



Notice of Meeting and Meeting Agenda Hospitals and Housing Committee

Wednesday, November 4, 2020

1:30 PM

6th Floor Boardroom
625 Fisgard St.
Victoria, BC V8W 1R7

L. Helps (Chair), K. Murdoch (Vice Chair), D. Blackwell, S. Brice, F. Haynes, G. Holman, R. Martin, C. McNeil-Smith, D. Screech, L. Seaton, K. Williams, C. Plant (Board Chair, ex-officio)

The Capital Regional District strives to be a place where inclusion is paramount and all people are treated with dignity. We pledge to make our meetings a place where all feel welcome and respected.

1. Territorial Acknowledgement

2. Approval of Agenda

3. Adoption of Minutes

- 3.1. [20-696](#) Minutes of the October 7, 2020 Hospitals and Housing Committee Meeting

Recommendation: That the minutes of the Hospitals and Housing Committee meeting of October 7, 2020 be adopted as circulated.

Attachments: [Minutes - October 7, 2020](#)

4. Chair's Remarks

5. Presentations/Delegations

- 5.1. [20-714](#) Delegation - Paul Mohapel; Resident of Victoria: Re: agenda Item 6.6.: Government of Canada Rapid Housing Initiative
- 5.2. [20-715](#) Delegation - Aaron Childs; Resident of Victoria: Re: Agenda Item 6.6.: Government of Canada Rapid Housing Initiative
- 5.3. [20-716](#) Delegation - Allan Gallupe; Representing the Friends of Central Park: Re: Agenda Item 6.6.: Government of Canada Rapid Housing Initiative
- 5.4. [20-717](#) Delegation - Heather Rock; Resident of Victoria: Agenda Item 6.6.: Government of Canada Rapid Housing Initiative
- 5.5. [20-718](#) Delegation - Laura Lee; Resident of Victoria: Agenda Item 6.6.: Government of Canada Rapid Housing Initiative
- 5.6. [20-722](#) Delegation - Lesley Valour; Resident of Victoria: Re: agenda Item 6.6.: Government of Canada Rapid Housing Initiative

6. Committee Business**6.1. [20-688](#) Capital Region Housing Corporation Operational Update - Third Quarter**

Recommendation: The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:
That the Capital Region Housing Corporation Operational Update - Third Quarter report be received for information.

Attachments: [Staff Report: CRHC Operational Update – Third Quarter](#)
[Appendix A: CRHC Operational Update - Third Quarter](#)

6.2. [20-691](#) Reaching Home Additional COVID Funding

Recommendation: The Hospitals and Housing Committee recommends to the Capital Regional District Board:
That the COVID-19 Additional Reaching Home Funding report be received for information.

Attachments: [Staff Report: Reaching Home Additional COVID Funding](#)
[Appendix A: Reaching Home Program COVID-19 Funding Strategy](#)
[Appendix B: 2020-21 Reaching Home COVID-19 Contracts](#)

6.3. [20-690](#) Regional Housing First Program: Project Update, Third Quarter 2020

Recommendation: The Hospitals and Housing Committee recommends to the Capital Regional District Board:
That the Regional Housing First Program: Project Update, Third Quarter 2020 report be received for information.

Attachments: [Staff Report: RHFP - Project Update, Third Quarter 2020](#)
[Appendix A: RHFP - Project Update, Third Quarter 2020](#)

6.4. [20-689](#) Spencer Close Redevelopment Mortgage Registration: 2763 Spencer Road

Recommendation: The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:
a) That the resolutions required by BC Housing Management Commission to authorize the execution of the Section 219 Covenant and the Loan and Mortgage documents for 2763 Spencer Road be approved; and
b) That Staff be authorized to execute any agreements with Capital Regional District and BC Housing Management Commission and to take steps necessary to conclude the purchase of 2763 Spencer Road, Langford, BC.

