



Planning and Land Use Committee Report

For the Meeting of August 27, 2015

To: Planning and Land Use Committee **Date:** August 11, 2015
From: Jonathan Tinney, Director, Sustainable Planning and Community Development
Subject: Victoria Housing Fund Application for 3211-3223 Quadra Street (District of Saanich)

RECOMMENDATIONS

That Council approve a grant from the Victoria Housing Fund in the amount of \$112,000 to the Victoria Cool Aid Society to assist in the development of 45 units of affordable rental housing within the project to be constructed at 3211-3223 Quadra Street, on the following conditions:

1. The grant will be eligible for payment to the Victoria Cool Aid Society upon approval of the grant by Council.
2. The grant is to be repaid by the Victoria Cool Aid Society if the project does not proceed.
3. The Victoria Cool Aid Society will ensure that the City of Victoria receives public recognition for its role as a financial contributor to this housing project by identifying the City of Victoria as a contributor on publications and documents related to the project and at public events related to the development, completion and operation of the project.
4. Upon project completion, the applicant submits a final report to the Sustainable Planning and Community Development department.
5. The Victoria Cool Aid Society enter into a Housing Agreement securing the housing units as rental in perpetuity at rental levels consistent with the Victoria Housing Reserve Fund Guidelines and other conditions of the grant in a form satisfactory to City staff.

EXECUTIVE SUMMARY

The purpose of this report is to present Council with information, analysis and recommendations for a Victoria Housing Fund grant application for a supportive housing project located at 3211-3223 Quadra Street (District of Saanich).

The Victoria Housing Fund Guidelines permit consideration of grant applications for up to \$10,000 per residential unit for eligible projects. The current balance within the reserve fund is \$2.3 million, which includes \$1.3 million in funding for previously approved projects. This decision will have no impact on the 2015 budget.

An application from the Victoria Cool Aid Society has been received for the development of Cottage Grove, a project of 45 units of supportive housing for people over the age of 55 years who are homeless. The Application is for a project outside the City of Victoria's municipal boundary. The Victoria Housing Reserve Fund Guidelines state that any projects proposed for properties outside of the City of Victoria must be specifically directed to youth and the chronically homeless.

Cottage Grove supportive housing units will target the population within the lowest income quintile for the City (less than \$16,000 per year). Tenants will be those who rely on income assistance, disability pension or government old age benefits for their income. Rent for tenants will be set at the income assistance rate or \$375 per month and the Victoria Cool Aid Society hopes to also provide a meal daily for an additional \$125/month. For most of the tenants this will take up almost all of their monthly income.

The District of Saanich has provided a grant of \$112,000 for this project. The applicant for Cottage Grove has asked the City of Victoria to consider matching the grant amount provided by the District of Saanich. Based on the rent levels proposed and the target client population, a recommendation to approve a grant of \$112,000 is being presented for Council consideration. Should Council approve this request, the new balance of the fund available to support new projects will be approximately \$910,000.

BACKGROUND

On May 28, 2015, the City of Victoria received an application from the Victoria Cool Aid Society, a registered non-profit society in Victoria, requesting a Victoria Housing Fund grant to assist with the capital costs of constructing 45 units of supportive housing units in five storeys of residential within a seven-storey mixed-use building at 3211-3223 Quadra Street (District of Saanich). The project will be built to serve the needs of seniors aged 55 and older who are homeless, or have a history of being chronically homeless, and/or are at risk of homelessness, many of whom are managing severe issues related to mental health, addiction and the effects of aging, and most of whom are currently living in the City of Victoria.

The project is located in the District of Saanich. A Development Permit for the project was submitted on November 1, 2013, and approved by Saanich City Council on April 27, 2014.

ISSUES & ANALYSIS

In response to the application, City staff completed a Project Eligibility Evaluation and determined that this application meets the eligibility criteria contained in the Victoria Housing Fund Guidelines (attached). Details with respect to rental affordability and the applicant's ability to leverage other funding and use the grant funds as per the City's eligibility criteria are provided below.

Affordability Requirements

The 45-unit project will include a mix of studio and one-bedroom units (see Table 1 below). Rents are set to achieve affordability targets well below the City of Victoria's affordable housing rent limits set out in the Victoria Housing Fund Guidelines. Preliminary estimates for construction expenses are \$7.4 million.

