



## **Planning and Land Use Committee Report**

**For the Meeting of January 28<sup>th</sup>, 2016**

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**To:** Planning and Land Use Committee                      **Date:** January 14, 2016  
**From:** Jonathan Tinney, Director, Sustainable Planning and Community Development  
**Subject:** Victoria Housing Reserve Fund Grant: Capital Region Housing Corporation

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### **RECOMMENDATION**

That Council cancel a \$460,000 Victoria Housing Reserve Fund grant, which was approved on April 30, 2009, to assist the Capital Region Housing Corporation (CRHC) to create non-market rental housing at Dockside Green, as the grant is no longer needed.

### **EXECUTIVE SUMMARY**

The purpose of this report is to present Council with information, analysis and recommendations with respect to an approved grant from the Victoria Housing Reserve Fund for a project that did not proceed.

In 2009, Council approved a grant of \$460,000 to assist the Capital Region Housing Corporation (CRHC) to create 46 new units of non-market rental housing at Dockside Green, subject to the project proceeding generally as proposed. The project did not proceed as proposed. Instead, Dockside Green has partnered with Catalyst Community Development Society to create 49 units of affordable rental housing.

Dockside Green informed the City that the grants set aside by the City of Victoria and the Capital Region District for affordable housing at Dockside Green were not required and requested that the funds be released (see attachment). The CRHC also submitted written notification (see attachment) that the CRHC no longer requires the grant as Dockside Green has partnered with another agency.

A motion from Council is required to cancel the \$460,000 grant in order to make the funds available to new projects through the Victoria Housing Reserve Fund.

### **BACKGROUND**

On April 2, 2009, the Capital Region Housing Corporation (CRHC) submitted a request for a grant of \$460,000 from the Victoria Housing Reserve Fund towards the capital costs of 46 new units of affordable rental housing for families at Dockside Green, to be owned and operated by the CRHC.

The Committee of Whole considered the application on April 23, 2009, recommending approval of the grant. Council endorsed the Committee of the Whole recommendation at the April 30, 2009, Council meeting as follows:



1. *That Council approve a grant of \$460,000 to assist the Capital Region Housing Corporation (CRHC) to create 46 new units of non-market rental housing suitable for families, subject to the project proceeding generally as proposed.*
2. *That the CRHC ensures that the City of Victoria receives public recognition of its role as a financial contributor to this housing project and submits a final report upon project completion to the Planning & Development Department.*

The project did not proceed following changes in Dockside Green ownership and management in December 2009. There was an understanding that the grant would continue to be available should Dockside Green reach a new agreement with the CRHC or another non-profit organization for non-market rental housing units in order to fulfill Dockside Green affordable housing requirements contained in the Master Development Agreement (MDA).

Dockside Green has entered into a partnership with Catalyst Community Development Society to construct 49 units of affordable rental housing at 370 and 384 Harbour Road. A Rezoning Application and Development Permit Application were received by the City on February 23, 2015, and Development Permits were issued on October 15, 2015.

Dockside Green informed the City that the grants set aside by the City of Victoria and the Capital Region District for affordable housing at Dockside Green were not required and requested that the grant funds be released for other projects in a letter dated February 19, 2015 (see attachment). The CRHC also submitted written notification on January 8, 2016 (see attachment), that the CRHC no longer requires the grant as Dockside Green has partnered with another agency.

## **ISSUES & ANALYSIS**

A motion from Council is required to cancel the \$460,000 grant in order to make the funds available to new projects through the Victoria Housing Reserve Fund.

The approving motion is not specific with respect to conditions of approval and, at the time the grant was approved, the Victoria Housing Reserve Fund guidelines did not contain specific provisions for projects that did not proceed. The guidelines were changed to include the provision that an approved grant will be rescinded should construction not commence within two years of Development Permit approval or should a Development Permit not be issued within two years of Council's approval of the grant. This change applies to grants approved after February 2014.

Table 1 provides information on the balance of the Victoria Housing Reserve Fund. At present, the Fund has \$603,358 available for new projects and \$1,729,000 committed to approved projects. The cancellation of the grant would mean that \$1,063,358 would be available for new projects. This balance does not include the 2016 annual City contribution of \$250,000, which is subject to Council approval.

The City has received one funding application for a grant through the Victoria Housing Reserve Fund in the amount of \$1,010,000, which is expected to be brought forward to Council for consideration in February. Staff is not aware of other applications that may be forthcoming.