Attachments: [Staff Report: Spencer Close Redevelopment Mortgage Registration](#)
[Appendix A: Spencer Close Resolution of Directors](#)

6.5. [20-692](#) Spencer Close Mortgage - Tri-Partite Agreement and Landlord Estoppel Certificate: 2763 Spencer Road

- Recommendation:** The Hospitals and Housing Committee recommends to the Capital Regional District Board:
- a) That the resolutions required by BC Housing Management Commission to authorize the execution of the Tri-Partite Agreement and Landlord Estoppel Certificate for 2763 Spencer Road be approved; and
 - b) That the Staff be authorized to execute any agreements with Capital Region Housing Corporation and BC Housing Management Commission and to take steps necessary to conclude the purchase of 2763 Spencer Road, Langford, BC.

Attachments: [Staff Report: Spencer Close Mtge-Tri-Partite Agrmt & Landlord Estoppel Cert](#)
[Appendix A: Spencer Close Landlord Estoppel Cert & Ack of Notice](#)

6.6. [20-701](#) Government of Canada Rapid Housing Initiative

- Recommendation:** The Hospitals and Housing Committee recommends to the Capital Regional District (CRD) Board:
That CRD staff be authorized to negotiate and execute agreements with the Government of Canada for the Rapid Housing Initiative and do all things incidental to finalize such agreements.

Attachments: [Staff Report: Government of Canada Rapid Housing Initiative](#)
[Appendix A: Letter from Canada Mortgage and Housing Corporation](#)
[Appendix B: Sample Contribution Agreement](#)
[Appendix C: RHI Q&As for Municipalities Under Major Cities Stream](#)

7. Notice(s) of Motion

8. New Business

9. Motion to Close the Meeting

9.1. [20-712](#) Motion to Close the Meeting

- Recommendation:**
1. That the meeting be closed for Land Acquisition in accordance with Section 90(1)(e) of the Community Charter.
 2. That such disclosures could reasonably be expected to harm the interests of the Regional District. [2 items]
 3. That the meeting be closed for Intergovernmental Negotiations in accordance with Section 90(2)(b) of the Community Charter. [1 item]

10. Adjournment

The next meeting is December 2, 2020.

To ensure quorum, please advise Tamara Pillipow (tpillipow@crd.bc.ca) if you or your alternate cannot attend.

Meeting Minutes

Hospitals and Housing Committee

Wednesday, October 7, 2020

2:00 PM

6th Floor Boardroom
625 Fisgard St.
Victoria, BC V8W 1R7

PRESENT

Directors: L. Helps (Chair), K. Murdoch (Vice Chair), L. Szpak (for D. Blackwell), S. Brice, F. Haynes, G. Holman, R. Martin, C. McNeil-Smith, D. Screech, L. Seaton, K. Williams,

Staff: R. Lapham, Chief Administrative Officer; N. Chan, Chief Financial Officer; K. Lorette, General Manager, Planning and Protective Services; M. Barnes, Senior Manager, Health and Capital Planning Strategies; S. Grigg, Manager, Operations, Regional Housing; J. Reilly, Manager, Housing Planning and Programs; M. Lagoa, Acting Deputy Corporate Officer; T. Pillipow, Committee Clerk (Recorder)

EP - Electronic Participation

Guest(s): M. Tait, Mayor, District of Sooke (EP)

Regrets: Directors: D. Blackwell, C. Plant (Board Chair, ex-officio)

The meeting was called to order at 2:00 pm.

1. Territorial Acknowledgement

Chair Helps provided a Territorial Acknowledgement.

2. Approval of Agenda

**MOVED by Director Seaton, SECONDED by Director McNeil-Smith,
That the agenda for the October 7, 2020 Hospitals and Housing Committee
meeting be approved.**

**MOVED by Director Haynes, SECONDED by Director Screech,
That the agenda be amended to move "8. New Business" before "7. Notice(s) of
Motion".
CARRIED**

**MOVED by Director Brice, SECONDED by Director Screech,
That the agenda be further amended to permit guest M. Tait to speak to new Item
7. New Business.
CARRIED**

**MOVED by Director Seaton, SECONDED by Director McNeil-Smith,
That the agenda for the October 7, 2020 Hospitals and Housing Committee
meeting be approved as amended.
CARRIED**

3. Adoption of Minutes

- 3.1. [20-563](#) Minutes of the September 2, 2020 Hospitals and Housing Committee Meeting
- MOVED by Director McNeil-Smith, SECONDED by Director Murdoch,
That the minutes of the Hospitals and Housing Committee meeting of September 2, 2020 be adopted as circulated.
CARRIED**

4. Chair's Remarks

The Chair had no remarks.