Table 1 – Proposed Rent and Income Targets

Unit Type	Number of Units	Affordability Levels	Estimated Rents	Target Income
Low Income Units				
Studio	42	Social Assistance Shelter Rate	\$375	Below \$15,000
One bedroom	3	Social Assistance Shelter Rate	\$375	Below \$15,000
Total	45			

Leveraging Additional Funding

In addition to this funding request, the applicant has requested additional funding and contributions to support the affordability of the project. Grants for the project have been approved by BC Housing, the Capital Region Housing Trust Fund, the District of Saanich and Canada Mortgage and Housing Corporation (CMHC). In addition, the Victoria Cool Aid Society has secured donations totalling \$1,045,000 for the project. The total amount of additional funding is summarized in Table 2.

Table 2 – Additional Resource Contributions

Source	Amount	Status
BC Housing Grant	\$5,481,516	Approved
CRD Housing Trust Fund	\$675,000	Pending
District of Saanich	\$112,000	Approved
CMHC PDF Grant/Loan	\$10,000	Approved
Total Public Sources	\$6,278,516	
Private Donations (Cool Aid)	\$1,045,000	Confirmed
TOTAL FUNDING	\$7,323,516	

The estimated capital budget for the project is \$7,435,516. As Table 2 indicates, Cool Aid Society has raised \$7,323,516 in funding for the project and requires an additional \$112,000 in grants to ensure the project is fully funded. If successful, the project will leverage the equivalent of \$62.4 of other investment for every \$1 of investment from the Victoria Housing Fund.

Use of Funds

The applicant has made a commitment to enter into an agreement with the City securing the conditions of the grant, which includes repaying the grant should the project not proceed as presented by the applicant. The applicant has agreed to enter into a Housing Agreement with the City that secures this building as rental housing in perpetuity at rent levels that align with the City of Victoria Housing Fund Guidelines. The applicant is required to provide annual reports to the City outlining how the project is achieving the affordability targets outlined in the Housing Agreement.

Capacity of Victoria Housing Reserve Fund

Table 3 provides information on the current status of the Victoria Housing Reserve Fund. Currently the fund has \$1,022,328 available to fund new projects. With respect to previously approved grants, construction is expected to commence in the next few weeks on the Pacifica Housing Advisory Association project on Wilson Street. Dockside Green has recently submitted a rezoning application and development permit application that include the development of 49 units of affordable rental housing. Dockside Green staff have indicated that they will not require a grant from the City's Housing Reserve Fund for this project.

Two other applications to the Victoria Housing Reserve Fund have been received since receipt of the application from the Cool Aid Society. An application from a private developer has been received for 35 units of supportive housing on Comerford Street in Esquimalt. The application for this project is incomplete and the applicant has been asked to provide the information necessary to support a complete evaluation of the project. As well, section 25 of the Community Charter prohibits municipalities from providing grants to businesses. However, the Capital Regional District recently approved a grant from the Regional Housing Trust Fund for this project under

section 21 of the Charter, which permits a municipality to provide assistance to a business that enters into a partnering agreement for the provision of a service on behalf of the municipality. City staff are currently seeking a legal opinion as to whether this provision would apply under the circumstances for which the grant is being sought.

Table 3 - Status of Victoria Housing Reserve Fund – July 8, 2015

Balance to December 31, 2014			\$1,866,083
<u>Plus Funds Received</u>			
Annual City Contribution 2015		\$250,000.00	
One time funding 2015- GPC minutes Apr 9/15		\$750,000.00	
Total City Contributions 2015			\$1,000,000
<u>Grants Paid out in 2015</u>			
Greater Victoria Rental Development Society - 1950 Blanshard St			\$543,725
Total Grants Paid out in 2015			\$543,725
GL Balance			\$2,322,358
<u>Grants Pending (Not yet Paid)</u>			
CRHC (Capital Region Housing Corp -Dockside Green)	\$460,000.00		
Pacifica Housing Advisory Association - 105 Wilson	\$840,000.00		
Total Grants Committed			(\$1,300,000)
Total GL Balance less Committed Grants			\$1,022,358

The other applicant is a non-profit society building 42 units of supportive housing in Saanich that will support older women and women with children who are homeless or at risk of homelessness. Staff have reviewed a Letter of Intent from the applicant, a non-profit organization, and have advised them that the project meets the Housing Reserve Fund Guidelines and have encouraged them to submit a complete application.

