

AGENDA
HOUSING AFFORDABILITY STANDING COMMITTEE

To be held in Committee Room 2
Monday May 27, 2024 from 10:30 am to 12:30 pm

The District of Saanich lies within the territories of the ləkʷəŋən peoples represented by the Songhees and Esquimalt Nations and the WSÁNEĆ peoples represented by the Tsartlip, Pauquachin, Tsawout, Tseycum and Malahat Nations.

We are committed to celebrating the rich diversity of people in our community. We are guided by the principle that embracing diversity enriches the lives of all people. We all share the responsibility for creating an equitable and inclusive community and for addressing discrimination in all forms.

1. CHAIR'S REMARKS

2. ADOPTION OF MINUTES

- February 26, 2024

3. RAPID DEPLOYMENT OF NON-MARKET HOUSING

- Chloe Miller, Planner

4. SAANICH AFFORDABLE HOUSING RESERVE FUND

- Pam Hartling, Housing Planning and Policy Manager

5. CO-OP HOUSING

- Pam Hartling, Housing Planning and Policy Manager

MINUTES
HOUSING AFFORDABLE STANDING COMMITTEE
Held at Saanich Municipal Hall, Committee Room 2 and via MS Teams
770 Vernon Avenue
February 26, 2024 at 1pm

Present: Scott Dutchak, Mayor Dean Murdock (Chair), Phil Lancaster, Cam Pringle, Councillor Zac de Vries, Councillor Mena Westhaver

Staff: Lindsay Chase, Director of Planning; Pam Hartling, Housing Planning and Policy Manager

Regrets: Councillor Judy Brownoff

MINUTES

MOVED by Councillor M. Westhaver and Seconded by P. Lancaster: “That the Minutes of the Housing Affordability Standing Committee meeting held November 27, 2023, be adopted as circulated.”

CARRIED

CHAIRS REMARKS

Mayor Murdock read the Territorial Acknowledgement and the Diversity, Equity and Inclusion Statement.

PROPOSED REVISIONS TO COUNCIL’S NON-MARKET HOUSING POLICY

Pam Hartling, Housing Planning and Policy Manager, presented a PowerPoint on the Proposed Revisions to Council’s Non-market Housing Policy.

The following was noted:

- Proposed revisions to the fast tracking policy will focus on affordability and housing security with projects from BC Housing, non-profit housing agencies and co-operatives as first priority.
- Purpose-built rental projects from any applicants willing to secure the rental status of all units into perpetuity by entering into a housing agreement with the District as another priority.
- Rental or strata projects from for-profit applications who are accessing a Canada Mortgage and Housing Corporation (CMHC) or BC Housing funding program; or willing to designate some units as “affordable” for a period of at least ten years by entering into a housing agreement with the District and/or signing a covenant.
- Non-market rental, non-market ownership, co-operative housing and mixed-use residential projects owned and operated by a non-market housing provider are eligible.
- To prioritize throughout the approval process (all referral depts) from pre-app to completion.
- To provide clarity for staff when projects with key strategic interest that do not meet policy are to be prioritized.

The following was noted during the discussion and in response to questions from the committee:

- Staff continue to improve systems to expedite, streamline, and reduce burdens for fast-tracked applications. A second phase of internal work includes working with IT to digitalize application systems to advance projects faster, as well as increasing staffing resources.
- There is a challenge defining affordability for projects. With this proposal there are few eligible applications that qualify.
- The policy is not eligible for units below market, it must be a 100% non-market housing provider.
- The District has to respond and provide policy structure while relying on outside parties.
- Generally other non-eligible applications will not slow down. A challenge staff face is when the applicant changes their design and project.
- The committee stated their satisfaction of clarity this presentation brings.

MOVED by Councillor M. Westhaver and Seconded by S. Dutchak: “That the Housing Affordability Standing Committee recommends that Council amend the Non-market Housing Policy to only allow non-profit housing applications to be fast tracked.”

