

**March**

**2012**



## **Update: Housing Procurement Action Plan**

Prepared for the Greater Victoria Coalition to End Homelessness



# Overview of the Procurement Action Plan

The Greater Victoria Coalition to End Homelessness and its partners are fully committed to ending chronic homelessness in Greater Victoria. Through this collaboration, the Coalition continues to intensify its efforts to create “housing first” for residents who need a stable, secure, and private place to call home, while still needing the supports that help them live independently.

Being homeless, or at-risk of becoming homeless, touches many lives – students living in families with chronic challenges, including the lack of affordable housing, families with young children who are a pay cheque away from being displaced, people trapped in the cycle of substance misuse, and individuals with unique special needs.

A “housing-first” strategy is increasingly viewed as the best approach to combat homelessness, and has been identified as Priority One in the Coalition’s Community Plan (2012).

The 2012 Procurement Action Plan sets out specific ways to meet the needs of Greater Victoria’s residents for permanent housing with supports. Depending on the individual’s needs this support may be in the form of a rent supplement with occasional contact from outreach workers through to housing that has 24/7 staff support.

While the Procurement Action Plan is important, it is only one part of the solution to end homelessness in our region. The Coalition and its partners are continuing to work together to prevent homelessness, support people while they are experiencing homelessness, ensure a coordinated community response, and build public and political support to end homelessness.

## 100% SUPPORTED HOUSING; NO NEW SHELTERS

The Procurement Action Plan sketches out a framework for moving forward through new construction, acquisitions, and rent supplements for the period 2012-2018 to create 964 units. Fully 100% of the units are supported housing – *there are no new beds identified for shelters.*

Achieving the targets of this Plan requires an ongoing commitment by all of the Coalition’s partners and relentless pursuit of partnering and funding opportunities.

## ACCOMPLISHMENTS SINCE 2009

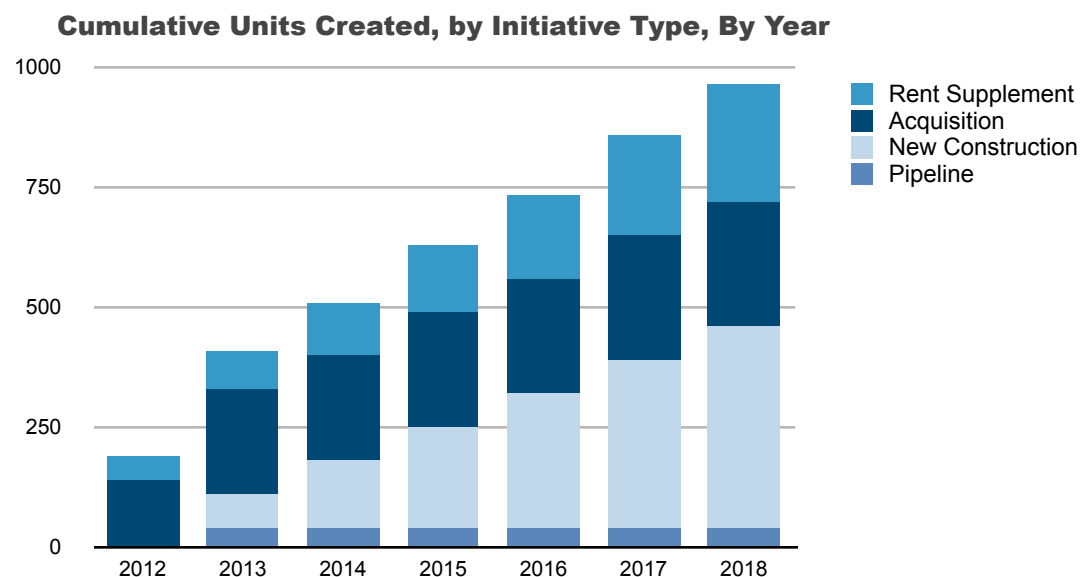
- ▶ Clover Place – 18 supported housing units
- ▶ Camas Gardens – 44 supported housing units
- ▶ Rock Bay Landing – 84 shelter beds and 23 transitional units
- ▶ Olympic Vista – 36 units of supported housing
- ▶ Queens Manor – 36 units of supported housing
- ▶ Swift House – 23 supported housing units

## KEY FEATURES OF THIS SEVEN-YEAR PLAN

- 245 rent supplemented units will be added in market rental housing.
- 719 units will be created through new construction, and acquisition (renovation, repurposing) of existing buildings; Almost 45% of this housing (315 units) will be generated through a “design-build” approach, whereby there would be annual “competitive calls” by BC Housing to private developers for designing and constructing housing. On completion, these facilities will be operated by a non-market housing provider.