**Table 1 - Victoria Housing Reserve Fund Balance – January 15, 2016**

<b>Balance to December 31, 2015</b>		<b>\$2,332,358</b>
<b><u>Funds Received</u></b>		
Annual City Contribution 2016 (subject to Council approval)	\$ -	
<b>Total Funds Received – 2016</b>		
<b><u>Grants Paid in 2016</u></b>		
	\$ -	
<b>Total Grants Paid – 2016</b>		<b>\$ -</b>
<b>GL Balance</b>		<b>\$2,332,358</b>
<b><u>Grants Committed</u></b>		
Capital Region Housing Corp - Dockside Green (2009)	\$460,000	
Pacifica Housing Advisory Assn - 105 Wilson (2013)	\$840,000	
Victoria Cool Aid Society – 3221 Quadra, Saanich (2015)	\$112,000	
Victoria Native Friendship Centre - 120 Gorge Rd (2015)	\$20,000	
St. Vincent de Paul – 4351 West Saanich Rd, Saanich (2015)	\$297,000	
<b>Total Grants Committed</b>		<b>(\$1,729,000)</b>
<b>Total GL Balance less Committed Grants</b>		<b>\$603,358</b>

## OPTIONS & IMPACTS

### *2015-2018 Strategic Plan*

Making existing grant funds available to support the development of supportive and affordable housing aligns with and supports Council's strategic priority of Making Victoria More Affordable (Objective 6).

### *Impacts to 2015-2018 Financial Plan*

The funds have already been contributed to the Victoria Housing Reserve Fund. It will only reallocate funding from committed funds to available funds and allow the City to support the creation of more affordable housing units with existing funds.

### *Official Community Plan Consistency Statement*

Funding new projects through the Victoria Housing Reserve Fund will advance *Official Community Plan* objectives and policies to support the provision of housing options and entering into partnerships with other levels of government and agencies to help achieve new affordable housing initiatives.

### Option 1 – Cancel the \$460,000 grant to the CRHC (Recommended)

Cancellation of the grant will support the objectives of the Victoria Housing Reserve Fund by allowing the City to support the creation of more affordable housing units with existing funds. There are no risks associated with cancelling the grant as no funds were disbursed and both the CRHC and Dockside Green have notified the City that they no longer require the grant for affordable housing at Dockside Green. It is also consistent with current Victoria Housing Reserve Fund guidelines that an approved grant will be rescinded should construction not commence within two years of the Development Permit approval or should a Development Permit not be issued within two years of Council's approval of the grant.

### Option 2 – None

This is an administrative matter that will simply remove the restriction on grant funds that are no longer required by the proponents and will make the funds available for new proposals. The CRHC and Dockside Green may apply for funding under current guidelines at any time.

### CONCLUSIONS

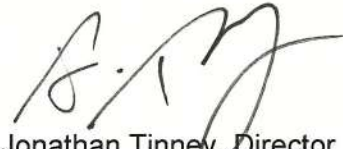
The project did not proceed as proposed and the proponents, Dockside Green and the CRHC, have both notified the City that they do not require the grant funds for the approved project. A motion from Council is required to cancel the \$460,000 grant in order to make the funds available to new projects through the Victoria Housing Reserve Fund.

Respectfully submitted,



Jennifer Bisley, Senior Planner  
Community Planning

Alt.



Jonathan Tinney, Director  
Sustainable Planning and Community Development

Report accepted and recommended by the City Manager:



Date: Jun 18, 2016

### List of Attachments

- Letter from Dockside Green dated February 19, 2015
- Letter from Capital Region Housing Corporation dated January 8, 2016



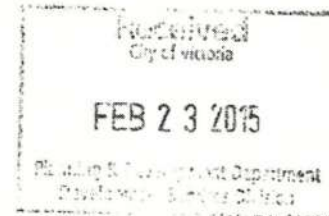
# DOCKSIDE GREEN

Project No. 15-001  
Date: 15-01-2015  
City of Victoria



Thursday, February 19th 2015

City of Victoria  
1 Centennial Square  
Victoria, BC  
V8W 1P6



Dear Mayor Helps and City of Victoria Council,

**RE: Affordable Workforce Rental Housing Project, 370-384 Harbour Road – MDA Amendments**

Dockside Green Limited is pleased to be working with Catalyst Community Developments Society (Catalyst) in submitting a combined Rezoning, and Development Permit application for the delivery of affordable workforce rental housing at Dockside Green. We are delighted to be moving closer to restarting this important mixed-used sustainable neighbourhood in the City of Victoria. Both Catalyst and Dockside Green worked hard to listen to the community perspective on this application and are pleased with the outcome of that process – an improved project plan and a development that integrates well into the neighbourhood and fosters Dockside Greens values of sustainability and inclusivity. As part of Catalyst's application Dockside Green is seeking agreement from the City of Victoria to have this project complete Dockside Green's affordable housing commitments which delivers on this key amenity to the residents of Victoria.

As an early adopter of sustainable development, Dockside Green has been recognized as one of the greenest communities in North America. We have, however, also experienced many challenges. Innovation means taking risks and learning from being at the leading edge of the "green building movement". Much has changed in the ten years since the project was first launched in 2005 and we needed to revisit some of the early thinking to test whether what was originally envisioned is still relevant today and reflects the needs and aspirations of the evolving local community in 2015 and beyond.

In May 2014, Dockside Green began a public engagement process - bringing together a team of architects, planners, and designers with residents, community members, first nations groups and citizens of Victoria to revisit the plan for the project with the ultimate goal of delivering a more relevant neighbourhood plan.

Through a series of presentations, workshops, and discussions, a new vision for the project began to take shape. While the project's physical structures began to reconfigure, Dockside Green remained committed to the vision of building a well-loved, culturally vital neighbourhood where the mix of people and environment fuels health and a vibrant local economy. Four guiding values also emerged that began to drive the project: Sustainability, Respect for Local, Inclusivity, and Cultural and Creative Vitality.