The Motion was then Put and CARRIED

ANNUAL HOUSING PROGRESS REPORT 2023

Pam Hartling, Housing Planning and Policy Manager, presented a PowerPoint on the Annual Housing Progress Report for 2023.

The following was noted:

- Several graphs and diagrams were displayed analyzing various housing trends, measuring housing outcomes and housing strategy progress.
- Despite a reduction in overall sales volumes due to high interest rates and rising construction costs, the Greater Victoria multifamily market demonstrates resilience as rental vacancy rates remain low.
- Government initiatives such as the GST waiver for new rental construction in some cases has been the deciding factor in proceeding with a rental development.
- BC’s Rental Protection Fund enables non-profits to prop up activity and values in the multifamily sector. Rental market investment sector predicted to “remain robust” as interest rates start to ease in 2024.
- Latest BC Stats projections estimate a 38% increase in population in 2046.
- Completed policies in 2023 include a Tenant Assistance Policy, small apartment infill zone and policy, as well as a Monitoring Program to track progress.
- Phase 1 Actions completed in 2023 include the definition of affordability to guide programs and policies, a CAC and IH program and a land capacity analysis.
- The District continues to monitor outreach and education, housing market trends, market rental viability, regional affordability CoP, and regional refugee readiness.
- The current balance of the housing fund is roughly 2 million.
- The Province implementation of Bill 44 has set housing priorities for 2024 to entail small scale multi-unit housing, transit oriented areas and changes to Public Hearing requirements. More

guidance still to come for the Housing Needs Report requirements and aligning the OCP with HNR as well as aligning the zoning bylaw with the OCP.

The following was noted during the discussion and in response to questions from the committee:

- It was stated that accommodation for commercial designations, neighborhood hubs and 15 minute communities are desired. Secondary corridors will come to life as an OCP add-on as an appendix.
- The District is currently on track to meet the Provincial housing targets. We have several support systems with grants and provincial funding.
- Low vacancy rates and high rates make a profitable market.
- Primary growth area for the District is roughly 80% and 20% in neighbourhoods through infill.
- A retail modelling capacity project is currently underway after residential is complete.
- The definition of affordability will be updated on an annual basis.
- There will be a future update to the OCP to reflect the update housing needs report which will incorporate these higher projections from the Province.
- Staff are continuing to monitor the types of applications and the market while focusing on support for non-market housing and neighborhood homes/planning. Staff are using the housing strategy framework to continue to pick priorities that reflect off market conditions.

MOVED by P. Lancaster and Seconded by Councillor M. Westhaver: "That the Housing Affordability Standing Committee receive the Annual Housing Progress Report for 2023."

The Motion was then Put and CARRIED

ADJOURNMENT

The meeting adjourned at 2:22 p.m.

NEXT MEETING

The next meeting date will be determined at a later date.

Mayor Dean Murdock, Chair

I hereby certify these minutes are accurate.

Sydney Murphy, Committee Clerk

Rapid Deployment of Non-Market Housing



**Housing Affordability
Standing Committee
May 27, 2024**

**Chloe Miller
Planner (Auxiliary)**

Purpose of Rapid Deployment

- Help expedite the development of non-market housing in Saanich by:
 - Allowing non-market housing providers to build to the max permitted under the OCP without a rezoning
 - Delegating development permits with or without variances to staff

Background

- September 25, 2023, Council motion directing staff to draft regulatory and policy changes to:
 - Permit non-market housing providers to build to the upper limit in the Official Community Plan within the Urban Containment Boundary without a rezoning.
 - Delegate DP approval with or without variances for non-market housing projects to staff.

Technical Framework

Two key components:

1. Allow non-market housing providers to build to the maximum permitted under the OCP without a rezoning
2. Delegate development permit approvals with or without variances to staff



1. Building to the OCP maximum

- New schedule to the zoning bylaw that defines:
 1. Who qualifies for rapid deployment
 2. What they qualify for (height and density)



Who Qualifies?

