

Group seeks RRSP money to build affordable housing in Victoria

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How would you like to see your retirement savings earn returns while creating affordable housing in Greater Victoria?

That's what could happen if seeds sown by the Community Social Planning Council of Greater Victoria bear fruit. The council, established in 1936, is involved in social, economic and environmental planning in the region.

The council has set up the Vancouver Island Community Investment Co-operative. In 2011, the council was examining ways of spurring the creation of affordable housing in Greater Victoria, said Sarah Amyot, council spokeswoman.

There are 15,000 people who are in need of affordable housing in the region, she said. A problem exists in the availability of long-term and low-interest capital funding that covers costs aside from the mortgage.

The council is proposing that Greater Victoria investors put a portion of their retirement savings in a local investment fund. The proceeds of the fund would go toward starting affordable housing. Once the housing comes on line, the startup costs are repaid to investors "with a reasonable financial return and a large social benefit," Amyot said.

Investors also would be entitled to the usual tax benefits associated with RRSPs.

"This initiative is focused on the intersection of two areas of work, housing affordability and community development," said Amyot. "You see the benefits of your investment in your own community."

Several projects are in the development stage, she said. These include St. John the Divine, which is looking at redeveloping part of its property, and another potential project in Fernwood.

"There are a lot of projects in our community that are sitting there and waiting for access to this kind of capital," she said.

Greater Victoria residents invest more than \$350 million a year in their RRSPs. The council aims to capture two per cent of that total over 10 years, resulting in \$7 million to \$8 million going toward affordable housing each year in the region.

"Our goal is not only to invest in affordable housing — what we're trying to do is create infrastructure that will enable local residents to invest in ... community enterprises and things that create jobs in other ways," Amyot said.

A similar program in Nova Scotia has seen the development of 50 community investment funds over 10 years. The money has been used to create affordable housing, renewable energy projects and jobs.

The Nova Scotia community funds are looking to capture five per cent of RRSP investments in local community projects, said Amyot. "It's been wildly successful there, by any measure," she said.

The co-operative is about to legally incorporate and welcome investors. Later this year, the council hopes to identify its first project and a fundraising drive will follow.

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