



Committee of the Whole Report

For the Meeting of December 14, 2023

To: Committee of the Whole **Date:** November 23, 2023

From: Karen Hoese, Director, Sustainable Planning and Community Development

Subject: **Rescind and Reallocate Victoria Housing Reserve Fund Grant for 3211-3223 Quadra Street**

RECOMMENDATION

That Council pass the following motion and bring it forward for ratification at the December 14, 2023, daytime Council meeting:

That Council rescind the Victoria Housing Reserve Fund Grant, in the amount of \$112,000 for the housing development at 3211-3223 Quadra Street.

EXECUTIVE SUMMARY

On August 27, 2015, Council supported a \$112,000 grant to the Victoria Cool Aid Society for the construction of the Cottage Grove housing development at 3211-3223 Quadra Street. Cottage Grove is located outside the City of Victoria, in the District of Saanich. As a partner and supporter of the development of affordable housing, the City agreed in 2015 to provide a Victoria Housing Reserve Fund grant that would match the contribution that the District of Saanich had committed to the project. In 2016, BC Housing took ownership of the development from the Victoria Cool Aid Society. The Cottage Grove development was completed in 2017; however, no funds have been requested. It has been verified with BC Housing that they no longer need the grant and do not plan to request the approved funds, and it is therefore recommended that the grant be rescinded.

PURPOSE

The purpose of this report is to present Council with an update on a grant for an affordable housing project at 3211-3223 Quadra Street that is no longer required and to reallocate the funds for future Victoria Housing Reserve Fund grant applications.

BACKGROUND

In 2015, Council approved a grant from the Victoria Housing Reserve Fund (VHRF) in the amount of \$112,000 to the Victoria Cool Aid Society to assist in the development of 45 units of affordable rental housing just outside of the City of Victoria boundary at 3211-3223 Quadra Street. The

payment of the grant was contingent on several conditions, including the City's commitment to match the District of Saanich's funding contribution to the project.

In 2016, BC Housing took over the development of the project from the Victoria Cool Aid Society. Victoria Council, on May 19, 2016, approved the transfer of the grant from Cool Aid to BC Housing. In early 2017, the development was completed and has been operating successfully since.

No request for grant funds or final report was ever submitted to the City of Victoria or the District of Saanich by BC Housing or the Victoria Cool Aid Society. In January of 2023, the District of Saanich, along with the City of Victoria, sent a letter to the Victoria Cool Aid Society asking for information and receipts from the project. The Cool Aid Society leadership indicated that BC Housing had taken over the project in 2016 and as a result, the Cool Aid Society did not need the funds.

Subsequently, Saanich rescinded their grant for the project in March of 2023. The City of Victoria followed up with BC Housing and confirmed that the grant of \$112,000 was no longer required to support the development at Cottage Grove.

ISSUES & ANALYSIS

Although this grant application was approved in 2015, it was always acknowledged that funding a project in Saanich was an exceptional circumstance. After the grant approval, the City revised its Victoria Housing Reserve Fund guidelines, now stipulating that projects must be located within the City of Victoria.

Accordingly, as the project is located outside the City of Victoria, and the District of Saanich, rescinded their grant funding; there isn't a compelling rationale for Victoria to provide funding for this project. In addition, staff reached out to BC housing and confirmed the grant is no longer required as the project is completed and they would not be seeking the funds.

OPTIONS & IMPACTS

2023 – 2026 Strategic Plan

Reallocating the VHRF grant used for Cottage Grove aligns with multiple strategic plan action items, including:

- Enabling more market and non-market housing and diversifying housing types and distribution
- Pursuing partnerships with other governments and agencies to create more non-market housing and rental housing.

Impacts to Financial Plan

By reallocating the funds, it will release \$112,000 of funds previously committed to be used for future Victoria Housing Reserve Fund applications.

CONCLUSIONS

The Victoria Cool Aid Society and BC Housing have confirmed that the approved grant for this project is no longer required; therefore, it is recommended that the grant funds be rescinded and be made available for future Victoria Housing Reserve Fund grant applications.

Respectfully submitted,

Julie Bull
Planning Assistant

Karen Hoese
Director Sustainable Planning Community
Development

Report accepted and recommended by the City Manager