

VICTORIA HOUSING RESERVE FUND GUIDELINES

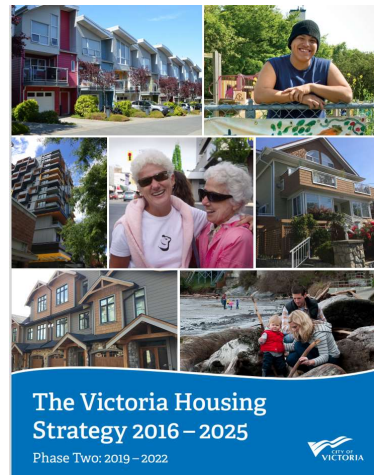
September 20, 2021



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Purpose

Report back on how the program could be modified to consider funding net-new housing units.



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Background

All changes to the VHRF guidelines that were brought forward on March 18, 2021 are now incorporated, except for the motion below.

- 4. That the program be modified to take into account the net-new units for housing rather than the gross number of units in the project and that the staff report back with options for program modification*



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Background on VHRF Program

- Key tool for affordable housing
- Recent updates to align housing targets
- March 2021 Council raised issue of grant impact on aging affordable housing
- Additional Council motion to consider shift to funding net-new units



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Potential Grant Modification

- City could set new grant amount for replacement units
 - Reduced funding amount for replacement units or;
 - Or eliminate funding altogether for replacement units
- Staff undertook analysis and consultation based on Council direction
- Various impacts identified if program was adjusted to favour funding of net-new units.

Aging 5-unit apartment



Redeveloped to 40-unit apartment



Would result in 5 replacement units & 35 net-new units



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Need for Affordable Housing

- Affordable housing crisis
- Half of renters in core housing need
- COVID-19 amplified challenges for renters
- Pandemic reinforces urgency of affordable housing

2021 Rent Bank Pilot Insights on Applicants



34% were households with children



Spending on average 71% of income on housing



46% were living in City of Victoria

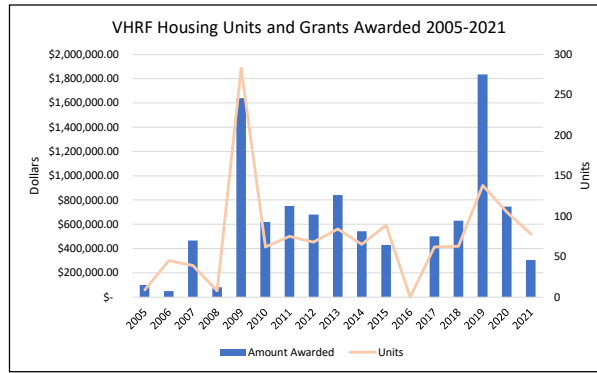


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Net-new Issues and Analysis

- Opportunity to access senior govt. funding
- Current capacity of program / reserve
- Recent shifts to grant distribution
- Consultation with housing non-profits



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Feedback from Housing Providers

- Challenge of net-new units vs gross units
- Struggle to make projects financially viable
- Aging building stock requires redevelopment



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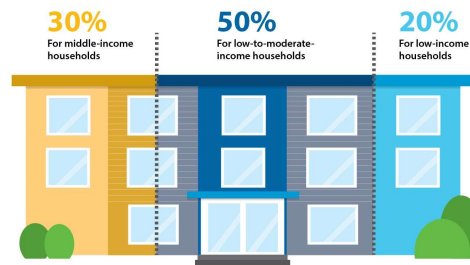
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Feedback from Housing Providers

- Benefits of new affordable housing
- Challenges acquiring land
- Alignment with senior govt programs
- Robust tenant relocation strategies



COMMUNITY HOUSING FUND



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Conclusion

Funding gross units supports housing partners:

- Allows redevelopment when practical
- Address need for next generation of units
- Unlock land as sites reach end of useful life
- Implement OCP policy goals

Affordability Gap for Renters City of Victoria



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Recommendation

Maintain the use of gross number of units for funding applications to the Victoria Housing Reserve Fund



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