

2024

CITY OF VICTORIA | Sustainable Development and Community Planning

Victoria Housing Reserve Fund Application

1132 Johnson Street – Capital Region Housing Corporation



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Background

- Capital Region Housing Corporation (CRHC) affordable rental housing redevelopment project:
 - 1132 Johnson Street (Village on the Green).
 - 140 mixed-income housing units in two 4-6 story buildings.



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Background

- February 2024:
 - Received Delegated Development Permit application (Fast Track for Affordable Housing).
- January 2024:
 - Council approved a Housing Agreement securing rental (minimum 60 years), including 30 shelter rate units.



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VHRF Application Information

- CRHC requesting a \$2.4M Victoria Housing Reserve Fund (VHRF) grant.
- Two affordable rental buildings.
- Housing for families and individuals with very low, low, and moderate incomes.



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Alignment with VHRF Priorities

- Non-profit housing provider.
- Leveraging multiple funding partnerships.
- Serves households with very low to moderate incomes.
- 53 family housing units (two and three bedroom units).
- 30 deep subsidy (shelter rate).
- 12 offered at HIL rates.
- 14 fully accessible units.

Additional Benefits:

- Targeting BC Energy Step Code 4
- Aligns with Zero Carbon Step Code emission targets
- Outdoor courtyard and children’s play area

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Issues and Analysis

- **Affordable Housing:** 140 units (102 net new units).
- **Leveraging:** Regional and Senior Government Funding Programs.
- **Request:** \$2.4 million.
- **Funding Challenges:** Increased construction costs, rising interest rates and equity gap to deliver shelter-rate units without operating subsidy.



Current 38-unit townhouse complex.

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Capacity of Victoria Housing Fund

VHRF current balance:	(\$4,569,724)*
CRHC request for funds:	<u>-\$2,400,000</u>
Remaining VHRF balance if approved:	\$2,169,724

*As of June 3, 2024

- No other VHRF applications received.
- VHRF able to accommodate grant request.

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Conclusion

- 140 mixed-income housing units for families and individuals.
- Revitalize key affordable housing site.
- Leveraging funding from other levels of government.



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Option 1 (Recommended)

That Council approve a grant from the Victoria Housing Reserve Fund to the CRHC in the amount of **\$2,400,000** to assist in the construction of a 140-unit affordable rental apartment project at 1132 Johnson Street, subject to the following conditions:

- Execution of a Housing Fund Grant Agreement.
- Victoria Housing Reserve Fund Guidelines requirements met.
- Grant allocation: \$1,920,000 payable upon execution of the Housing Fund Grant Agreement and the remaining balance of \$480,000 payable when occupancy permits are issued.
- The passage of this resolution creates no legal rights, until and unless all agreements are fully executed by the City.

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Option 2 (VHRF Per Unit Guidelines)

That Council approve a grant from the Victoria Housing Reserve Fund to the CRHC in the amount of **\$732,500** to assist in the construction of a 140-unit affordable rental apartment project at 1132 Johnson Street, subject to the following conditions:

- Execution of a Housing Fund Grant Agreement.
- Victoria Housing Reserve Fund Guidelines requirements met.
- Grant allocation: \$586,000 payable upon execution of the Housing Fund Grant Agreement and the remaining balance of \$146,500 payable when occupancy permits are issued.
- The passage of this resolution creates no legal rights, until and unless all agreements are fully executed by the City.

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