



**REPORT TO REGIONAL HOUSING TRUST FUND COMMISSION
MEETING OF MONDAY, JUNE 26, 2017**

SUBJECT **Regional Housing Trust Fund Application for Croftonbrook, Salt Spring Island**

ISSUE

This report provides information and a recommendation with respect to a grant application to the Regional Housing Trust Fund (RHTF) by Island Women Against Violence (IWAV).

BACKGROUND

On November 29, 2016, the RHTF Commission approved a resolution to lift the suspension on the receipt of Letters of Intent and applications for grants from the RHTF to support affordable rental housing projects. The Commission further approved a resolution prioritizing the use of RHTF grants for the development of affordable housing units within approved Regional Housing First Program (RHFP) projects for the period 2017-19.

In March 2017, the CRD received a Letter of Intent from IWAV requesting a grant to support affordable rental housing units within a proposed development on Salt Spring Island. On March 8, 2017, the CRD Board had provided Provisional Project Approval to this project through the RHFP.

At its meeting on April 3, 2017, the RHTF Commission approved the Letter of Intent and the project's proponents were encouraged to submit a RHTF grant application.

Project Description: Croftonbrook – Island Women Against Violence (SSI)

Estimated Total Project Cost:	\$11,199,720
Grant Amount Requested:	\$510,000
Total units:	52
Total Affordable Rental Units to be Funded:	34
Projected Completion:	June 2019

Applicant Information

IWAV is a charitable organization that provides affordable housing for households in financial need. The Society currently operates the 6-bed transition shelter for women and children fleeing violence and operates an 11-unit housing project called the Cedars that provides 8 units of second stage housing and 3 units of permanent housing for low income women. In 2015, IWAV took over the operations of Croftonbrook, which provides 20 units of subsidized housing to low income seniors and people with disabilities.

Project Description

Croftonbrook is located on a 4.94 acre parcel in Ganges Village on SSI and is currently home to a 20-unit senior rental project. It is currently owned by BC Housing under an operator agreement, but scheduled for transfer to IWAV under the Non-Profit Asset Transfer Program in 2017. IWAV proposes a 2-phase development that adds 52 new rental units. A breakdown of the units and their target populations are provided in Table 1.

Phase I currently includes approximately 1,700 sq. ft. of common space with laundry, an activities room, washrooms, storage and a small office. This will be expanded by approximately 950 sq. ft. to accommodate residents of both Phases I-II. The apartment style building in Phase II will also include approximately 1,000 sq. ft. of common/programming space, for a total of 3,650 sq. ft. in the project. IWAV is also planning approximately 1,600 sq. ft. of commercial space, which their Society will rent for their administrative needs and delivery of their counselling services.

Table 1 – Croftonbrook: Proposed Rent Structure

Program	Unit Type	Number	Target Population	Rental Criteria	Rent Level
RHFP	Studio	9	Chronic Homelessness	Income Assistance	\$375
RHFP	Small One Bedroom	9	Chronic Homelessness	Income Assistance	\$375
RHTF	Small One Bedroom	4	Low to Moderate Income Households	HILs*	\$782
RHTF	One Bedroom	18	Low to Moderate Income Households	HILs	\$782
RHTF	Two Bedroom	8	Low to Moderate Income Households	HILs	\$990
RHTF	Three Bedroom	4	Low to Moderate Income Households	HILs	\$1050

*Housing Income Limits

Funding Summary

Once the transfer of title from the Provincial Rental Housing Corporation takes place, IWAV will be contributing both the land and \$29,720 to the project. A summary of the anticipated equity contributions are provided in Table 2.

Table 2 – Croftonbrook Anticipated Equity Contribution Summary

Contributor	Form	Amount	Status
Island Women Against Violence	Land Value	\$2,020,000	Confirmed
Island Women Against Violence	Cash	\$29,720	Confirmed
CMHC	PDF Grant	\$50,000	Confirmed
Community Contribution	Donations	\$60,000	Unconfirmed
Capital Regional District	RHTF	\$510,000	Unconfirmed
Foundations	Grants	\$400,000	Unconfirmed
RHFP	Equity Purchase	\$4,520,000	Conditionally Confirmed
Mortgage	Take Out	\$3,610,000	Unconfirmed
ESTIMATED TOTAL PROJECT COST		\$11,199,720	

Evaluation Comments

- IWAV is an eligible applicant with a proven track record of developing and operating affordable rental housing projects in the Capital Region.
- On February 10, 2016, the SSI Community Services Point in Time Count discovered 83 people who were homeless on SSI.