OPTIONS AND 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 of Making Victoria More Affordable.

Impacts to 2015 – 2018 Financial Plan

In April of 2015, Council approved an additional contribution of \$750,000 to the Housing Reserve Fund from the 2014 surplus. Although this amount does not have any formal restrictions placed

on it, when this amount was approved, Council requested a report back on the potential to use this funding to support the development of secondary suites and micro-housing projects. Combined with the \$250,000 annual contribution for 2015, the Fund currently has an uncommitted balance of \$1,022,358, which is sufficient to support this grant application.

Official Community Plan Consistency Statement

Because this project is outside the boundary of the City of Victoria, the OCP does not apply.

Option 1 – Approve the Grant Request (Recommended)

Approval of the grant will allow the Victoria Cool Aid Society to build 45 units of supportive housing. It will help leverage a grant from the Regional Housing Trust Fund and will be added to the substantial investments in grants being provided by BC Housing, the District of Saanich and CMHC. Matching the Victoria Housing Reserve Fund grant to the amount granted to the project by the District of Saanich allows for a balance of funds to support future projects and sends a positive message to other municipalities with respect to the City of Victoria's willingness to partner with other regional municipalities in addressing homelessness and providing affordable housing.

Option 2 – Decline the Grant Request

Should the grant be declined, the Victoria Cool Aid Society will have to obtain additional grants or attempt to solicit more donations for the project and possibly may be forced to delay development while the additional funds are being solicited.

CONCLUSIONS

The housing development presented in this report meets the Victoria Housing Fund eligibility requirements and is being proposed by an applicant with a history of success in developing supportive housing in the community. A Housing Agreement will be registered on title securing the housing units as rental in perpetuity at rates that align with the Victoria Housing Fund Guidelines. The recommendations presented in this report also include conditions that allow for the timely provision of the grant to the applicant in a way that also provides additional security for the City's financial investment.

Respectfully submitted,



John Reilly, Senior Planner – Social Issues
Community Planning Division



Jonathan Tinney, Director
Sustainable Planning and Community
Development Department

Report accepted and recommended by the City Manager: _____
Jason Johnson











Date: August 21, 2015

LIST OF ATTACHMENTS

- Aerial photo of 3211-3223 Quadra Street (District of Saanich)
- Applicant's Letter of Intent dated May 28, 2015
- Cottage Grove – Project Summary Sheet
- Development Permit Approved design rendering for 3211-3223 Quadra Street (District of Saanich)
- Victoria Housing Fund – Guidelines.

3211, 3217, 3223 Quadra Street (District of Saanich)

Legend

-  Building
-  Municipal Boundary
- Streets**
 -  Other
 -  Highway
 -  Major
 -  Collector
- Water Course**
 -  Man-made
 -  Natural
-  Water Body
-  Parks
-  Parcel

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This map is for general information purposes
and should not be considered authoritative
for any purpose. Accuracy, currency and
precision are not guaranteed.



May 28, 2015

by hand and jreilly@victoria.ca

Mayor and Council
City of Victoria
1 Centennial Square
Victoria BC

Letter of Intent
Cottage Grove, Seniors Supportive Housing

The Victoria Cool Aid Society has acquired an undeveloped property for the purpose of constructing 45 new units of supportive housing for seniors 55 and older who have been chronically homeless and who require support to maintain housing. The new apartment building will, in part, be modelled after three existing seniors buildings Cool Aid currently operates in the region: Hillside Terrace in Victoria, FairWay Woods in Langford and Olympic Vista in Saanich.

The project has been selected by the G.V. Coalition to End Homelessness as one of the priority supportive housing projects in the CRD and tenants will be selected through the multi-agency CASH process (Centralized Access to Supportive Housing). A development permit has been issued by the District of Saanich for the Quadra Street property, located one lot away from the City of Victoria boundary (Tolmie), and the building permit is now with Saanich Planning. Construction is anticipated to begin in the next few months.

