

COUNCIL POLICY

NAME:	SAANICH AFFORDABLE HOUSING RESERVE FUND POLICY	
ISSUED:	July 15, 2024	INDEX REFERENCE:
AMENDED:		COUNCIL REFERENCE: 24/CNCL

1) PURPOSE

The purpose of the Saanich Affordable Housing Reserve Fund (SAHRF) is to incentivize the development of new non-market housing supply. The SAHRF is intended to support pre-development and capital costs related to affordable housing projects within the District of Saanich.

2) ELIGIBLE APPLICANTS

- The applicant must be a non-profit organization as defined in the *Community Charter* and;
- The applicant must offer supportive or affordable housing within their mandate.

3) ELIGIBLE PROJECTS

- The project must be operated by a non-profit housing provider;
- The development must be primarily residential; and
- The housing must be rental tenure.
- Eligible projects may include a variety of rent levels (including but not limited to deeply subsidized, rent geared to income, below- or near-market, and market rental rates).

In addition to the above requirements, projects seeking Capital Grant funding must also:

- Be owned by a non-profit organization, **OR**
- Hold a long-term land lease with terms and conditions that secure the long-term use of the land for affordable housing purposes.

4) ELIGIBLE COSTS

a) **Pre-Development Grant** costs include but are not limited to:

- Feasibility studies;
- Professional appraisal;
- Site or special purpose surveys; and
- Preliminary designs.

b) **Capital Grant** costs include but are not limited to:

- Costs for new construction; and
- Costs for redevelopment of an existing site.

5) INELIGIBLE COSTS

- Operating expenses of the non-profit organization, including wages of employees of the non-profit organization, staff training, benefits, marketing and advertising, rental and maintenance costs, and debt payment, etc.;
- To fund the incorporation of a non-profit;
- Business plans and operational budgets.

6) FUNDING CONDITIONS

- Applicants may receive one Pre-Development Grant and one Capital Grant *per project*. The funds are non-renewable.
- Applicants may opt to receive Capital Grant funding up front by executing a Grant Agreement with the District. In such cases, funding will be rescinded if:
 - a Development Permit is not issued within two years of Council's approval of the grant
 - construction of a project does not begin within two years of receiving a Development Permit.
- The District reserves the right to accept or reject an application to the SAHRF without limitations.

7) FUNDING PROGRAMS

The SAHRF includes two distinct funding programs: a) Pre-Development Grants and b) Capital Grants. Receiving Pre-Development Grant funding does **not** automatically qualify an applicant for development approval or guarantee access to Capital Grant funding.

a) Pre-Development Grant

Applicants may apply for a **maximum of \$40,000** for pre-development costs per project.

Application Process:

- 1) Applicant demonstrates eligibility, describes the pre-development activities for which they will use the funds, and identifies the proposed site of the project.
- 2) Planning staff review the application and meet with applicant, if required.
- 3) Planning staff submit a Report to Council with a recommendation regarding the distribution of Pre-Development Grant funding.
- 4) Successful applicants submit invoices to Planning staff for pre-development costs incurred.
- 5) Planning staff issues formal request to Finance staff to distribute the awarded funds.

b) Capital Grant

While the amount distributed to each project depends on the health of the Fund, the target funding for eligible capital projects is:

Unit Size	Amount per door
Studio	\$2,000
1-bedroom	\$2,500
2-bedroom	\$3,000
3-bedroom	\$3,500
4-bedroom	\$4,000

Application Process:

- 1) Applicant demonstrates eligibility and submits request for funds to the Planning Department, along with their Development Permit Application.
- 2) Planning staff review the application and meet with applicant, if required.

- 3) Planning staff submit a Report to Council with a recommendation regarding the distribution of Capital Grant funding.
- 4) Once approved, the Applicant may:
 - a) submit invoices to Planning staff for incurred costs and receive the total funding amount *after* the work is completed.

OR

- b) sign a Grant Agreement with the District, which includes stipulations for returning the funds if the project is not realized.

Upon signing of Grant Agreement, 80% of total funds are released. The remaining 20% are distributed with the Occupancy Permit and upon satisfaction of applicable conditions of the Grant Agreement.