

March 22, 2024

Open Letter to the Habitat for Humanity Victoria Board of Directors, Municipality of Central Saanich, and Regional Donors:

I am writing as a concerned member of the Habitat for Humanity Victoria community and specifically as a family participant in HFHV's Affordable Homeownership Program.

On April 9, 2020, I signed the Letter of Intent and that made me the first family to enter HFHV's *revised* Affordable Homeownership Program that would include families being required to take out a traditional retail, interest-bearing, mortgage to fund the purchase of the HFH home. As a single mom facing housing instability and raising costs, this felt like a dream come true. My children, aged 6 and 8 at the time, were ecstatic.

At the time, there were a few HFHV units available and I was offered the choice of either one of the new Bakerview homes in North Saanich (that were in the process of being built), or a townhouse unit that came available on Cedar Hill X Rd. As it was explained to me, there would be no financial difference between any of the houses, and as a result, I suggested that the Cedar Hill X Rd. unit would be best for my family since the majority of mine and my kid's lives occurred in Saanich. After that conversation, I was presented with a third option: Timber Ridge in Central Saanich. This was another build that was in the works and would be a single family home. The builder, Walking Stick Developments, worked out a deal with the Municipality of Central Saanich that in lieu of a payment made to the municipality's Affordable Housing fund, they would donate a lot to HFHV.

I was assured there was no financial difference between any of the units, and as a result, my family happily chose the Timber Ridge home.

I feel it is important to note that the inventory of HFHV homes varies greatly; there are homes that have income suites, homes with basketball courts and amenities such as bike storage, and homes like mine, that have a garage. One of the policies that HFH has is that upon acceptance into the program, you must take the first home that comes available for you. I did not make any agreements with HFHV, nor was anything mentioned, that suggested if I was placed in the Timber Ridge home, I would have to pay more, or be treated any differently.

Throughout 2020, more families were entered into HFHV's new Affordable Home Ownership program, and as we all worked to satisfy our volunteer hour requirement, we were advised that the mortgage policy was still in development.

I satisfied the 250 hour volunteer hours necessary to move in, and on November 28, 2020 my family and I were welcomed into our new house.

Over the course of the following months (and then years), I, along with the other families, were assured that the Mortgage Policy was still being developed and that the Board was working to find ways to ensure our purchase prices were affordable. Finally, in late February 2022, we were provided with the policy. The policy, approved by HFHV Board, set out how the homes would be

priced, how any appreciation in the home would be distributed, and what price families could sell the homes back to HFHV at. In addition to the work done to create this policy, HFHV explained that they would also apply to the municipalities where they had housing units to place covenants on the properties so that the units would remain affordable. We (the participating families) were invited to three zoom meetings that were held late in the summer of 2022 in which the specifics of the approved mortgage policy was explained.

We were told that HFHV was going to first apply to North Saanich (for the Bakerview properties), then they would apply to Central Saanich and finally Saanich. In January 2023, HFHV was successful and the covenant was approved by North Saanich council for the Bakerview homes. Throughout 2023, the families in the Bakerview homes transacted their homes pursuant to the terms of the Mortgage Policy (and the covenant) at prices of cost + 25%.

On February 6, 2024, I received an email from Tiffany Gates, the Director of Family Services, letting me know HFHV was ready to transact the sale of my house, however, it was going to be at fair market value. When I asked why my house is not being transacted at the price set in the Mortgage Policy (cost + 25%), all I was told is “it’s a different property” and “the Bakerview units have a covenant.”

As a single mom, I cannot emphasize how daunting this is. As I understand, there is nothing stopping HFHV from applying to Central Saanich to have a covenant placed on the property (to ensure that the price stays affordable.) Additionally, even without a covenant on the land, there’s nothing preventing HFHV from transacting the sale per the terms of their Mortgage Policy they provided me. Eight other families have transacted under the terms of the Mortgage Policy that was given to all of us.

When I met with the CEO, Scott Dutchak, he simply said that there is an impetus to get families to take out mortgages so they have funding for their next build: Ferguson. This development, located in Saanich, will be marketed toward middle-income families earning \$95,000 - \$126,000 (as reported to me by Tiffany Gates.) As a side note, existing families (who qualified with incomes between \$45,000 and \$75,000) are being asked to take out interest-bearing mortgages between 25%-50% of the purchase price of their homes, to fund this build.

Reasons that I’ve been given for why my house is being priced differently are “well your house has a garage” and “it’s a different property.” This, given the nature of the program where families are placed into homes as they come available, feels out of my control. There were Bakerview units available, but the previous CEO placed me in the Timber Ridge home. Had I known the price of the Timber Ridge home was going to be nearly twice that of the Bakerview homes, surely, I would have taken one of those! Further, the Mortgage Policy that took years to develop, was not solely for Bakerview families – it was for all HFHV families transacting home purchases.

It leaves me to wonder if HFHV is now going back on their Mortgage Policy and what they told me they were going to do because 25%-50% of fair market value is more than 25%-50% of cost + 25% (which is the price stated in the Mortgage Policy) and that will give them more money to build the Ferguson units.

HFHV collected donations from the community to pay for the cost to build these homes. Donations were collected to provide affordable homeownership to low-income families that could not otherwise afford a mortgage. My family, and my story, was used to help aid in that effort. It feels disingenuous, that after HFHV raised enough funds to cover the cost of the build for my house through community donations, that I now must take out an interest-bearing mortgage for an amount that EXCEEDS the cost to build my house in the first place. Not only that, but on top of the principle for a mortgage that exceeds the cost to build my house, I will be paying interest costs (that, over 25 years, will near \$200,000.) The majority of my payments for the next ten years will be servicing the interest of the mortgage; the nominal appreciation that HFHV is offering doesn't come close to making up that difference.

When I entered the Affordable Homeownership Program in 2020, the income eligibility for a three-bedroom home was \$45,000 - \$75,000 per year. I gave up a rental that was only \$1,500 on the assurance that this program would provide me affordable homeownership and the opportunity to build equity. I was the first family in the revised Home Ownership Program, and while I waited for the HFHV Board to set their Mortgage Policy, interest rates have skyrocketed – making the cost of purchasing this home even more. With HFHV's arbitrary application of their policies, it's making it so that I can no longer afford my "affordable" home. Maybe the new families that are accepted into the program (with higher and modest incomes of between \$95,000 - \$126,000) will be able to better positioned to pay off a home purchase at a fair market value price; but for me, a single mom, with much less income, it's unfathomable.

I don't know why HFHV has reneged on their plan to place a covenant on my house, and more importantly, why (despite not having a covenant), that the Mortgage Policy that I and other families waited years for, no longer applies to my family.

I am hopeful that HFHV will reconsider and honor the terms of the Mortgage Policy, specifically that the sales price will be cost + 25%, so that my kids can continue to reap the benefits of stable housing – a fundamental principle of the HFHV program.

Thank you,

-Erin