

September 2, 2020

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

RE: Victoria Housing Reserve Fund Request
210 Gorge Road East – Affordable Housing

Dear Mayor Helps and Council,

Council approved a Housing Reserve grant of \$600,000 towards our 210 Gorge Rd E. redevelopment project in July 2018. As we proceeded with our Rezoning and Development permit application, Council's referral motion at our October 2018 public hearing asked that we reduce the building height to align with the local area plan which meant a reduction from six to five storeys and the loss of 10 units of housing overall. This correlated to the loss of 8 affordable rental units and 2 units of housing with supports. We have been advised that this loss of 8 units would translate to a reduction in our VHRF grant to \$520,000.

We are writing to request that the City maintain the current approved VHRF Grant of \$600,000 on the following grounds:

1. In losing the 10 units, we undertook additional efforts to maintain the same number of one and two bedroom unit types in order to provide housing opportunities for couples and small families in the development.
2. In order to balance the needs of the various funding programs supporting this development, we needed to prioritize retaining as many supportive housing units as we could. The net impact was a greater loss of the affordable rental units which has an even greater impact on the rental pro forma.
3. Redesigning the building had a significant financial impact on the project – delayed construction of the project by one year, additional consultant fees and application fees. At the same time, we have made great efforts to keep the rents as affordable as possible. This makes each equity contribution to the project all the more critical.

BC Housing has now granted final project approval and we have our demolition and building permits in place for the project to begin. The VHRF grant helped us to leverage other funding approvals from the CRD Regional Housing Trust Fund and the Regional Housing First Program. It would be challenging at this juncture to manage this shortfall in our capital budget, therefore we would really appreciate Council's consideration of providing the full \$600,000 grant towards the project.

Sincerely,



Deanna Bhandar,
Director, Real Estate Development
Victoria Cool Aid Society

cc: Kathy Stinson, CEO, Victoria Cool Aid Society