- Must be located:
 1. Within the Urban Containment Boundary
 2. In a P, R, or C zone
- Must be either:
 1. A non-profit rental housing project, or
 2. A non-market rental housing project.
- Subject to a legal agreement securing affordability and rental tenure
- Projects may include a mixed-use component provided that at least 50% of the site is in residential use

What do eligible projects qualify for?

- Maximum height allowed in the OCP based on the future land use designation of the site
- Densities that correspond to height maximums
- Apartment-style building forms
- Special provisions for setbacks, etc.

2. Delegation permit approvals to staff

- Development permits
- Development variance permits (future work)

Other Supports

1. Removing parking requirements
2. Adding flexibility to bonding requirements (e.g. for off-site works, landscaping)

Questions / Comments






Saanich Affordable Housing Reserve Fund (SAHRF)

Housing Affordability Standing Committee

Molly Rose, Housing Division

27 May 2024

Purpose

- To provide an overview of the proposed Saanich Affordable Housing Reserve Fund (SAHRF)
 - To seek feedback on the proposed policy to formalize the SAHRF
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1 Background

HOUSING STRATEGY

Action 1.2A (Top Action)

- *Facilitate the development of non-market and below-market housing by clarifying current incentives and identifying potential new incentives, such as; [...] the Affordable Housing Fund.*

Action 4.1B (Top Action)

- *In alignment with the DPR, develop a program to prioritize affordable housing projects, with a focus on non-market and below-market projects.*

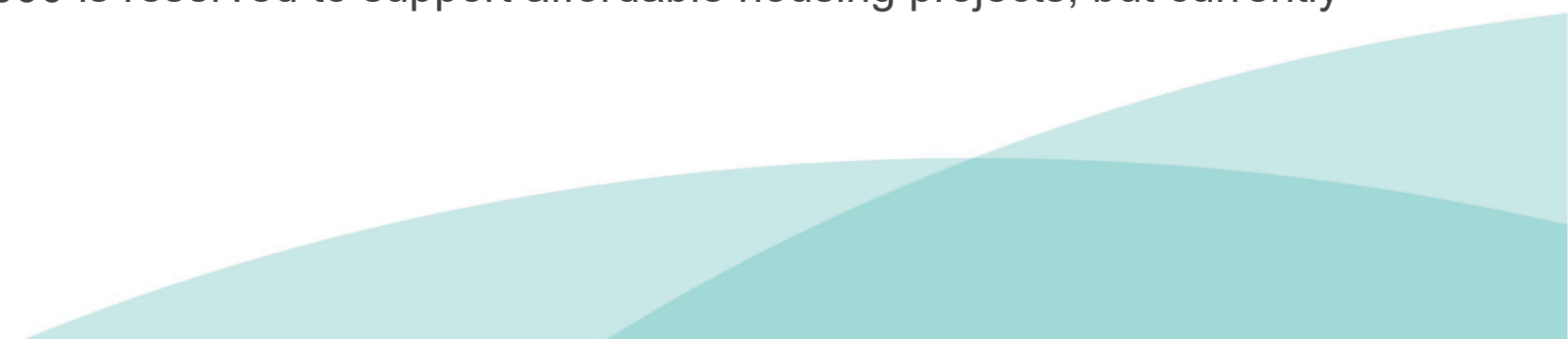
Action 4.2

- *Update and revise programs for financing growth while building complete communities and promoting affordable housing.*

Action 5.1A

- *Work with government and community partners to identify the most effective ways to support the development of new, or redevelopment of existing, affordable and supportive housing.*

1 Background

- Affordable Housing Fund established in Saanich in 2008
 - Created to support the development and retention of non-market rental housing
 - Fund is just *one component* of a suite of supports offered to support non-market housing:
 - Fast-tracking housing developments from non-profit housing providers
 - Community Amenity Contribution exemptions
 - Development Cost Charges waivers
 - Permissive Tax Exemptions
 - Donated land (some cases)
 - Pre-zoning (in progress)
 - Since 2008, over \$800,000 has been distributed to 7 successful non-market housing projects.
 - As of 2024, approx. \$1,800,000 is reserved to support affordable housing projects, but currently no separate **Reserve Fund**.
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1 Background