- ▶ The capital cost of the 719 newly created units is estimated at \$109.9 million. When further reduced by local contributions of 15% (\$16.5 million) from local governments, foundations, charitable organizations, businesses and individuals, the net capital cost to be mortgaged over 35 years is \$93.4 million.
- The rent subsidy and support costs are estimated at \$1.66 million over the seven year period.
- By 2018, the annual cost of debt service, operating, support and rent supplements will be approximately \$13.70 million.
- The annual **per unit** costs of new housing are estimated at \$16,748 and the annual per unit costs of rent supplement units / tenants are \$6,800.
- By 2018, 964 people will have been permanently housed and receiving supports to help them live independently at a much lesser societal cost than the exceptionally high expenditures of repeated stays in emergency shelters, jails, and hospitals.
- The Province of BC will own all of the new construction and acquisition land and buildings. Over the 35-year mortgage period, the Province will continue to increase its equity position. If all housing proposed in this Plan were built and acquired, the value of these public assets would be \$109.9 million in 2012 dollars.



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## Foreword

This Plan has benefited from the valuable input and feedback from members of the Greater Victoria Coalition to End Homelessness committees, the Leadership Council and the Coalition's Secretariat. The authors would also like to acknowledge the time – and insightful observations – of people who have daily contact with individuals and families who are homeless, or vulnerable to becoming homeless. These included health and outreach workers, housing providers, and community organizers.

March, 2012

## 1. Introduction

The mission of the Coalition is to end homelessness by 2018. Through its many partnerships, the Coalition is proactively working on several fronts to accomplish its mission:

- Collaborating to generate more housing;
- Researching innovative funding models;
- Supporting the Streets to Homes support initiative;
- Facilitating the development of a homelessness prevention plan; and
- Engaging in broad community outreach.

One of the Coalition's key goals is "to work with partners to facilitate the creation of housing and support for people who are homeless or at-risk of homelessness". In its 2008-09 Annual Report, the Coalition set out a strategy to provide *stable housing with appropriate support services* for 1,500 people by 2018.

Since 2008, the Coalition's partners have used traditional methods and innovative solutions to find housing for more than 500 people in a mix of market housing, single room occupancy hotels (SROs), and rent supplemented units in market housing.

The creation of this housing was accomplished at a time when targeted funding was made available through the Provincial Housing Initiative, administered by BC Housing. Going forward, if this funding program is not renewed, it will be even more challenging to increase the supply of transitional housing. Additionally, land for any type of affordable housing is scarce in the Capital Region. And, even if land is secured, it typically takes up to three years to complete design, approvals, and construction of a new building.

On a very positive note, the Regional Housing Trust Fund continues to grow through the contributions made by 10 municipalities and two electoral areas. Between 2005 and 2011, \$4.9 million was added toward the acquisition, retrofitting or development of affordable housing. In 2010, the Fund provided capital assistance for two supported housing projects – Clover Place and Olympic Vista.

## 2. Why This Update?

This report is an update on the 2009 Housing Procurement Action Plan. That plan set out an very ambitious target of housing *1,500 people by 2014* – four years ahead of the original timeline. The 2009 plan envisaged meeting the target through a combination of new construction, conversion or repurposing of existing buildings, and rent supplements. While there has been some tangible progress towards this target, the 2014 timeline proved not to be achievable. Recognizing this, the Coalition's Leadership Council felt that it was essential to review the 2009 plan in order to chart a more realistic course to ending homelessness.

**Note:** The need for supported housing was identified and quantified in two foundational reports and two enumerations.

- Mayor's Task Force on Breaking the Cycle of Mental Illness, Addictions and Homelessness (2007)
- Homeless Needs Survey (2007)
- Housing First Plus Supports – Victoria Cool Aid Society and the Community Social Council (2007)
- 2010 / 2011 Report on Housing and Supports



Through discussions with the Coalitions' housing and social service partners, in recognition of the currently constrained Provincial funding environment, this updated Procurement Action Plan sets out a three-pronged strategy to achieve the target of *964 units between 2012 and 2018*.

### 3. What Has Been Accomplished?

Since the original 2009 Procurement Plan, there has been focussed progress towards ending homelessness in Greater Victoria.

- The 2009 Plan identified 203 units “in the pipeline”, meaning that these units were in projects that had either received Pre-Development Funding (PDF) or were in the approvals and design stage.
  - ▶ Five of the seven projects in the 2009 pipeline are either completed and occupied, or are underway, resulting in a total of 136 new units in Victoria and Saanich. These are described in Section 4.
  - ▶ One pipeline project did not proceed and another has not yet been fully funded by BC Housing, which will add another 40 units.
- Of the “new or acquired units” identified in the 2009 Plan, there has also been notable progress.
  - ▶ Streets to Home Victoria has placed 70 individuals in private market housing in six municipalities. To date, 19 landlords have participated in the program. Rental supplements, paid directly to the landlords, are provided by BC Housing.
  - ▶ The City of Victoria has invested \$1.2-million in two motels (formerly Travellers Inns) for conversion to supported housing. One of these has been converted, providing 36 units of supported housing. Another one is expected to be fully funded in the near future.

Other opportunities to acquire additional units for supported housing are being actively explored by local non-market housing providers, including the possibilities of converting both an existing residential care facility and a hotel. Both of these are located in the City of Victoria.





