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## **REPORT TO REGIONAL HOUSING TRUST FUND COMMISSION MEETING OF FRIDAY, FEBRUARY 21, 2020**

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**SUBJECT**     Cedar Grove 210 Gorge Road East

### **ISSUE SUMMARY**

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

### **BACKGROUND**

In March 2017, the Capital Regional District (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 Regional Housing First Program (RHFP).

Subsequently, on June 26, 2017, the Commission approved a resolution recommending the “CRD Board approve a grant in the amount of \$600,000 (\$12,000/unit) to the Cool Aid Society 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” (Appendix A). The CRD Board approved this resolution at its meeting of July 12, 2017. Constraints on the total amount of funding available at the time only allowed the Commission to approve a grant on the basis of \$12,000 per unit.

Since that time, Cool Aid Society has had to amend the project plan to align with a City of Victoria development requirement to reduce the number of residential floors from six to five stories (Appendix B). This has necessitated a reduction in the number of units from 82 to 72 in total. Of these, a total of 42 units will be affordable rental as per RHTF guidelines.

This reduction in units results in a grant of \$14,286 per unit, which is within the \$15,000/unit limit set by the RHTF guidelines. Reducing the original grant amount of \$12,000 per unit, based on the new number of affordable rental units in the project, would result in reducing the total RHTF grant amount to \$504,000.

### **ALTERNATIVES**

#### *Alternative 1*

The Regional Housing Trust Fund Commission recommends to the Capital Regional District Board:

That the number of affordable rental housing units at 210 Gorge Road East, Victoria, supported by a \$600,000 Regional Housing Trust Fund grant, be reduced from 50 to 42, subject to meeting the terms of the Regional Housing Trust Fund Grant Funding Agreement.

#### *Alternative 2*

The Regional Housing Trust Fund Commission recommends to the Capital Regional District Board:

That the amount of funding provided through a grant from the Regional Housing Trust Fund be reduced from \$600,000 to \$504,000, which is equal to \$12,000 per door for 42 units of affordable rental housing units at 210 Gorge Road East, Victoria, subject to meeting the terms of the Regional Housing Trust Fund Grant Funding Agreement.

*Alternative 3*

The Cedar Grove 210 Gorge Road East issue be referred back to Capital Regional District staff with further direction from the Commission.

**IMPLICATIONS**

*Social Implications*

In Alternative 2, reducing the grant amount by \$96,000 would require that the Cool Aid Society either seek additional equity through other sources or increase rents in the affordable rental units in order to ensure the financial viability of the project. Raising the rental levels could threaten the requirements of a Housing Agreement Cool Aid Society holds with the City of Victoria.

*Financial Implications*

A \$600,000 grant has already been approved for this project, hence there are no financial implications resulting from this decision. Should the Commission choose to reduce the grant amount to \$504,000, the remaining \$96,000 could be used to fund a minimum of 6 units of affordable rental housing in a future project.

**CONCLUSION**

Cool Aid Society was required by the City of Victoria to reduce the size of a project at 210 Gorge Road East, a housing development for which a RHTF grant of \$600,000 was approved. This has necessitated the reduction of affordable rental units from 50 to 42. This reduction in units results in a grant of \$14,286 per unit, which is within the \$15,000/unit limit set by the RHTF Guidelines. Approving this resolution allows CRD staff to enter into a Grant Funding Agreement that aligns with CRD Board direction.

**RECOMMENDATION**

The Regional Housing Trust Fund Commission recommends to the Capital Regional District Board:

That the number of affordable rental housing units at 210 Gorge Road East, Victoria, supported by a \$600,000 Regional Housing Trust Fund grant, be reduced from 50 to 42, subject to meeting the terms of the Regional Housing Trust Fund 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

**ATTACHMENT(S)**

Appendix A: Staff Report to RHTF Commission June 26, 2017

Appendix B: Correspondence, Cool Aid Society