5. Presentations/Delegations

There were no presentations or delegations.

6. Committee Business

- 6.1. [20-584](#) 2019-2022 Health & Facilities Service Planning
- K. Lorette introduced staff members and spoke to item 6.1.
- Discussion ensued on the following:
- implications for 2021 budget
 - funding source for additional staff
 - thanks to staff for preparing comprehensive service plans
- MOVED by Director Screech, SECONDED by Director McNeil-Smith,
The Hospitals and Housing Committee recommends to the Capital Regional District Board:
That Appendix A Community Need Summary - Health & Facilities be approved as presented and advanced to the October 28, 2020 provisional budget review process.
CARRIED**
- 6.2. [20-587](#) 2019-2022 Affordable Housing Service Planning
- K. Lorette spoke to item 6.2.
- Discussion ensued on the following:
- Southern Gulf Islands Housing Strategy
 - key performance indicators
- MOVED by Director Brice, SECONDED by Alternate Director Szpak,
The Hospitals and Housing Committee recommends to the Capital Regional District Board:
That Appendix A Community Need Summary - Affordable Housing be approved as presented and advanced to the October 28, 2020 provisional budget review process.
CARRIED**

6.3. [20-583](#) Capital Regional Hospital District Funding Model History

K. Lorette spoke to item 6.3.

Discussion ensued on cost share percentages.

**MOVED by Director Seaton, SECONDED by Director Murdoch,
The Hospitals and Housing Committee recommends to the Capital Regional
Hospital District Board:
That the Capital Regional Hospital District Funding Model History report be
received for information.
CARRIED**

6.4. [20-582](#) Lady Minto Hospital Foundation Fund Request

K. Lorette spoke to item 6.4.

Discussion ensued on the following:

- setting a precedent by partnering with a hospital foundation
- prioritizing this project over other Island Health projects
- the Capital Plan being worked in conjunction with Island Health

**MOVED by Director Holman, SECONDED by Director Brice,
The Hospitals and Housing Committee recommends to the Capital Regional
Hospital District Board:
That CRHD cost share at 30 percent with the Lady Minto Hospital Foundation on
the Lady Minto Hospital Emergency Room Upgrade project.**

**MOVED by Director McNeil-Smith, SECONDED by Director Brice,
That the motion be amended to add the words "..., at a cap of three million
dollars," after the words "cost share at 30 percent...".
CARRIED**

**MOVED by Director Holman, SECONDED by Director Brice,
The Hospitals and Housing Committee recommends to the Capital Regional
Hospital District Board:
That CRHD cost share at 30 percent, at a cap of three million dollars, with the
Lady Minto Hospital Foundation on the Lady Minto Hospital Emergency Room
Upgrade project.
CARRIED**

6.5. [20-596](#) Oak Bay Lodge Community Consultation and Stakeholder Engagement -
Award of Contract

K. Lorette spoke to item 6.5.

Discussion ensued on the following:

- how the vision is determined for this site
- the engagement process
- constraints and complexity of the property prompting multi-party input
- providing clear communication to the public

**MOVED by Director Seaton, SECONDED by Director Screech,
The Hospitals and Housing Committee recommends to the Capital Regional
Hospital District Board:**

That Contract CRHD.2020-02 for Oak Bay Lodge Community Consultation and Engagement Services be awarded to Kirk & Co Consulting Ltd in the amount of \$73,825 plus a contingency of \$10,000 for future services [excluding GST] be approved.