#### 4. New Supported Housing Since 2009

All of the newly built or acquired supported housing is a result of partnerships and collaborations among a number of groups, agencies, foundations, municipalities, as well as generosity of families and individuals living in Greater Victoria.

**Clover Place**, owned and operated by Pacifica Housing, is an 18-unit supported housing complex for individuals who struggle with mental health and/or addictions issues that make securing and maintaining housing a challenge. Renovated at a total cost of \$3 million, Clover Place is staffed 24/7 by community service workers who provide a wide range of support services and creative programming. Opened in 2010, Clover Place is located on Douglas Street in Saanich.

- Human Resources and Skills Development Canada provided \$770,000 for the purchase of the building.
- BC Housing provided a \$1.2 million grant for renovations.
- CMHC provided a \$432,000 RRAP (Residential Rehabilitation Assistance Program) and \$10,000 seed funding.
- The CRD provided \$270,000 through the Regional Housing Trust Fund.
- The Real Estate Foundation of BC and the United Way of Greater Victoria each provided \$150,000.
- Private donations exceeded \$22,000.
- The District of Saanich provided \$16,000 for off-site water main upgrades.





**Camas Gardens** is Pacifica Housing's newest supported housing complex (opened April 2011), and the new building the society has designed and constructed. It includes 44 self-contained bachelor and one-bedroom supported housing apartments for individuals who are homeless or at risk of homelessness, including individuals who may be facing challenges such as mental health or addiction.

The three and four-storey building, located at 950 Humboldt Street, was thoughtfully designed to fit into the beautiful, tree-lined street in the well-established Humboldt Valley neighbourhood.

Camas Gardens is a "housing first" model that provides safe, affordable housing and meaningful, tenant-centred support services. The combination of housing with on-site support encourages tenants to stay housed, and provides accessible opportunities for peer support and community integration.

As with any complex project, there were a number of partners and funders.

- BC Housing administered a \$9.8 million grant under the auspices of the Provincial Homelessness Initiative (\$3.3 of which was contributed by the Federal Government).
- BC Housing will provide \$400,000 to support annual operations.
- The City of Victoria waived fees and development cost charges valued at more than \$236,000, and will provide a permissive tax exemption to the property.

The project is targeting LEED® Gold status, and contains a wide range of sustainable design features.

The new, purpose-built **Rock Bay Landing** facility on Ellice Street in Victoria's Burnside Gorge neighbourhood offers many improvements over the old Streetlink shelter in Downtown Victoria. This Victoria Cool Aid Society facility includes:

- ▶ 84 year-round shelter beds; up from 80 at Streetlink;
  - ▶ 23 new units of transitional housing;
  - ▶ Two units of family shelter – the first in the Capital Region; and
  - ▶ Expanded space for 40 shelter mats during overflow conditions.
- The Province approved a Provincial Infrastructure Grant of \$14,492,420 for Rock Bay Landing and BC Housing will provide an annual operating subsidy.
  - The City of Victoria provided land equity valued at \$1.36 million and waived permits and fees totalling \$264,056.







**Olympic Vista** is a 36 unit supported housing development for individuals who are homeless, or at risk of becoming homeless. Operated by Victoria Cool Aid Society, residents are provided with supported housing that is safe and secure, with on-site 24/7 staff.

As part of the Olympic Legacy Affordable Housing, the building was constructed through a reconfiguration of modular housing units from the 2010 Olympic Athletes' Village.

The project is the result of a multi-party partnership between the the Capital Regional Housing District and BC Housing, VANOC and local non-profit organizations, including the Victoria Cool Aid Society. The CRD is leasing the land for the Olympic Vista apartments to the Province for sixty years.

- ▶ The Province provided a grant of approximately \$7.2 million and is also providing \$505,970 in annual operational funding.
- ▶ The CRD provided the land valued at \$1.15 million.

Olympic Vista opened in May, 2011.

**Queens Manor** has been operated by Victoria Cool Aid as a low barrier supported housing facility since November 2010. The building, formerly Travellers Inn, was purchased earlier in 2010 by the City of Victoria with the intent of repurposing it as supported housing.

A \$1.5 million renovation of Queens Manor got underway in February 2012. The renovation, to be complete by September 2012 will convert the 36 units into more permanent studio suites.

There were several funding partners.

- BC Housing – \$250,000.
- CMHC – \$864,000.
- Regional Housing Trust Fund – \$100,000.
- City of Victoria - \$360,000.
- United Way of Victoria – \$150,000.

**Swift House** is the conversion of the first two storeys of the former Streetlink Shelter into supported housing, creating an additional units, consisting of a combination of 23 studio and one-bedroom units. The renovation was facilitated by the development of a new shelter and transitional housing at Rock Bay Landing. Swift House is operated by the Victoria Cool Aid Society.

- The cost of the renovation is \$2.9 million, with funding provided through BC Housing.
- The new units will be ready for occupancy in March 2012.



