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Victoria, BC, Canada V8W 1R7 www.crd.bc.ca/housing

September 30, 2021

Mayor and Council
City of Victoria
1 Centennial Square
Victoria BC, V8W 1P6

Dear Mayor Helps and Council:

Re: Caledonia Housing Reserve Fund Request

We have submitted an application for funding for a proposed redevelopment on the parcel of land located between 1211 Gladstone Avenue and 1209/1230 Grant Street. The Capital Region Housing Corporation is seeking a \$1,065,000 capital contribution from the Victoria Housing Reserve Fund. This amount well exceeds the program cap of \$500,000. The CHRC is seeking Council support to waive the program cap because of uniqueness of the project, current construction costs and the housing shortage in the community.

Upon the completion, the project will add 158 new affordable, safe, attractive and sustainable units in a mixed market community. The project contains 31 deep subsidy, 60 rent gear to income and 49 medium-income units for individuals, families, seniors and disabled individuals living independently without on-site supports. This development will provide a significant contribution to tackle current housing affordability issue in city.

Since the unprecedented Covid-19 pandemic began, the construction industry has been impacted across the country and thus, we have witnessed huge increases in the costs for labour, materials and overhead construction costs. The Caledonia development has incurred delays and cost escalations that have impacted the total capital budget and jeopardize the CRHC's ability to provide high quality, low cost non-market housing.

The CRHC requests Victoria City Council support through an equity contribution to offset the costs of construction in the full amount eligible, based upon the current program guidelines.

Thank you for your consideration.

A handwritten signature in black ink that reads 'David Screech'. The signature is written in a cursive, flowing style.

Sincerely,
David Screech
Vice Chair, Capital Region Housing Corporation