MOVED by Director Screech, **SECONDED** by Director Holman,
That the motion be amended to add the words "...And direct staff to report back on discussions with Island Health and BC Housing with respect to potential development priorities for that site before the end of the public engagement process."

MOVED by Director McNeil-Smith, **SECONDED** by Director Screech,
That the motion be further amended to remove the words "...before the end of the public engagement process", after the words "priorities for that site...".
CARRIED

Director Haynes left the meeting at 2:52 pm.

MOVED by Director Screech, **SECONDED** by Director Holman,
That the motion be amended to add the words "..., and direct staff to report back on discussions with Island Health and BC Housing with respect to potential development priorities for that site.", after the words, "[excluding GST] be approved".
CARRIED
OPPOSED: Murdoch

MOVED by Director Seaton, **SECONDED** by Director Screech,
The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:
That Contract CRHD.2020-02 for Oak Bay Lodge Community Consultation and Engagement Services be awarded to Kirk & Co Consulting Ltd in the amount of \$73,825 plus a contingency of \$10,000 for future services [excluding GST] be approved, and direct staff to report back on discussions with Island Health and BC Housing with respect to potential development priorities for that site.
CARRIED

6.6. [20-588](#) Applicant Eligibility Policy Update

K. Lorette spoke to item 6.6.

Discussion ensued on the following:
- aligning with Regional Housing First policies
- the number of units being discussed

MOVED by Director Brice, **SECONDED** by Director Screech,
The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:
That the amended Applicant Eligibility Policy 2.10, attached as Appendix A, be approved.
CARRIED

6.7. [20-586](#) 1224 Richardson Housing Agreement and Bylaw

K. Lorette spoke to item 6.7.

MOVED by Director Holman, **SECONDED** by Director Williams,
That the Hospitals and Housing Committee recommends to the Capital Regional District Board:

- a) That Bylaw No. 4369, "Resale Control and Housing Agreement Bylaw (1224 Richardson Street), 2020" be introduced and read a first, second and third time; and
 - b) That Bylaw No. 4369 be adopted.
- CARRIED**

6.8. [20-559](#) Previous Minutes of Other CRD Committees and Commissions for Information

MOVED by Director Seaton, **SECONDED** by Director Williams,
That the following minutes be received for information:

- a) Regional Housing Advisory Committee minutes - February 13, 2020
 - b) Tenant Advisory Committee minutes of February 24, 2020
- CARRIED**

7. New Business

Director M. Tait, in her capacity as Mayor, District of Sooke, spoke to the impact of regional homelessness on her community.

Staff spoke of the CRD's ongoing efforts, in conjunction with those of our partners, to help reduce chronic homelessness in the region. Staff are in communication with BC Housing to address the situation in Sooke.

Staff will bring a report back to this committee presenting the results of the Vulnerable Population Working Group survey of Municipalities and Electoral Areas on COVID-19 emergency mobilization.

It was stated that there is a need for an emergency shelter on the West Shore.

Director Haynes rejoined the meeting at 3:21 pm.

Director McNeil-Smith left the meeting at 3:22 pm.

8. Notice(s) of Motion

There were no Notice(s) of Motion.

9. Adjournment

MOVED by Director Brice, **SECONDED** by Director Haynes,
That the September 7, 2020 Hospitals and Housing Committee meeting be adjourned at 3:25 pm.
CARRIED

Chair

Recorder

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, NOVEMBER 04, 2020**

SUBJECT **Capital Region Housing Corporation Operational Update – 3rd Quarter**

ISSUE SUMMARY

To provide quarterly updates to the Hospitals and Housing Committee on the Capital Region Housing Corporation (CRHC) including operations, capital plan and development projects.

BACKGROUND

The CRHC owns and operates 1,491 units of affordable housing within the capital region for low to moderate income households. Currently there are 402 new units under construction and 313 units in development. The CRHC has a five year \$13 million (M) capital replacement plan that is updated annually.

The attached report (Appendix A) summarizes the CRHC 3rd quarter activities and progress.