*Queen's Manor*



*Swift House*

## 5. Principles of the Procurement Action Plan

This Plan is founded on a number of principles that will guide its implementation by the Coalition and its partners.

### ▶ Plan for a diversity of needs.

New housing should be able to respond to the diversity of need among homeless people by providing for a variety of housing forms and support levels. Background research for this Plan Update confirmed that there is a growing number of youth-at-risk and families in dire economic circumstances.

### ▶ Partnerships are powerful.

Non-profit societies, local governments, the Province, the private sector and the community are all involved in this Plan in a variety of partnerships. Maximizing opportunities for participating in ending homelessness is an essential ingredient for success.

### ▶ The private sector is a key contributor.

The Plan looks to the creativity and energy of the private sector to work with the non-market sector to build new, or repurpose existing buildings, for supported housing.

### ▶ Provincial government funding is essential.

It has been demonstrated that the costs of housing with supports is far less than having homeless people living “on the street” or regularly using shelters. The BC government, through BC Housing, will continue to be the major capital funder (or lending broker) of any form of non-market housing.

### ▶ Local funding sources are important.

Local governments, community foundations, business and individuals are identified as contributing 15% of capital costs (or in-kind contributions) to implement this Plan.

### ▶ Ensure value for public funding.

Continue to use cost-effective rent supplements throughout the seven-year implementation period.

### ▶ Be flexible to changing circumstances.

Embarking on a multi-year Plan requires flexibility and the ability to vary the Plan if circumstances merit, while still aiming to meet its targets.

### ▶ Plan for neighbourhood integration.

Providing supported housing in established communities is usually controversial. This Plan envisages small developments that will integrate well into the neighbourhoods of Greater Victoria. Other methods that facilitate neighbourhood integration include communications, good neighbour agreements, adequate support staff, and sound property management.

### ▶ Adopt a Greater Victoria approach.

Homelessness knows no geo-political boundaries. Homeless individuals and families are found in all parts of our region. A coordinated approach, facilitated through the Coalition, will also be seen positively by BC Housing, and other potential major funders.



## 6. Opportunities

In several respects, this is an excellent time to relaunch the drive to generate more supported housing.

- **Construction is more affordable.**

Although Greater Victoria remains one of Canada's least affordable regions, there has been a stabilization in the key components of development and renovation. The Construction Price Index for new housing has decreased by almost 12% between 2007 and 2011 (Statistics Canada). Year-over-year, the rate of increase in construction union wage rates has also decreased – in 2007 the annual increase was 5%, in 2011 it was 1.3%. As well, the cost of capital borrowing remains historically low.

- **The private sector will bring creative approaches.**

Working with the private sector through a design-build approach is likely to generate privately-held sites throughout Greater Victoria. This procurement technique will be public and competitive, with the intent of encouraging “sharp pencil” pricing.

- **The rental market is returning to a balanced state.**

In 2006 an estimated 51,000 or 35% of all dwellings in Greater Victoria were rented. Eighty percent of these are in Victoria, Esquimalt and Saanich. The vacancy rate in October 2008 was 0.5% for a one-bedroom unit, in October 2011 it had increased to 3.7%. The increase in vacant suites in purpose-built rental buildings is attributed to more secondary suites, investor-owned condominiums, and low mortgage rates, which have allowed some renters to become homeowners. The increase in vacancies should make it somewhat easier to find suites for rent supplement clients of Streets to Homes.

## 7. Challenges

Along with the opportunities, there remain some challenges to achieve the procurement targets.

- **Constructing new housing takes time.**

If a site has been identified, a project can easily take two years through design, approvals, working drawings, commitment financing, permits, construction. If rezoning and development permits are required, this typically adds 6 to 8 months.

- **There are few readily available, publicly-owned sites.**

There is little publicly-owned land that is available and none of the Region's municipalities are currently land banking for future needs. This contrasts with other jurisdictions such as Nanaimo, which acquired land for four projects that are in the planning stages, and Vancouver with 12 City-owned sites under construction or recently occupied.

- **The existing social housing stock is limited.**

In some jurisdictions, social housing has been made available for homeless individuals. This usually occurs where there is an oversupply of small units, particularly in seniors buildings.

- **There are competing demands for scarce public funding**

The BC Government is required by legislation to balance the budget in 2013/14. In the recently adopted 2012/13 budget, the Government confirmed that it will “hold the line on spending”. Capital spending will continue to be constrained.

- **15% of capital costs from local contributors is significant.**

Local fund-raising to achieve the full implementation of this Plan is estimated at \$16.5 million.