Current Affordable Housing Fund

- Currently no formalized applicant criteria, eligible projects, application process, funding amounts, or approval process
- Applicants hear of Fund by word of mouth
- Contributions to Fund have been received through CACs, collected at the time of rezoning
- Generally, for capital costs only
- Council has typically awarded between \$2,000 and \$2,500 per door (reflects the amount per door contributed through CACs)
- Beneficiaries currently receive funds after construction is underway, and upon submission of receipts

2 Research

Consultation:

- Wiseman Projects, Cowichan Housing Association, Capital Region Housing Corporation, M'Akola Housing Society, Gorge View Housing Society

Jurisdictional Scan / Best Practices Research:

- Victoria, Colwood, Cowichan Valley Regional District, Vancouver, Nanaimo, Kelowna, Hamilton, Halifax


City of Victoria Alignment:

- Aim to fill gap in funding between Development Permit and Building Permit
- Fall 2023 update – increased from 50% to 80% of funds released upfront

3 New Considerations

- Funding for **feasibility studies** (non-capital costs) should be considered
- **Early** injection of funds from municipality is *most helpful* for non-profit providers:
 - Non-profits face complex patchwork of funding from multiple sources
 - Helps cover upfront costs
 - Allows non-profit providers to leverage funding from other sources (BC Housing & CMHC look for confirmed support by local governments)
 - Demonstrates our commitment to non-market housing
- Clarify focus on **rental** non-market housing (highest need)

3 New Considerations

- **Align eligibility** with other District non-market housing supports (e.g., PTEs)
 - Provide **transparency** of funding amounts and application & approval processes to support predictability for applicants
 - Ensure application process is as **simple** as possible (to reduce processing timelines)
 - Position District as “**partner**” (instead of hurdle) in non-market housing development
 - Make Saanich **attractive** to non-profit housing providers
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4 Proposed Policy – Eligibility Criteria

PURPOSE:

- To incent the development of new non-market rental housing supply
- To support the retention and improvement of existing non-market housing supply
- To support pre-development, capital, and construction costs related to non-market housing development

ELIGIBLE APPLICANTS:

- Non-profit organization (as in Community Charter)
- Must offer supportive or affordable housing within their mandate

4 Proposed Policy – Eligibility Criteria

ELIGIBLE PROJECTS:

- **must** be operated by a non-profit housing provider;
- **must** be primarily residential;
- **must** be rental tenure;

In addition, projects seeking **Capital & Construction** costs must also be:

- owned and operated by a non-profit organization, **OR**
- hold a long-term land lease.

Considerations:

- **Projects may** include a variety of rent levels (e.g., deeply subsidized, rent geared to income, below- or near-market, and market rental rates);

4 Proposed Policy - Eligible Costs & Process

Stream 1: Pre-Development Costs (up to \$40,000)

Eligible costs, including but not limited to:

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

Application Process:

- Applicant applies for pre-development funding (must identify a specific site)
- Staff reviews and submits recommendation for funding to Council
- Funding distributed upon submission of receipts

4 Proposed Policy - Eligible Costs & Process

Stream 2: Capital & Construction Costs

Eligible costs include:


- New construction costs;
- Repair/renovation costs (to retain existing affordable rental stock);
- Renewal (tear down and rebuild).