IMPLICATIONS

Operational Implications

At the CRHC Board meeting of October 14, 2020 the Board debated the Applicant Eligibility Policy as it related to applicant selection for subsidized units. There was a request to report back more information related to using facilitated tenant education programs in lieu of two years favourable landlord references.

CRHC has had success recommending the RentSmart program (formerly known as Ready to Rent) named in the policy. The practise of using this program as an alternative to references has been in place since 2010 and is now utilized as a tool for eviction prevention during tenancies as well.

Typically an in person course, RentSmart is now offering a virtual format in response to the pandemic. The cost for the course is low and RentSmart commits to 'walk with' services after completion in order to support graduates to maintain successful tenancies. RentSmart anticipates scheduling 12-15 courses per year and have recently offered landlords the ability to host additional courses. This option is available if a landlord has a specific need or volume of applicants which doesn't align with waiting for the publicly offered courses. More information has been requested for this arrangement.

Staff attribute long term success of the applicants who hold a RentSmart certificate to the behavioural changes that occur from the program including life and social skills development. Such as, creating positive relationships with neighbours and the importance of budgeting which also play a part in successful tenancies.

Other programs offered such as Renting It Right focus on the basics of residential tenancy which does not always address the underlying reasons that applicants may not have had successful landlord references.

CRHC has not kept statistics on how many tenants have utilized the certificate in lieu of references over the past decade; however, six RentSmart certificate holders became tenants during the rent up at Westview this past summer.

Financial Implications

Vacancies

Millstream Ridge was the building most impacted by vacancies due to COVID, and a Building Operating Budget Amendment was presented and approved at the October 14, 2020 CRHC Board meeting.

Rent Arrears

As of October 1, 2020, rent arrears accounts for 0.35% of the overall annual budgeted rental revenue. Staff have created repayment plans with affected tenants and these arrears are not considered a significant risk to operations.

Rent Freeze

Due to COVID, staff were unable to apply the majority of the budgeted \$94,000 rent increases in 2020, and staff are waiting for confirmation before applying future increases. However, due to a longer development process of capital redevelopment projects, some tenants have remained in place longer than anticipated, resulting in a favourable variance of approximately \$136,000. Overall, excluding Millstream Ridge, rents are forecast to exceed the 2020 budget.

Capital Replacement Spending

Estimated 2020 spending is 1.8M which is lower than the planned 3.4M. The CRHC is required to report to BC Housing if the annual capital variance on Umbrella Operating Agreement (UOA) buildings exceeds 10%. BC Housing has been notified that CRHC will be unable to achieve spending within 10% of our approved capital plan in 2020, and a formal report will be sent at year end. Work that was unable to be completed in 2020 will be redistributed across the remaining years of the 2020-2024 UOA to ensure the total spending requirements are met.

ALTERNATIVES

Alternative 1

The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:

That the Capital Region Housing Corporation Operational Update – 3rd Quarter report be received for information.

Alternative 2

That the Capital Region Housing Corporation Operational Update – 3rd Quarter report be referred back to staff for additional information.

RECOMMENDATION

The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:

That the Capital Region Housing Corporation Operational Update – 3rd Quarter report be received for information.

Submitted by:	Sharon Grigg, CRHC Manager, Operations, Regional Housing
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT

Appendix A: Capital Region Housing Corporation Operational Update – 3rd Quarter

Capital Region Housing Corporation Quarterly Operational Report Period Ending September 30, 2020

The Capital Region Housing Corporation (CRHC) owns and operates 1,491 units of housing.

1. COVID-19 Impacts to CRHC

Provincial changes to Residential Tenancy ease which had impact on residential tenancies and the work of CRHC.

Rent Arrears created during Phase 1 & 2

The state of emergency temporarily suspended a landlord's ability to end a tenancy if a tenant did not pay the rent in full and on time. Effective September 1, 2020, the ability to evict for unpaid rent has been restored to the landlord. The legislation outlined direction to landlords on how to collect rent arrears for the period of April 1 and August 31, 2020 to ensure leniency and prevent evictions. Staff have prepared repayment plans, as per the legislation, for all tenants who have rent arrears from this time period.