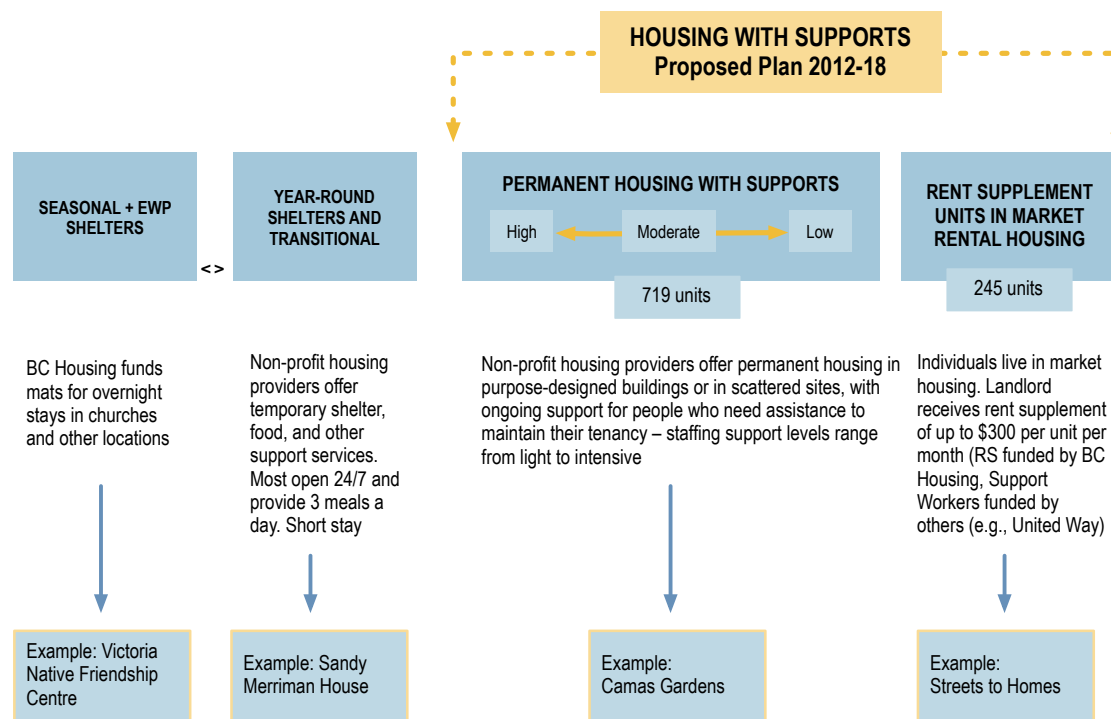
## 8. Details of the Procurement Action Plan

The 2012 Plan sets annual targets for supported housing from 2012 to 2018. *There are no new beds identified for shelters.* The accompanying graphic depicts the portion of the housing continuum from shelter through supported housing, with the focus of this Plan being on housing with supports, as shown in yellow. Table 1 sets out the annual targets by four initiative types:

- **Pipeline Projects** – 40 units. There is only one project in the pipeline – St. Vincent de Paul's Rosalie's Village. This project is well advanced but does not have commitment funding from BC Housing.
- **New Construction** – 420 units. This anticipates that between 10-12 projects will be built over seven years. About two-thirds will be created through a "design build" procurement, through annual

proposal calls to the private sector, issued by BC Housing. The remaining third will be initiated by existing non-market housing providers and faith-based groups.

- **Acquisition** – 259 units. This cost-effective approach foresees repurposing and conversions of existing buildings by non-market housing providers and faith-based groups.
- **Rent Supplements** – 245 units. Fifty of these units are already committed by BC Housing to the Streets to Home program for 2012. This is another cost-effective approach to supporting individuals who are able to live independently in market rental housing.





**Table 1 – Procurement by Initiative Type, 2012 – 2018**

Supported Housing Initiatives	2,010	2011	2012	2013	2014	2015	2016	2017	2018	7 Year Total
			Pipeline Projects							
Olympic Vista, Saanich		36								
Camas Gardens, Victoria		44								
Swift House, Victoria		23								
Rosalie’s Village (SVDP), Saanich				40						40
			Additional Units by New Construction							
Individual non-profit and faith based groups initiatives				35		35		35		105
“Design Build” RFPs called by non-profit societies, CRD or BC Housing (funding pre-dedicated by BCH)				35	70	35	70	35	70	315
			Additional Units by Acquisition							
Acquisitions by non-profit societies, faith based groups (e.g., conversions of existing institutions, hotels, rooming houses, etc.)			140	40		20		20		220
Motel Conversions		36		39						39
			Additional Units through Rent Supplements							
Streets to Homes Rent Supplement units in market housing		70	50							245
Rent Supplement units in market housing				30	30	30	35	35	35	

			Cumulative Supported Units							
Cumulative units with supports	291	209	690	909	1,009	1,129	1,234	1,359	1,464	
Turnover of supported units (5% of previous year’s total units)		15	10	35	45	50	56	62	68	
Total Housing Units with Supports		515	700	944	1,054	1,179	1,290	1,421	1,532	
Variance from 1,500 supported units goal		-985	-800	-557	-446	-321	-210	-79	32	



## 9. Estimating Funding Requirements

Tables 2 and 3 show the capital funding requirements for implementing the Plan. Table 4 sets out the new debt service, operating, support and rent supplement costs.

