



We build strength, stability and self-reliance.



March 14, 2023

Mayor and Council  
City of Courtenay  
Hand Delivered

Dear Mayor and Council,

As you know, Habitat for Humanity Vancouver Island North (VIN) is in the process of constructing 12 affordable homes at our build site at 1375 Piercy Avenue in Courtenay. We are currently progressing well to our target of full occupancy by December of 2023. Since inception in 2004, Habitat VIN has built 22 affordable homes in the Comox Valley, and 17 in Campbell River, making us a significant contributor in delivering affordable home ownership for working families.

As with all affordable housing providers, escalating construction costs, rising interest rates, increasing land costs, and competition for government funding are serious challenges. Any cost reductions we can achieve now allow us to move on to the next projects faster and serve more families sooner. The homelessness crisis in our communities is well known and Habitat, like many housing providers, is doing its best to help. But we can't do it alone.

In today's high-cost environment, Habitat VIN has taken out construction financing in order to deliver the 12-unit project at 1375 Piercy and committed its cash reserves. It will take some time following occupancy to build up enough reserves to commence our next project. Every dollar saved now allows us to move ahead more quickly with subsequent projects.

Habitat VIN is not a commercial, for-profit developer. We work with Habitat families (homeowners) and stay in the community for the long term. We also act as a lender, providing affordable mortgages to Habitat families. We are committed to the communities we serve to be a provider of affordable homes in the long term. In short, we are not going anywhere, and profits are not extracted from our operations. Every dollar we bring in is directed to our mission.

We have always enjoyed a strong working relationship with the City of Courtenay and are now seeking your support to reduce our costs and allow us to serve more families. We recognize and applaud the language in the City's recently adopted Official Community Plan to *Incentivize and Partner with* non-profits by providing relief from various development fees, charges and development standards, and by awarding funding.

We have the following requests:

**1. Waive Building Permit Fees and Development Cost Charges**

Habitat VIN has been assessed **\$174,312** in Building Permit (\$23.2K) and DCC (\$151.1K) fees. These charges directly detract from our ability to serve more families. Refunding the fees will allow us to move ahead with subsequent projects earlier.

**2. Return Security Deposit (Letter of Credit)**

Habitat VIN has provided security of **\$327,634** to provide assurance of meeting its obligations under the various permits. This security deposit is costing more than \$20,000 per annum in interest charges – again detracting from our ability to serve families. We are an organization of promise-keepers and have a long track record of consistently meeting our commitments.

**5. Confirm Laneway Contribution**

We have had verbal commitments to assist with the cost of Habitat VIN developing the laneway adjacent to the build. We will spend **\$212,500** on the formerly undeveloped laneway to remove the old road bed and rebuild it to current standards, install storm water collection, install rollover curbs, build let downs, install stop signs, and fully pave the lane for the benefit of Habitat families and existing homeowners on Cumberland Road. We request the City's contribution to reimburse these costs.



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## 6. Permissive Tax Exemptions

We request your support for a 100% permissive tax exemption for properties Habitat VIN owns/rents in the City of Courtenay. We currently enjoy only a partial exemption and again, these dollars are better spent housing families.

Please feel free to call me to discuss. Thank you for your continued support.

Regards,

A handwritten signature in blue ink, appearing to read "Jeff West". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jeff West  
Executive Director

CC: Jesse Ketler – Chair, Comox Valley Regional District