Effective October 1, 2020, 34 households are to begin arrears repayment of \$52,000. This figure reflects changes from the 42 households owing \$52,000 at the end of the 2nd quarter and the 74 households owing \$76,000 from April 2020.

Rent Freeze

During the state of emergency a landlord was prevented from issuing annual notices of rent increase. In September, it was announced that the restrictions would be lifted to allow landlords to issue notices of increase for 2021 at a maximum allowable rent increase of 1.4%. This is lower than previous annual increases of 2.6%. Staff will confirm post-election if the rent freeze will continue or be removed.

Westview Rentals

Westview received its occupancy permit on April 30, 2020 and CRHC began housing tenants on May 15, 2020. It was originally anticipated that all units would be rented by July 2020. Due to COVID 19, staff extended this to end of August 2020. As of October 15, 2020 the building will be 100% rented. The additional delay was due to some prospects rescinding their interest in moving even though COVID restrictions had eased into Phase 3.

Due to the project being under budget, BC Housing has agreed to allow CRHC to lower the rents, making the property more affordable than originally projected. Now that the take out mortgage has been finalized, rent levels will be adjusted as turn over occurs.

Capital Spending

Seasonal and annual exterior capital work was impacted this year by COVID 19. Contractors had a hard time retaining and remobilizing staff as a result of the state of emergency and subsequent access to the Canada Emergency Response Benefit (CERB). Staff are currently completing capital plan review for work that can be accomplished in the 4th quarter. Work that will not be completed this year will be redistributed in future years 2021-2024 to ensure that the \$11M

spending requirements of the Umbrella Operating Agreement (UOA) are met. Estimated 2020 spending is \$1.8M which is lower than the planned \$3.4M. More comprehensive budget information will come forward to the Board at the December meeting.

2. Staffing

Nine new operations staff were approved in the 2020 budget process to manage Westview, Spencer Close and West Park. Seven have been hired and offers of employment have been made for the final two caretaking staff for Spencer Close and West Park to ensure their readiness when the buildings open.

3. Developments

West Park (152 units)

- Phase 1: Occupancy permit was issued on September 15, 2020.
- Phase 1: Capital Regional District (CRD) third-party inspections are underway.
- Phase 2: Deficiency repairs and final cleaning underway.
- Phase 2: Commissioning, testing, balancing and inspections are underway.
- Phase 2: Anticipated occupancy permit date is October 9, 2020.
- CRD/CRHC project closing is scheduled for November 2, 2020.

Spencer Close (130 units)

- Phase 1: Floors 6-2 are 98% complete with deficiency repairs underway. Floor 1 is 85% complete with final paint underway.
- Phase 2: Floors 6-3 are 98% complete with deficiency repairs underway. Floors 2-1 are 85% complete with final paint underway.
- Carpet in the common stairwells and corridors is complete on floors 6-3.
- Parking lot paving and line painting is underway.
- Commissioning, testing, balancing and inspections will commence in the second week of October.
- The anticipated occupancy permit date is October 30, 2020.
- CRD/CRHC project closing is scheduled for November 20, 2020.

Hockley House (120 units)

- Phase 1: Drywall, cabinet installation and vinyl flooring are complete with second coat painting underway.
- Phase 2: Drywall installation and first coat paint underway.
- The building is watertight with roofing and rain screen complete. Cladding is 25% complete. Anticipated completion of the building envelope system is November 20, 2020.
- Elevator installation is underway.
- Offsite water connections are complete for domestic and fire suppression systems.
- Project completion estimated for March 2021.

Michigan Square Redevelopment (97 units)

- 15 units have received \$4.5 million through the Regional Housing First Program; 38 units have been approved for \$570,000 through the Regional Housing Trust Fund; and 44 units are pending approval through Building BC: Community Housing Fund (CHF).
- City of Victoria has scheduled the Public Hearing date for October 22, 2020.
- Design development will commence once the Development Permit has been issued.