### 9.1. Capital Costs

This refers to the capital cost of the new housing that will be purchased, constructed and or renovated. This cost may be met in two main ways:

- **Mortgaging** paid for by monthly payments. If arranged through BC Housing this will likely be over a 35 year amortization period. Some societies have funded projects through private mortgages.
- **Grants/Donations.** These contributions reduce the cost, or completely remove, the need to take out a long-term mortgage a project. Grants or donations may be from a variety of sources — BC Housing has funded some housing through grants. Other sources include the Government of Canada Homelessness Partnering Strategy, the Regional Housing Trust Fund, foundations, private donations and community fund raising.

Estimated capital costs in this Plan are order of magnitude in constant \$109.9 million dollars. While construction costs were characterized by significant inflation through the 1980s and 1990s, the Construction Price Index in Victoria has moderately declined since 2008. Interest rates are expected to remain low over the early parts of the planning period.

### Operating Costs

These are annual costs associated with running the day-to-day operations of any housing project. They include maintenance, taxes, project utilities, insurance, landscaping and similar items. Mortgage payments are an annual cost identified as separate line items in the tables in this report.

### On-site Support Staff Costs

These costs relate to staff employed by the society that manages the project. Staff provide assistance in many ways, including counselling and job preparation. Support staff may provide 24/7 coverage. The level or presence of support staff will depend on the type of housing and service provided.

### Off-site Support Staff Costs

Other staffing not on-site may include Streets to Homes teams who provide support services to people who are living in rent-supplemented market rental housing.

### 9.2. Overall Capital Costs

As shown on Table 2, the order of magnitude capital cost of the 719 units to be purchased, renovated or developed is estimated at \$109.9 million dollars, or approximately \$152,850 per unit, including soft costs, land, fixtures, furnishings, equipment and costs of a project kitchen.

Assumptions regarding the form of this funding are shown on Table 3. This table shows that of the \$109.9 million required, \$93.4 million is assumed to be debt financed via mortgages arranged through BC Housing. The balance of \$16.5 million is assumed to come from local grants and fund raising.

### 9.3. Debt Service, Operating and Support Costs

Table 4 shows the annual debt servicing and operating costs of the program of new and purchased units. The figures are cumulative, with units being added each year to 2018. For simplicity, the full annual debt service, operating and support costs of each year's target units are shown in the year they come on stream. This Plan **includes** support costs of \$3,200 per unit (tenant) per year.



## 10. Concluding Comments

This Plan's successful implementation depends on the participation and support of many parties. The BC government is the key lender, through capital and operating funding. Assuming this funding is available, the involvement of the private sector is essential — providing building(s) for lease and units with rent supplements, and responding to design-build proposal calls.

Inevitably, as circumstances change, as new opportunities unfold, and the funding environment shifts, there will be changes to this Plan. Knowing this, management and monitoring are very important. Flexibility will also be important to maintain the targets, should the level of need change, or some procurement initiatives vary from their targets and timeline.

Constructing new housing will provide permanent housing and add to the publicly-supported existing stock. This seven-year program will add almost \$110 million to the Province's assets over 35 years. Units with rent supplements and leasing, although advantageous in providing units quickly and affordably, are not necessarily permanent.

Nationally and locally, the supply of new social housing is crucial to meet the housing needs of people who are homeless or at-risk of becoming homeless — youth living in dysfunctional homes, families on the brink of losing their home, and middle-aged working people whose jobs are being displaced by technology. With a great reduction in government funding for the creation of social housing since 1993, it is important that the Coalition's partners continue to advocate for measures that will revitalize the private rental market, increase supply and improve overall affordability.



**Table 2 – Capital Cost Estimates: Permanent Supported Housing, 2012 – 2018**

Supported Housing Initiatives	# of Units	Acquisition or Reno Cost Per Unit	Construction or Reno Cost Per Unit	Soft Costs @ 18%	Land Cost	Sub-Total Per Unit Cost	FF&E	Contrib. to Project Kitchen	Total Per Unit Cost	Total Cost
<b>Pipeline Projects</b>										
Rosalie's Village (SVDP)	40									\$12,790,000
<b>Capital Costs – New Construction</b>										
Individual society initiatives	105		\$118,000	\$21,240	\$20,000	\$159,240	\$2,000	\$3,000	\$164,240	\$17,245,200
"Design Build" RFPs called by societies, CRD or BC Housing	315		\$118,000	\$21,240	\$20,000	\$159,240	\$2,000	\$3,000	\$164,240	\$51,735,600
<b>Capital Costs – Acquisitions</b>										
Acquisitions by societies (e.g., conversions of existing institutions, hotels, rooming houses, etc.)	220	\$70,000	\$20,000	\$1,400		\$104,000	\$2,000	\$2,000	\$108,000	\$23,760,000
Motel Conversions	39	\$70,000	\$40,000			\$110,000	\$2,000		\$112,000	\$4,368,000
<b>Total Supported Housing Units</b>	<b>719</b>	152,851.182197497								

