoods.

Impacts to Financial Plan

Council's consideration of revised terms for the Housing Agreement does not impact the previously approved \$295,000 grant to the Gorge View Society. The balance of funds available for other affordable housing projects in the Victoria Housing Reserve Fund will not be affected by this amendment.

Official Community Plan Consistency Statement

This project supports several OCP objectives, but specifically policies related to achieving multi-generational neighbourhoods by working collaboratively with other public and private partners to plan for the housing of Victoria's population as it ages.

CONCLUSIONS

Approval of revised terms for the VHRF Housing Agreement for 11 Chown Place will better support the development of a proposed 58-unit affordable housing project for seniors and families by the Gorge View Society.

Respectfully submitted,



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Community Planning Division



for Karen Hoese,
Director
Sustainable Planning and Community Development

Report accepted and recommended by the City Manager:



Date: August 24, 2020