- The tenant relocation process will commence in November 2020, once the Development Permit has been issued.
- Anticipated construction start is November 2021.

Caledonia Redevelopment (158 units)

- CRHC and the City of Victoria are working towards confirming the Public Hearing date. At present, the City of Victoria has indicated that a November 2020 hearing is probable.
- Design Development is underway with an anticipated building permit submission in January 2021.
- Anticipated construction start is May 2021.

Triway (58 units)

- Rezoning of the Triway lands was approved on August 26, 2020.
- The project was selected to move forward through BC Housing's Building BC: CHF on September 20, 2020.
- Design development for the 58 unit affordable seniors building is underway.
- Building permit submission is anticipated for December 2020.
- Anticipated construction start is January 2021.



Making a difference...together

REPORT TO HOSPITALS AND HOUSING COMMITTEE MEETING OF WEDNESDAY, NOVEMBER 04, 2020

SUBJECT Reaching Home Additional COVID Funding

ISSUE SUMMARY

An information report is being provided to update the Capital Regional District (CRD) Board on the allocations of the \$1,918,197 in additional COVID-19 emergency response funding from Reaching Home – Canada’s Homelessness Strategy, to support the region’s COVID-19 response capacity for those experiencing or at risk of homelessness.

BACKGROUND

The CRD is designated by the Government of Canada as the Community Entity to administer this funding, and provides financial contributions through sub-project agreements to non-profit organizations based on a Community Plan, which is approved by a Community Advisory Board (CAB). Through an Agreement with the Government of Canada, the CRD is currently administering \$870,753 in the Designated Communities funding stream and \$337,256 in the Indigenous Homelessness funding stream in 2020-2021.

On March 18, 2020, the Prime Minister announced the Government of Canada would be providing Reaching Home with an additional \$157.5 million (M) under Canada’s Economic Response Plan to Support People Experiencing and at Risk of Homelessness during the COVID-19 outbreak. The initial 2020-2021 incremental COVID-19 funding allocation in the Victoria Census Metropolitan Area was \$1,312,852 (\$917,880 Designated Communities and \$394,972 Indigenous Homelessness funding). Approximately 98% of this funding has been allocated to projects providing urgent services to people experiencing or at risk of homelessness.

On October 10, 2020, the CRD was notified that the Government of Canada had allocated an additional \$236.7M of COVID-19 emergency response funding and that the CRD would be receiving an additional \$1,918,197 to support efforts to respond to the pandemic’s impact on vulnerable populations in the region. The breakdown of funding is as follows:

- \$1,341,107 allocated under the Reaching Home Designated Communities funding stream.
- \$577,090 allocated under the Reaching Home Indigenous Homelessness funding stream.

This funding will be added to the statutory agreement that the CRD already has with the Government of Canada. The funding can be used for a range of needs such as purchasing beds and physical barriers for social distancing, providing services to people forced to shelter outdoors and securing accommodation to reduce overcrowding in shelters. Communities have flexibility to use the new funding to meet local needs and priorities. This funding is focused on three priorities:

1. Extend COVID-19 measures for those experiencing homelessness;
2. Find permanent housing for those temporarily housed; and
3. Help communities to reduce the inflow into homelessness, including homelessness prevention and shelter diversion activities.

On April 28, 2020, the CAB approved the Reaching Home Program COVID-19 Funding Strategy (Appendix A) which addressed three key priority areas for action.

1. Short-term sheltering and support programs for people currently without shelter and at risk of infection from the COVID-19 virus;
2. Keeping individuals stably housed and/or sheltered during the emergency response period; and
3. Ensuring individuals and households in Reaching Home Program funded programs have short-term access to goods and/or services to meet basic needs to which access may have been disrupted due to the emergency response to protect against COVID-19 contagion.

In order to allocate the funding in a timely manner, the Strategy supports a contracting approach to distributing the funding and CRD staff have been working with local coordinating bodies to identify programs and or projects requiring funding to address these priorities. The CRD has recommended to the CAB that this approach be sustained to support use of the new funding.