The Society is requesting a Victoria Housing Fund contribution of up to \$10,000 per unit for a total possible grant of \$450,000 on the total project cost of \$7.435 million.



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The Society and its partners will also provide a wide range of support services, including 24/7 staffing by professional housing support workers, and advocate for one meal daily provided on site as part of the rental agreement with tenants.

The target population is seniors aged 55 and older who are homeless, or have a history of being chronically homeless, and/or are at risk of homelessness, many of whom are managing severe issues related to mental health, addiction and the effects of aging, and most of whom are currently living in the City of Victoria. Most tenants will be on income assistance and/or disability and seniors pensions. They will fit the existing profile of Cool Aid senior tenants; individuals who have a chronic history of difficulties in finding and maintaining housing with household incomes in the lowest quintile.

As is the case with the general population, the average age of people who are homeless and need supportive housing is rising. Already, 50% of Cool Aid's 344 tenants across ten buildings are 55 years or older. In Cool Aid's emergency shelter system, 244 individuals of 1,525 served, or 16%, were over 55 years old in 2014/15. Finally, the CASH (Centralized Access to Supportive Housing) data shows that 22% of people waiting for supportive housing are 55+, recording 188 on their waitlist in 2013.

Cool Aid's objectives for the operation of Cottage Grove include:

- Provide safe, affordable, supportive housing for seniors aged 55 and older who have a history of being homeless.
- Contribute to the building of a supportive, resilient and positive neighbourhood in the community.
- Reduce frequency and length of police involvement and hospital visits among the target group.
- Leverage partnership opportunities for efficient service delivery.

Cottage Grove is the first building that will be re/constructed to fulfil Cool Aid's goal of providing 360 new supportive housing apartments in the CRD to help end homelessness. In addition to the attachments requested in the Application form, three short documents outlining our overall new housing plan are enclosed: a one-page brief which includes the list of community leaders helping raise capital dollars, a Cottage Grove factsheet, and a longer Case for Support.

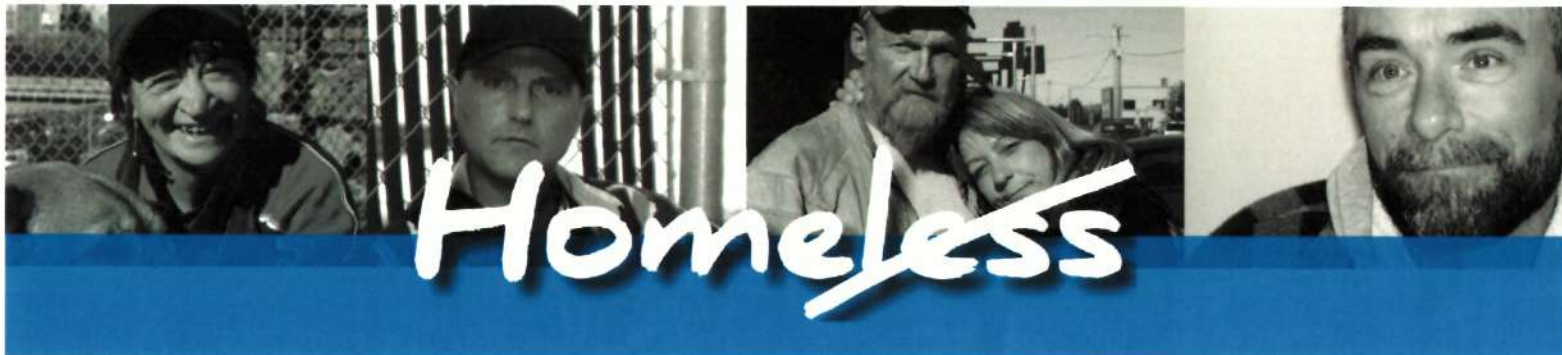
Sincerely,



Kathy Stinson, CMA
Executive Director
(250) 414-4792
kstinson@CoolAid.org

encl: application, building & site plans, capital & operating budgets, 1-page brief, Case, Cottage

cc: John Reilly, Senior Planner, Sustainable Planning & Community Development



Attachment 3

COTTAGE GROVE - A NEW BUILDING IN SAANICH DEDICATED TO SENIORS WHO ARE HOMELESS

Cool Aid's new Cottage Grove Apartments near Quadra and Tolmie will provide homes for 45 seniors (42 studio apartments and 3 one bedroom) aged 55 and older whose physical and mental health disabilities affect the quality of their lives and their ability to maintain housing. Construction can begin when the Province commits \$4.8 million of the estimated \$6.6 million cost.

