

MINUTES
FINANCE AND GOVERNANCE STANDING COMMITTEE

Held at Saanich Municipal Hall, Committee Room # 2 and via MS Teams
770 Vernon Avenue
June 10, 2024, at 9:07 a.m.

Present: Councillor Susan Brice (Chair), Councillor Teale Phelps Bondaroff (MS Teams)
Councillor Karen Harper, Mayor Dean Murdock (9:40 a.m.)

Staff: Brent Reems, Chief Administrative Officer; Paul Arslan, Director of Finance;
Karen Coates, Manager of Accounting Services; Pam Hartling, Housing Planning and
Policy Manager; Molly Rose, Planner; and Tara Judge, Executive Assistant to the CAO

Regrets: Councillor Nathalie Chambers

MINUTES FOR ADOPTION

MOVED by Councillor Harper and Seconded by Councillor Phelps Bondaroff: “That the minutes of the Finance and Governance Standing Committee meeting of March 11, 2024, be adopted as circulated.”

CARRIED

3rd TRIMESTER RESULTS REPORT (JANUARY 1 TO DECEMBER 31, 2023)

A report from the Director of Finance with the 3rd Trimester Results for 2023 was reviewed (January 1 to December 31, 2023).

Engineering and Finance will be reviewing potential future charges to water rates to make them more stable. Flat rates would change, but usage rate levels may remain constant. This revision will come forward to this committee at a later date.

Investments performed well this past year with higher interest rates. Some departments went over budget, but others were under budget, mainly due to staff vacancies.

School tax admin fee was not initially included in our budget. While we still support many questions from the public on home owner grant applications, when the Province took over the management of these grants they identified that the share of the fee to municipalities would end. As such, we cannot confirm how long we may continue to receive this fee.

MOVED by Councillor Phelps Bondaroff and Seconded by Councillor Harper: “That the Finance and Governance Standing Committee receive the 3rd Trimester Report from the Director of Finance for information and that the report be referred to Council for its consideration.”

CARRIED

SAANICH AFFORDABLE HOUSING RESERVE FUND (SAHRF)

A presentation titled Saanich Affordable Housing Reserve Fund (SAHRF) dated June 10, 2024, was provided by the Housing Planning and Policy Manager and supported by a Planner. Aim to present this policy to Council July 15, 2024. This item was also presented to the Housing Affordability Standing Committee.

An overview of the current fund and how to better formalize and make applicable organizations aware of this fund is the goal of this update. This aligns with several housing strategy actions.

Since 2008, over \$800K has been distributed to seven (7) successful non-market housing projects. As of 2024, approximately \$2M is reserved to support affordable housing projects, but currently no separate reserve fund: monies are saved in the public works capital reserve fund.

Current affordable housing fund has no formalized application process or any presence on our website. Information on this program is shared by word of mouth. Funds typically covered capital projects only. Beneficiaries received funds after construction was underway and upon submission of receipts.

Consultation with relevant non-profit housing providers and a jurisdictional review was completed to identify best practices. Part of the update is to align with processes used by the City of Victoria; they recently updated their process to provide 80% of the funds upfront (versus 50% previously). This will provide consistency across the immediate area. Consultation also identified that an early injection of funds will help non-profit housing providers. Focus is on rental non-market housing.

New considerations include aligning eligibility with other District non-market housing supports, providing transparency of funding amounts and consistent application/approval processes to support applicants.

Eligible applicants would include non-profit organizations (as in *Community Charter*) and must offer supportive or affordable housing within their mandate.

Two streams are being proposed. Stream 1 is pre-development costs for up to \$40,000. This could include items such as feasibility studies, professional appraisals, site or special purpose surveys and preliminary designs. Stream 2 is for capital and construction costs. Eligible expenses include new construction costs, repair/renovation costs (to retain existing affordable rental stock) and renewal (tear down and rebuild). Funding per door ranges from \$2,000 for a studio to \$4,000 for a 4-bedroom unit. The fund proposes to decouple community amenity contributions (CACs) to support other funding sources.

Approvals once an application has been received and reviewed by staff are proposed to be brought forward to Council. Up to 80% of funds could be provided up front with the remaining 20% provided once the occupancy permit is received and proof of receipts submitted.

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

- No concerns were identified in feedback from other jurisdictions regarding early release of funds for pre-construction elements. While a possible level of risk that a non-market

housing project may not proceed, typically such organizations are fully committed to a project once conceptualized.

- A glossary of terms will be included in the bylaw that accompanies this policy.
- Funding is currently via the CAC and Inclusionary Housing Policy which will be regularly reviewed. Currently, \$2,880/door with a portion towards the affordable housing fund (30%) and a portion to local improvements (local amenity funds 50% and local park acquisition funds (20%)). The other source of funds includes online accommodation platform funds (via Municipal and Regional District Tax Returns).
- This fund is for projects where the entire building being developed is for non-market rental housing.
- As the fund is intended for non-market rental housing, the current structure would not include ownership models such as coops. They have access to other funding sources.
- The goal of this fund is to provide new non-market housing units or add more units to existing complexes. Other sources of funding are available for renovating older non-market housing complexes.
- The fund is meant for capital expenditures or pre-development costs. Information on avenues to support tenant assistance, including reviewing our Tenant Assistance Policy, could be provided to non-market housing providers.
- Money in this fund could be used to purchase and donate land to non-market housing providers.
- The housing division would review and process applications and fund disbursements. The annual housing report would include details on disbursement of monies from this fund.
- It is recommended that the approval process be operationalized and individual applications not brought forward to Council.

MOVED by Councillor Harper and Seconded by Councillor Phelps Bondaroff: “That the Finance and Governance Standing Committee recommend that Council approve the Saanich Affordable Housing Reserve Fund Policy.”

CARRIED

ADJOURNMENT

The meeting adjourned at 9:40 a.m.

Councillor Susan Brice, Chair

I hereby certify these minutes are accurate.

Tara Judge, Executive Assistant to the CAO