



## **Committee of the Whole Report**

**For the Meeting of March 8, 2018**

---

**To:** Committee of the Whole **Date:** February 23, 2018  
**From:** Jonathan Tinney, Director, Sustainable Planning and Community Development  
**Subject:** **Victoria Housing Fund Application for the North Park Manor at 875 North Park Street**

---

### **RECOMMENDATIONS**

That Council approve a Victoria Housing Fund grant to the North Park Manor Society in the amount of \$30,000 to assist in the construction of three bachelor units of housing for low and medium income seniors at the North Park Manor, located at 875 North Park Street, subject to the following conditions:

1. The grant will be disbursed to the applicant once the Housing Fund Grant Agreement and Housing Agreement have been executed by the applicant.
2. The North Park Manor Society enters into a Housing Fund Grant Agreement to the satisfaction of the City Solicitor that includes the requirements that:
  - a) the North Park Manor Society will identify the City of Victoria as a contributor on publications, documents, and public events related to the development, completion and operation of the project;
  - b) upon project completion, North Park Manor Society will submit a final report to the Sustainable Planning and Community Development Department; and
  - c) the grant is to be repaid by the North Park Manor Society if the project does not proceed as proposed.
3. The North Park Manor Society enters into a Housing Agreement securing the housing units at rental levels consistent with the Victoria Housing Fund Guidelines in a form satisfactory to the City Solicitor and Director of Sustainable Planning and Community Development.

### **EXECUTIVE SUMMARY**

The City of Victoria is in receipt of a Victoria Housing Fund (VHF) grant application for \$30,000 from North Park Manor Society to assist in the construction of three bachelor units for low and medium income seniors at the North Park Manor, located at 875 North Park Street. The North Park Manor Society is proposing to convert underutilized amenity space on the ground floor of the building into the three units. North Park Manor currently contains 158 bachelor and one bedroom units. The rent for the new units will be equal to the subsidy cap for the Shelter Aid For Elderly Renters program (SAFER) which is currently set at \$667 per month.

If awarded, the grant will enable the North Park Manor Society to build three additional units of housing for low and medium income seniors at the North Park Manor. The rents from these units will contribute to the overall financial health and long-term sustainability of the apartment building as whole. If the grant were denied, construction of the units may not be financially viable. For these reasons, staff recommend Council consider approving this grant request.

## **PURPOSE**

The purpose of this report is to present Council with information, analysis and recommendations for a Victoria Housing Fund grant application from North Park Manor Society to assist in the construction of three infill housing units at the North Park Manor, located at 875 North Park Street.

## **BACKGROUND**

The North Park Manor Society is an established provider of housing for low and medium income seniors, currently owning and managing a total of 210 units. The North Park Manor Society has been a housing provider for over 40 years. On October 19, 2017, Council approved a Land Use Contract Discharge for 875 and 877 North Park Street (Rezoning Application No. 00568) to allow for the addition of three new affordable rental dwelling units in the existing apartment building. As detailed in their letter to Council (Attachment 2), the applicant is proposing that these three units be affordable for seniors with low to medium income.

## **ISSUES AND ANALYSIS**

The North Park Manor currently consists of 158 subsidized affordable rental units for low income seniors. The North Park Manor Society is proposing to convert underutilized amenity space on the ground floor of the building into three bachelor units for low and medium income seniors.

In 2014, the City commissioned a study to support the *Official Community Plan, 2012 (OCP)* implementation regarding aging in place. The City of Victoria Housing Strategy, 2016-2025 was informed by the final study document, *Housing & Supports for an Aging Population: Recommended Strategies & Actions, April 2015*. The study recommends that the City “provide financial support for the development of non-market housing for older adults”. The provision of this grant would align with this strategic recommendation.

Staff have completed an eligibility evaluation of the North Park Manor Society’s VHF application and conclude that the application meets the VHF guidelines, and is a secure investment for the City which will lead to the construction of three housing units for low and medium income seniors. The evaluation form also notes how the project aligns with other City objectives such as those outlined in the *Official Community Plan*. The project eligibility evaluation form is appended to this report in Attachment 3.