Cool Aid's objectives for the operation of Cottage Grove Manor include:

- Provide safe, affordable, supportive housing for seniors aged 55 and older who have a history of being homeless and/or at risk of homelessness.
- Provide one nutritious, hot meal daily to the residents and a variety of healthy activities.
- Contribute to the building of a supportive, resilient and positive neighbourhood.

Tenants and housing support workers at Cottage Grove will work closely with Island Health (VIHA): mental health and addictions, Assertive Community Teams (ACT), Victoria Innovative Seniors' Treatment Approach (VISTA); Beacon Community Services; Access Health Centre, and other support workers to ensure effective service delivery.

Cool Aid has built relationships with Quadra Cedar Hill Community Association and Quadra Hillside Community Association to ensure the project fits well with the overall community plan.





The site has many features conducive to supported housing:

Cool Aid estimates a capital budget of \$6.6 million including land costs, which equates to a per-unit cost of \$146,348. A total of \$500,000 more is required from individuals, foundations and corporations.



**Cottage Grove Manor
Proposed 45-unit Housing Project**

3211, 3217, 3223 Quadra Street, District of Spanish, BC



CITY SPACES

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June, June 2012



CITY OF VICTORIA HOUSING RESERVE FUND PROGRAM APPLICATION GUIDELINES

Program Overview

The fund was established for the purpose of the providing grants for capital funding:

- To assist in the development and retention of housing for households with no, low or moderate incomes to support community diversity and infrastructure; and
- To facilitate the development of affordable rental housing.

Who can apply?

Eligible applicants must be a non-profit society or have a partnership with a non-profit organization that will own and operate the housing.

The City encourages partnerships between non-profit societies and the private development industry.

Project Eligibility

Priority for project funding will be based on a consideration of the following criteria:

- Projects that include leveraging and partnerships with other government funding agencies, private industry, community agencies and/or individuals;
- Projects that target housing for no, low or moderate income households (definition below).
- Projects that address the housing needs of families with dependent children, youth and the chronically homeless;
- Projects that are in the City of Victoria (except for those specifically directed to youth and the chronically homeless);
- Proponents with a proven track record of developing and operating non-profit housing.

Funding Assistance

The maximum assistance for eligible projects, under this program, is in the form of a grant of up to \$10,000 per unit.

Should construction of a project for which a grant is approved not commence within two years of the Development Permit approval or should a Development Permit in respect of an approved project not be issued within two years of Council's approval of the grant, the approved grant shall be rescinded.

The City reserves the right to accept or reject any application for funding without limitation.

Application Procedure

1. The proponent meets with the designated staff representative to determine project eligibility.
2. Once it is determined that the project can be considered within the program, the proponent is directed to proceed with a full application.
3. Proponent provides an application package for review.
4. Using the Victoria Housing Reserve Fund Guidelines, the Administrator evaluates and scores the application.
5. The Administrator submits the evaluation of the application and a recommendation report to Council for consideration, upon which Council will either approve or reject the recommendation, or request that the Administration provide further information.

Approval of funding under this program does not limit Council's decision making with regard to Rezoning, Development Variance or Development Permit or any other approvals.

Definition of Low and Moderate Income

Low Income

For the purpose of the definition of low income households in this policy, the City endorses the Housing Income Limits as published by BC Housing on an annual basis.

2014 Housing Income Limits (HIL's) for Victoria: Bachelor = \$29,000

1 Bdrm = \$34,500

2 Bdrm = \$43,000

3 Bdrm = \$59,000

4+ Bdrm = \$65,000

Moderate Income

Households with incomes below the Victoria CMA median income are considered to be moderate income for the purposes of this policy.

***The 2011 Victoria CMA household median income = \$61,553.00 per annum (Source: Statistics Canada)*

Affordable housing is defined as costing no more than 30% of gross household income.

Development Cost Charges

All housing projects will be required to pay all City permits, fees and Development Cost Charges.

Contacts

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