Based on feedback from the five-month public engagement process, the design team at Dockside Green established an updated Neighbourhood Plan which included components of both short and long term goals of the community. After receiving positive and affirming feedback from participants, we are delighted to have submitted our comprehensive application in January of 2015 that outlines



the future of the Dockside Green Neighbourhood which provided the context for this application as enclosed.

#### *Affordable Housing - History*

In 2005 Dockside Green entered into a Master Development Agreement (MDA) with the City of Victoria which included elements related to the delivery of affordable housing at Dockside Green. From its first phases Dockside Green has made affordable housing a key priority in development of the neighbourhood. The first two phases at Dockside Green saw the delivery of 26 market affordable ownership units.

In the years following adoption of the MDA in 2005, our affordable housing strategy has been discussed and updated by ourselves and the City of Victoria based on work from the Affordable Housing Advisory Committee (AHAC) in 2008/09. These updates formed the basis of a previous application for affordable housing presented to Council in 2008 however the updated strategy was never fully captured in any MDA amendment during that period. The amendments included the following:

- A goal to focus on the development of 75 Affordable Housing units which included both market affordable ownership and non-market rental housing at Dockside Green.
- Using some of the Affordable Housing contribution (\$922,256) to make the 26 market affordable ownership units included in Phase 1 and 2 affordable to people with incomes between \$35,000 and \$50,000.
- A desire to prioritise non-market rental housing
- Building non-market housing in stand-a-lone buildings rather than scattered as individual units within private strata buildings. This is a more affordable option both short- and long-term for affordable housing providers.
- Using the remaining Dockside Green Affordable Housing Contribution funds, the 20% of Dockside Green's Building Permit Fees collected to date by the City, plus contributions from the City and CRDs Affordable Housing Funds to build 46 units of non-market rental housing. These 46 units would complete DGs affordable housing commitments to market affordable ownership and non-market rental housing.

#### *Affordable Housing – Current Proposal*

In 2014 Dockside Green began exploring new approaches for the delivery of affordable housing that would not only result in a diverse and inclusive neighbourhood at Dockside Green, but in the process, would serve as an example to enable more affordable housing units in other neighbourhoods in the region. We believe strongly that real-time learning should be shared for the benefit of others. This desire to embrace innovation for the greater public good continues to underpin Dockside Green's core values. As we move forward on the delivery of the social sustainability elements of Dockside Green, our affordable housing commitment remained our first priority. New collaborations are emerging within the not for profit sector that are very exciting – Catalyst being one of the most promising and we are proud to be partner with with them on the delivery of 49 units, contained in two, three-story wood frame buildings. Unit type ranges to include studio apartments to three bedroom and den townhomes.





The proposal as provided builds on the updates, discussion and outcomes developed in 2008/09. A core difference however in the current proposal enclosed is Docks Green's formal request to release those grants currently set aside by the City of Victoria and CRD Affordable Housing Funds for affordable housing at Docks Green. Through Catalyst innovative model of affordable housing delivery, our partnership will be able to provide 49 units of affordable workforce rental housing without the use of these grants from the City or CRD Affordable Housing Funds. By only utilizing the Docks Green Affordable Housing Contribution (AHC) and the Docks Green Affordable Housing Building Permit funds currently held by the City, this application will consequently result in the return of \$920,000 of funding back to the community to leverage/facilitate other affordable housing projects in the region to further address this important issue.

Moving forward, as part of our application of this innovative and unique approach, Docks Green is requesting amendments to our MDA that would indicate the following:

- The remaining Docks Green AHC funds and the Docks Green Affordable Housing Building Permit funds collected to date by the City, be allocated to the 49 units being proposed by Catalyst.
- Through successful delivery of these units that a discharge of Section 9 of the MDA be completed, which would result in the successful completion of Docks Green's affordable housing obligations.

### *Conclusion*

We are thankful to the stakeholders who helped shape this application. The public consultation process was a true articulation of Docks Green's connection with the community of people who live at Docks Green, the Vic West community and the City of Victoria.

We are very proud of our partner Catalyst's submission and trust it provides Council with the information needed to favorably consider the proposal and approve the required regulatory changes we are seeking.

Sincerely,

Ally Dewji

Development Manager, Docks Green Limited



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January 8, 2016

Dear Mayor Helps,

Re: Affordable Housing Grant for Dockside Green Development

In 2009, the City of Victoria approved a Housing Reserve Fund grant of \$460,000 to the Capital Region Housing Corporation (CRHC) to support the development of 46 affordable rental housing units in the Dockside Green development. This project has never moved forward and Dockside Green has recently moved forward with a plan to develop additional affordable housing units through a different agency.

In light of these developments, on behalf of the CRHC I am notifying the City of Victoria that the CRHC no longer requires this grant.

If you have any questions, please do not hesitate to contact me.

Sincerely

Christine Culham  
Senior Manager, Regional Housing

cc. Jennifer Bisley  
Senior Planner, Social Issues