



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

SUBJECT **Regional Housing Trust Fund Application for Cedar Grove, Victoria**

ISSUE

This report provides information and a recommendation with respect to a grant application to the Regional Housing Trust Fund (RHTF) by the Cool Aid Society.

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 the Cool Aid Society requesting a grant to support affordable rental housing units within a development proposed in the City of Victoria. 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: Cedar Grove – Victoria Cool Aid Society

Estimated Total Project Cost:	\$13,155,000
Grant Amount Requested:	\$750,000
Total units:	82
Total Affordable Rental Units to be Funded:	50
Projected Project Completion:	September 2019

Applicant Information

Founded in 1968, Victoria Cool Aid Society delivers supportive housing, housing with supports and health services to people experiencing homelessness and other low income residents throughout the region, including Langford, Victoria and Saanich. The Society has a solid reputation for the services it provides, owns 252 units of housing and manages more than 412 rental units in 12 different buildings. Victoria Cool Aid Society also coordinates and provides health services.

Project Description

Victoria Cool Aid Society is proposing the redevelopment of an existing supportive housing program at 210 Gorge Road East which will replace what is currently a 21 unit repurposed motel with a new rental housing development of 82 units. The property is in close proximity to services and in an area well served by public transportation. The new building will include

32 units at provincial income assistance rates as well as units that will rent below BC Housing's HILs and be affordable to low and moderate income households. A breakdown of the units and their target populations are provided in Table 1.

Table 1 – Cedar Grove: Unit Summary

Program	Unit Type	Number	Target Population	Rental Criteria	Rent Level
RHFP	Studio	32	Chronic Homelessness	Income Assistance	\$375
RHTF	Studio	30	Low to Moderate Income	85% of market	\$650
RHTF	One Bedroom	10	Low to Moderate Income	85% of market	\$775
RHTF	Two Bedroom	10	Low to Moderate Income	85% of market	\$1,010

Four of the units will be accessible and the building will include the following amenities: a lounge/coffee bar; laundry facilities; a staff office; a visiting counselling office; a staff washroom; and an accessible washroom for residents and visitors.

Funding Summary

Victoria Cool Aid Society will be contributing both land and their own funding to the project while retiring an existing mortgage on the property, providing a net contribution of \$2,110,000. A summary of the anticipated equity contributions are provided in Table 2.

Table 2 – Cedar Grove Anticipated Equity Contribution Summary

Contributor	Form	Amount	Status
Victoria Cool Aid Society	Land Value & Cash (net)	\$2,110,000	Confirmed
CMHC	PDF Grant	\$40,000	Confirmed
City of Victoria	Housing Reserve Fund	\$920,000	Unconfirmed
Capital Regional District	RHTF	\$750,000	Unconfirmed
RHFP	Equity Purchase	\$5,070,000	Conditionally Confirmed
Mortgage	@ 3.5% takeout	\$4,685,000	Unconfirmed
ESTIMATED TOTAL PROJECT COST		\$13,575,000	

Evaluation Comments

- Victoria Cool Aid Society is an eligible applicant with a proven track record of developing and operating affordable rental housing projects in the Capital Region.
- This redevelopment will expand the number of units renting at income assistance rates while also providing the opportunity to create units that will meet the needs of low to moderate income households.
- The proposed site currently supports a successful housing program that meets the needs of people experiencing chronic homelessness.
- The project will be located in close proximity to commercial and social support services as well as schools and other public amenities.
- Target rents will fall within the HILs established 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 Cedar Grove project and recommended the project receive a RHTF grant.

Regional Housing Trust Fund Capacity

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.

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 \$600,000 to the Cool Aid Society be approved to support the development of 50 units of affordable rental housing at 210 Gorge Road East, Victoria, 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 \$150,000. 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.

RECOMMENDATIONS

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

That a grant in the amount of \$600,000 to the Cool Aid Society be approved to support the development of 50 units of affordable rental housing at 210 Gorge Road East, Victoria, 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

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