## **Affordability Requirements**

Rental rates for the three proposed units at the North Park Manor, will be equal to the subsidy cap for the Shelter Aid For Elderly Renters program (SAFER) which is currently \$667 per month. These rental rates fall within the City's lowest affordable housing rent limits as set out in the Victoria Housing Fund Guidelines which define low income at or below current Housing Income Limit rents, which is currently \$800 per month for a bachelor unit. An operating budget has been provided by the applicant as part of their application package (Attachment 1).

## **Leveraging Additional Funding**

This project does not qualify for funding under BC Housing's programs, nor is there federal money available for this type of infill project. Operations at the North Park Manor are currently supported by the rents received. For further details on project funding please see the operating budget enclosed in North Park Manor Society's application package (Attachment 1).

## **Legal Agreements**

The applicant has made a commitment to enter into a legal agreement with the City of Victoria if Council approves the grant request. The legal agreement (Housing Fund Grant Agreement) will secure the conditions of the grant. The applicant has also agreed to enter into a Housing Agreement with the City that secures the three new units at rent levels and to households with incomes that align with the VHRF guidelines for low incomes. The property is already subject to an existing Housing Agreement that requires the units to remain rental in perpetuity. The applicant is also required to provide a one-year progress report to the City of Victoria outlining how the project is achieving the affordability targets outlined in the Housing Agreement.

## **Capacity of the Victoria Housing Fund**

As of December 31, 2017, the balance of the VHRF is \$1,908,280; however, there is \$612,000 in funding that is committed to a previously approved projects (Cottage Grove and the Fairfield Hotel); therefore, the resulting balance of \$1,296,280 is sufficient to provide the requested grant and will leave sufficient monies in the reserve to support forthcoming applications.

## **OPTIONS AND IMPACTS**

### **Option 1 - Approve the Grant Request (Recommended)**

Approval of this grant request will allow the North Park Manor Society to provide affordable housing for three of the City's low or medium income seniors.

### **Option 2 - Decline the Grant Request**

Should the grant be declined, the construction of the units may not be economically feasible

#### *Accessibility Impact Statement*

This grant request will have no accessibility impacts.

#### *2015 - 2018 Strategic Plan*

Providing grants to support the development of supportive and affordable rental housing aligns with and supports Council's strategic priority to Make Victoria More Affordable (Objective 6). Support for the development also aligns with Council's strategic priority to Facilitate Social Inclusion and Community Wellness (Objective 7).

#### *Impacts to Financial Plan*

The recently updated Victoria Housing Fund (VHF) Guidelines permit consideration of grant applications for up to \$10,000 per residential unit of one or fewer bedrooms; the new bachelor units proposed for the North Park Manor qualify for this amount. Issuance of this grant will not

affect this year's financial plan, as the current VHRF balance of \$1,908,280 is sufficient to fund this application, as well as committed grants and one forthcoming request for funding, should Council choose to approve this as well.

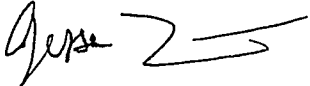
#### *Official Community Plan Consistency Statement*

This project supports OCP policies related to working with coordinated community and regional efforts to enable stable affordable housing for seniors.

#### **CONCLUSIONS**

The application for funding to the North Park Manor presented in this report meets the updated VHF guidelines in that the fund would lead to the construction of three rental units for seniors with low and medium incomes. The recommendations presented in this report also include conditions that allow for the provision of the grant to the applicant in a way that provides additional security for the City's financial investment.


Respectfully submitted,

  
Jesse Tarbotton, Senior Planner  
Housing Policy

Alt.

  
Jonathan Tinney, Director  
Sustainable Planning and Community Development

Report accepted and recommended by the City Manager:

  
Date: Feb 27, 2018

#### **List of Attachments:**

- Attachment 1: Application to the Victoria Housing Fund
- Attachment 2: Letter to Mayor and Council
- Attachment 3: Project Eligibility Evaluation Form
- Attachment 4: Aerial Map