- A 2015 Housing Needs Assessment identified that SSI continues to experience an acute shortage of affordable rental housing.
- The proposed site is central to the Town of Ganges and is close to all relevant services.
- Target rents align with the RHTF Guidelines. The proposed rents for the 34 affordable rental units will be within the HILs set by BC Housing.
- The proposed capital budget is realistic and reflects the capital costs associated with similar projects completed in the recent past.
- On May 23, 2017, the RHTF Advisory Committee reviewed the proposal provided for the Croftonbrook project and recommended the project receive a RHTF grant.

Regional Housing Trust Fund Capacity

Funding available through the RHTF for 2017 is approximately \$1,017,400. This report summarizes one of two proposals that are currently requesting a combined total of \$1,260,000 in grants. The RHTF Advisory Committee has assessed each project as possessing equal merit and in order to address the limited capacity of the Fund, have recommended that RHTF funds be distributed equitably between both projects at the level of \$12,000 per unit.

ALTERNATIVES

That the Regional Housing Trust Fund (RHTF) Commission recommend to the Capital Regional District (CRD) Board:

1. That a grant in the amount of \$408,000 to Island Women Against Violence (IWAV) be approved to support the development of 34 units of affordable rental housing at 132 Corbett Road, Salt Spring Island, subject to meeting the terms of the RHTF Grant Funding Agreement.
2. That this issue be referred back to CRD staff with further direction from the Commission.

IMPLICATIONS

Social Implications

The use of RHTF grants to support affordability for the proposed housing units will allow for the development of mixed income communities that include housing for both people experiencing chronic homelessness as well as other income and demographic groups seeking more affordable housing options in the region. Mixed income developments have the capacity to achieve both economic and social sustainability objectives in the community.

Financial Implications

Funding available through the RHTF to support new projects in 2017 is approximately \$1,017,400. The RHTF Advisory Committee is currently recommending grants to two separate proposals that request a combined total of \$1,260,000 in grants. The RHTF Advisory Committee has assessed each project as possessing equal merit and in order to address the limited capacity of the Fund, have recommended that RHTF funds be distributed equitably between both projects at the level of \$12,000 per unit.

Figure 1 – Regional Housing Trust Fund Status

Current RHTF Reserve Fund Balance		\$	1,149,640.00
Outstanding Commitments			
	Townley Place	\$	(450,500.00)
	Cottage Grove	\$	(675,000.00)
Remaining Balance		\$	24,140.00
2017 Requisition		\$	993,260.00
Balance for New Projects 2016		\$	1,017,400.00
Grant Recommendations			
34 units @ \$12,000/unit	IWAV (SSI)	\$	408,000.00
50 units @ \$12,000/unit	Cool Aid (City of Victoria)	\$	600,000.00
Subtotal		\$	1,008,000.00
Difference		\$	9,400.00

Approving this recommendation would reduce the proponent's anticipated CRD equity contribution by \$102,000. Should the Commission approve this recommendation, the CRD staff will work with the proponents to find ways of assuring project viability while achieving target rents within the limited funds available through the RHTF.

RECOMMENDATION

That the Regional Housing Trust Fund (RHTF) Commission recommends to the Capital Regional District (CRD) Board:

That a grant in the amount of \$408,000 to Island Women Against Violence (IWAV) be approved to support the development of 34 units of affordable rental housing at 132 Corbett Road, Salt Spring Island, subject to meeting the terms of the RHTF Grant Funding Agreement.

Submitted by:	John Reilly, MSW RSW, Manager Housing Planning and Programs
Concurrence:	Christine Culham, Senior Manager Regional Housing
Concurrence:	Kevin Lorette, P.Eng., MBA, General Manager Planning & Protective Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

JR:gd