Funding for eligible capital projects:

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

4 Proposed Policy – Funding Amounts

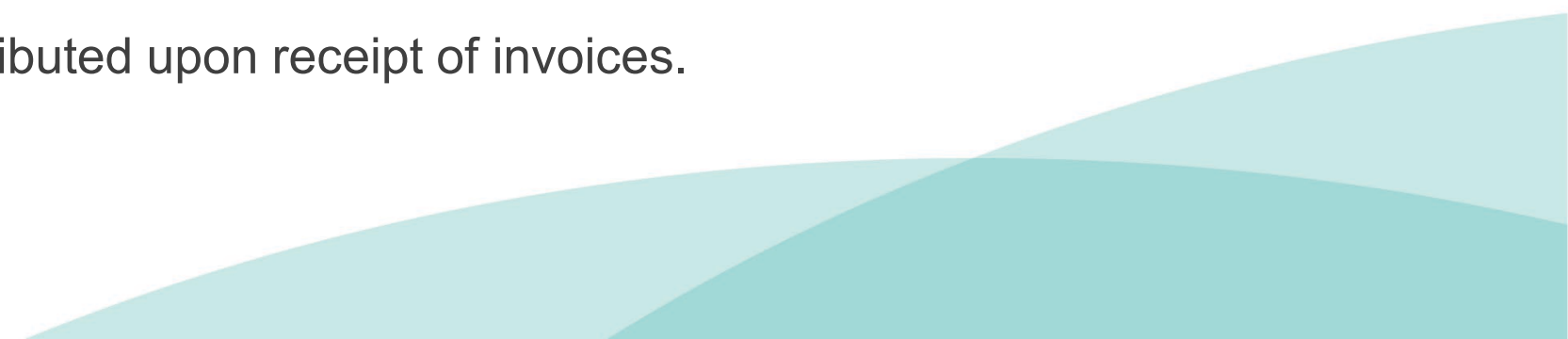
Stream 2: Capital & Construction Costs

- Support transparency and provide predictability and consistency to applicants
 - Recognize cost of providing larger units
 - Decouple from CACs to support other fund sources
 - Dependent on health of the Fund
 - Amounts to be reviewed and updated over time
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4 Proposed Policy - Eligible Costs & Process

Stream 2: Capital & Construction Costs

Application Process:

- Applicant submits request for funds along with Development Permit Application
 - Staff review and bring recommendation to Council for approval
 - If applicant wants funds in advance, sign Grant Agreement and 80% of funds are distributed. Remaining 20% of funds are released with Occupancy Permit
 - **OR**, total funds distributed upon receipt of invoices.
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5 Next steps

- Further consultation with Finance and Governance Committee
 - Council agenda (July 15th)
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COUNCIL POLICY

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

1) PURPOSE

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

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;
- The housing must be rental tenure;

In addition to the above requirements, projects seeking funding for Capital & Construction Cost must also:

- Be owned and operated by a non-profit organization, **OR**
- Hold a long-term lease.

Considerations for all eligible projects:

- The housing 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);

4) ELIGIBLE COSTS

Stream 1 - Pre-Development Costs, including but not limited to:

- Feasibility studies;
 - Professional appraisal;
-

- Site or special purpose surveys;
- Preliminary designs.

Stream 2 - Capital & Construction Costs, including but not limited to:

- Costs for new construction;
- Repair/renovation costs (to retain existing affordable rental stock); and
- Renewal costs (tear down and rebuild).

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;
- Analysis of need and demand for the proposed project; and
- Business plans and operational budgets.

6) FUNDING AMOUNTS

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

7) APPLICATION PROCESS

The application processes for each funding stream are separate and distinct. Receiving Pre-Development Cost funding does **not** automatically qualify an applicant for development approval or guarantee access to the Capital & Construction Cost funding stream.

Stream 1: Pre-Development Costs (up to \$40,000)

- 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 recommending Pre-Development Cost funding be distributed to Applicant.
- 4) Applicant submits invoices for pre-development costs incurred.
- 5) Finance staff distribute funds.

Stream 2: Capital & Construction Costs

- 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 recommending Capital & Construction Cost funding be distributed to Applicant.
- 4) Once approved, Applicant may:
 - a) 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, with the remaining 20% distributed with Occupancy Permit.
OR
 - b) submit invoices for incurred costs and receive the total funding amount *after* the work is completed.

DRAFT