Note #1: Base cost \$171 psf plus 5% inflation; size of studio units 370-400 sf



**Table 3 – New Capital Commitments by Year of Construction or Acquisition, 2012 – 2018**

Housing with Supports Initiatives	2012		2013		2014		2015		2016		2017		2018		Total 2012-2018	
	#	\$M	#	\$M	#	\$M	#	\$M	#	\$M	#	\$M	#	\$M	#	\$M
Rosalie's Village (St. Vincent de Paul) (Note 1)			40	\$12.9											40	\$12.9
Individual society initiatives (Notes 2-4)			35	\$5.74			35	\$5.74			35	\$5.70			105	\$17.2
"Design Build" RFPs called by societies, CRD or BC Housing (Notes 2-4)			35	\$5.74	70	\$11.5	35	\$5.74	70	\$11.5	35	\$5.74	70	\$11.5	315	\$51.7
Acquisitions by societies (e.g., conversions of existing institutions, hotels, rooming houses, etc.)	140	\$15.1	40	\$4.3			20	\$2.2			20	\$2.2			220	\$23.8
Motel Conversions			39	\$4.3											39	\$4.3
Total Units and Capital Required	140	\$15.1	189	\$33.0	70	\$11.5	90	\$13.7	70	\$11.5	90	\$13.6	70	\$11.5	719	\$109.9
Less Grants/ Donations @ 15%		\$2.3		\$4.9		\$1.7		\$2.1		\$1.7		\$2.0		\$1.7		\$16.5
Debt to be Serviced		\$12.8		\$28.03		\$9.8		\$11.6		\$9.8		\$11.6		\$9.8		\$93.4

**Note 1:** Rosalie's Village is a Pipeline Project that has not yet secured full funding. Capital cost also includes 3,000 sf for Day Care.

**Note 2:** Except Rosalie's Village units assumed to be studios grossed up to 650 sf per unit average space.

**Note 3:** 5% escalation from base cost assumed from 2015.

**Note 4:** Financing assumed at 5% amortized over 35 years

**Note 5:** Numbers are rounded



**Table 4 – New Debt Service, Operating and Rent Supplement Costs, Net of Tenant Rents, 2012 – 2018**

Debt	2012	2013	2014	2015	2016	2017	2018
<b>New Construction or Acquisition Units</b>							
New Debt Service	\$769,500	\$1,701,400	\$597,900	\$733,460	\$625,250	\$733,460	\$625,250
New Operating & Support (Note 1)	\$1,848,000	\$2,494,800	\$924,000	\$1,188,000	\$924,000	\$1,188,000	\$924,000
New Gross Cost	\$2,617,500	\$4,196,200	\$1,521,900	\$1,921,460	\$1,549,250	\$1,921,460	\$1,549,250
Cumulative Annual Costs	\$2,617,500	\$6,813,700	\$8,335,600	\$10,257,060	\$11,806,310	\$13,727,770	\$15,277,020
Less Cumulative Annual Rents (Note 2)	\$630,000	\$1,480,500	\$1,795,500	\$2,200,500	\$2,515,500	\$2,920,500	\$3,235,500
Net Cumulative Total Costs	\$1,987,500	\$5,333,200	\$6,540,100	\$8,056,560	\$9,290,810	\$10,807,270	\$12,041,520
<b>Rent Supplements</b>							
New Rent Supplement Units (Note 3)	\$180,000	\$108,000	\$108,000	\$108,000	\$126,000	\$126,000	\$126,000
Support Costs Per Unit (Note 4)	\$160,000	\$96,000	\$96,000	\$96,000	\$112,000	\$112,000	\$112,000
Cumulative Rent Supplement Cost	\$340,000	\$544,000	\$748,000	\$952,000	\$1,190,000	\$1,428,000	\$1,666,000
<b>Cumulative Annual Costs of New, Acquired and Rent Supplement</b>	\$2,327,500	\$5,877,200	\$7,288,100	\$9,008,560	\$10,480,810	\$12,235,270	\$13,707,520

Note #1 – Per unit, per month computed at a blended estimate of \$1,100 – \$13,200 per year

Note #2 – Tenant rents assumed at \$375 per unit per month

Note #3 – Rent Supplements assumed at maximum of \$300 per unit per month – \$3,600 per year

Note #4 – Support costs computed at \$3,200 per unit (tenant) per year

Note #5 – Debt service assumed to be 85% of full capital cost after “local contributions” (foundations, trust fund, etc.). Federal or provincial grants could further reduce debt service.

