

# Regional Housing First Program



## Frequently Asked Questions

Capital Regional District | January 2020

### What is the Regional Housing First Program (RHFP)?

The RHFP is a partnership between the Capital Regional District (CRD), BC Housing Management Commission (BC Housing) and the Canada Mortgage and Housing Corporation (CMHC) to create new affordable mixed-market rental housing options while ending chronic homelessness in the capital region. Each partner has committed \$30 million, resulting in a \$90 million investment toward increasing rental options that meet a variety of needs in the community.

### Why was the RHFP created?

Across the capital region, vacancy rates remain critically low and the cost of renting has risen by over 15%. An analysis of emergency shelter usage identified approximately 400 individuals experiencing chronic homelessness. The RHFP was designed to help address these challenges by supporting the development of mixed-market communities with 400 units available to individuals who have experienced chronic homelessness and are ready to live independently with supports. Each mixed market community includes at least 20% of units rented at the provincial income assistance shelter rate (\$375/month).

### Why are additional funds required?

The cost per unit has increased from \$225,000 to \$300,000 due to escalating construction costs in the region. In order to reach the original goal of ending chronic homelessness by creating 400 units rented at the income assistance shelter rate, there is a requirement to increase the total contribution to \$120 million, or an additional \$10 million for each of the three partners.

### How would additional funds be raised?

In order to raise an additional \$10 million, an amendment to Bylaw No. 4326, Land Assembly, Housing and Land Banking Service Establishment and Bylaw No. 4327, Land Assembly, Housing and Land Banking Loan Authorization Bylaw will need to be approved.

### What is the cost to tax payers?

If the CRD borrows \$10 million for 15 years, the impact to home owners in the regional district is a cost of **\$0.61** for every \$100,000 of property value according to the 2019 residential property assessment. For example, if your property is assessed at \$750,000, the annual tax impact would be **\$4.58**.

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For more information, visit [www.crd.bc.ca/housingfirstaap](http://www.crd.bc.ca/housingfirstaap)

## What happens if the bylaw amendments are approved?

The amendments would authorize the CRD to borrow and contribute an additional \$10 million to the RHFP, which BC Housing will match. Both partners would then seek matching funds from federal partners to increase the overall investment to \$120 million. The RHFP would then be able to meet its original goal to develop mixed market communities with 400 units available at the provincial income assistance shelter rate.

## What happens if the amendment is not approved?

Without additional funding, the RHFP would only be able to create 300 units to be rented at the provincial income assistance shelter rate within mixed market communities.

## What is the approval process?

In order for the bylaws to be approved, consent is required from a minimum of two-thirds of all 16 participants in the capital region, which includes 13 municipalities and 3 electoral areas. In other words, results from all participants are tallied and a minimum of 11 must be in favour before the bylaws can be adopted.

**The 13 municipalities within the CRD are:** City of Victoria, District of Oak Bay, District of Saanich, District of Central Saanich, District of North Saanich, Town of Sidney, District of Highlands, Town of View Royal, City of Colwood, City of Langford, District of Metchosin, District of Sooke and Township of Esquimalt.

In these municipalities, municipal councils provide their consent by passing a resolution by majority vote on behalf of their electorate to approve the bylaw amendments.

**The 3 electoral areas within the CRD are:** Salt Spring Island, Southern Gulf Islands and Juan de Fuca

In the electoral areas, elector assent is obtained through an alternative approval process (AAP). This involves publicizing statutory ads that provide notice of the proposed amendments. If electors object, they complete a form and submit it to the CRD. If more than 10% of eligible electors object, assent is not obtained for that electoral area.

## Is this a priority for the CRD?

Yes. The CRD Board identified 'Community Wellbeing' as a strategic priority and the 2019-2022 Corporate Plan outlines the CRD's commitment to "create and deliver more affordable housing across the region in a manner aligned with the Regional Growth Strategy in order to address the needs of a diverse and growing population, including vulnerable residents."

## What are the program timelines?

As part of the partnership agreement, all projects must commence construction prior to December 31, 2021.

## What is the mixed-market model?

The focus of the RHFP is to generate mixed-market model housing communities. The RHFP program model is:

- at least 20% of units in each project are rented at provincial income assistance shelter rates,
- at least 31% of units in each project are rented at affordable market rates, and
- up to 49% of units in each project are rented at near-market rental rates.

## How many units have been approved?

To date, 907 new mixed-market units have been approved through the RHFP, and of those units 211 are set to be rented at the provincial income assistance shelter rate. This means the program is on target to develop approximately 1300 mixed-market units with 300 units rented at the provincial income assistance shelter rate.

A full list of current projects is available online at <https://www.crd.bc.ca/project/regional-housing-first-program/current-projects>

## How does \$120 million cover the costs of developing and providing new units?

The \$120 million would be used to purchase 400 units up-front at the cost of \$300,000 per unit. This would serve as a 'down payment' for at least 20% of all units, reducing the need for debt financing and allowing the operator to collect rent for those units without any ongoing subsidy. Rental revenue from all units in each mixed-market community would be used to cover ongoing operating and maintenance costs for each property. Developers will also be able to access low-interest construction financing via BC Housing or CMHC. Therefore the \$120 million would be leveraged to create rental properties with a total value over \$500 million.