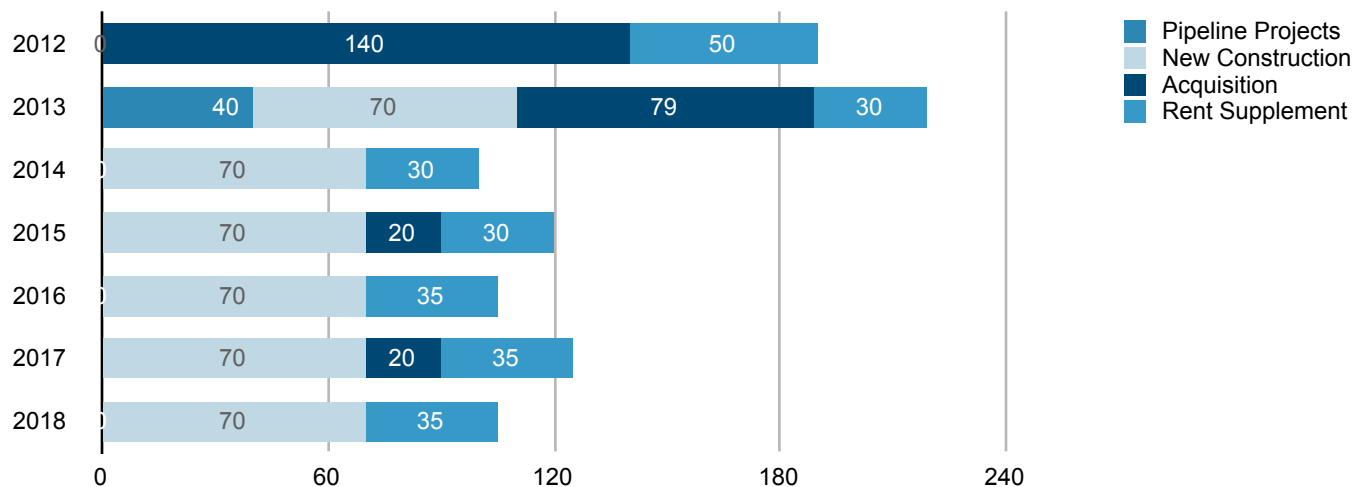


**Table 5 – Summary: Permanent Supported Housing Initiatives, Greater Victoria, at 2018**

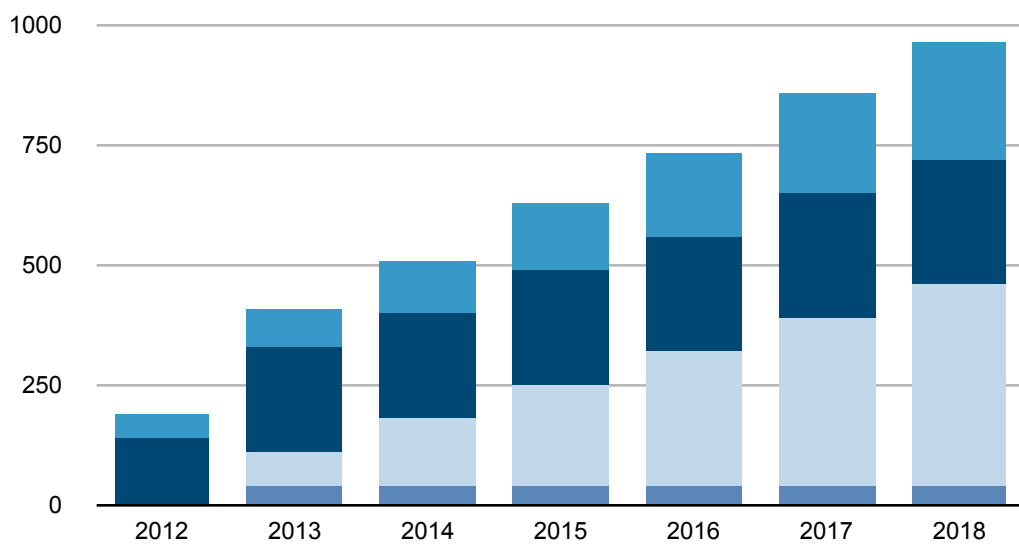
	Pipeline, New Construction and Acquisition Units	New Rent Supplement Units	Total Units
<b>Number of Supported Units</b>	<b>719</b>	<b>245</b>	<b>964</b>
Total Capital Costs	\$109,900,000		
Per Unit Capital Costs for New Build and Acquisition/Renovation	\$152,851		
<b>Less</b> Grants and Donations @ 15% (e.g., HPS, United Way, Regional Trust Fund, corporation and individual donations, potential regional capital levy)	\$16,485,000		
<b>Net</b> Capital Cost to be Borrowed	\$93,415,000		
Cumulative Debt Service, Operating and Support Costs at 2018	\$12,041,520		
Per Unit Debt Service, Operating and Support Costs Per Year (Net of Rents)	\$16,748		
Rent Supplement Units (Rent Subsidy and Support Costs Per Year)		\$1,666,000	
Per Unit Rent Supplement + Support Per Year		\$6,800	
Cumulative Debt Service, Operating and Support Costs - New, Acquired and Rent Supplement			\$13,707,520



**Chart 1 – Units Created Annually, By Initiative Type, By Year**



**Chart 2 – Cumulative Units Created, By Initiative Type, By Year**









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