CRD staff have been engaged with Reaching Home funded programs as well as organizations and groups in four geographic areas (Victoria, Sooke, Sidney and Salt Spring Island) and local First Nations to identify needs and has subsequently received and has allocated funding to a number of community based initiatives (see Appendix B).

CRD Regional Housing, through the CRD's Regional Emergency Operations Centre (EOC), is facilitating a Regional EOC Vulnerable Populations Working Group to support a coordinated response with local government, other levels of government and community agencies.

ALTERNATIVES

Alternative 1

The Hospitals and Housing Committee recommends to the Capital Regional District Board: That the COVID-19 Additional Reaching Home Funding report be received for information.

Alternative 2

That the COVID-19 Additional Reaching Home Funding report be referred back to staff for further information based on Hospitals and Housing Committee direction.

IMPLICATIONS

Intergovernmental Implications

Provincial Government

Staff is working closely with BC Housing, Social Development and Poverty Reduction (SDPR), and Island Health to coordinate the use of the Reaching Home COVID-19 funds in accordance with the *COVID-19: Joint Provincial Program Framework for Emergency Response Centres*.¹

¹ <https://www2.gov.bc.ca/assets/gov/health/about-bc-s-health-care-system/office-of-the-provincial-health-officer/covid-19/covid-19-pho-guidance-joint-povincial-program-framework-for-ercs.pdf>

First Nations

The CRD has reached out to the nine First Nations within the CRD boundaries and CRD staff are working with a number of these communities to look at possibilities for supporting initiatives that are not covered by other Government of Canada funding available to First Nations during the emergency.

Social Implications

Engagement within various coordinating bodies has helped identify opportunities to address the social needs of people in four key areas within the region.

Financial Implications

The CRD, in its role as Community Entity for the Reaching Home Program, has the capacity to effectively manage these funds.

Alignment with Board & Corporate Priorities

This work aligns with Board priorities related to community wellbeing and corporate priorities related to housing and homelessness.

Alignment with Existing Plans & Strategies

This work aligns with the goals and objectives of the Regional Housing Affordability Strategy.

CONCLUSION

The CRD is receiving \$1,918,197 in additional funding from Reaching Home – the Government of Canada’s Homelessness Strategy, to support the region’s COVID-19 response capacity for those experiencing or at risk of experiencing homelessness. CRD staff have worked effectively with the CRD EOC, CAB and community and government partners to implement a Strategy for equitable distribution of this funding where people have been identified as experiencing or at risk of homelessness. This funding will help extend these efforts into next year and will facilitate the funding of new responses needed as the COVID-19 pandemic evolves.

RECOMMENDATION

The Hospitals and Housing Committee recommends to the Capital Regional District Board: That the COVID-19 Additional Reaching Home Funding report be received for information.

Submitted by:	John Reilly, MSW, RSW, Manager, Housing Initiatives and Programs
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENTS

- Appendix A: Reaching Home Program COVID-19 Funding Strategy
- Appendix B: 2020-21 Reaching Home Covid-19 Contracts



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**Reaching Home Program
COVID-19 Funding Strategy**

April 28, 2020

Introduction

The COVID-19 pandemic has created significant disruption in the social and economic systems and presents a real threat to the health and lives of people around the world. People who are homeless share common vulnerabilities to contagion and are likely to suffer more acute impacts if they contract the virus due to pre-existing health conditions. In order to support efforts to address the needs of people who are homeless during this crisis, the Government of Canada is providing \$1.312 million in funding to the capital region through a special Reaching Home Program (RHP) COVID-19 Response.

To support this initiative, the CRD has signed an agreement with the Government of Canada and, as Community Entity (CE), has been asked to work with the Greater Victoria Community Advisory Board and other stakeholders to identify ways to enhance the Reaching Home investment strategy and Community Plan to incorporate measures that address the emergent needs of people experiencing or at risk of homelessness during the COVID-19 pandemic.

Goal

Provide clarity and direction in the leveraging of RHP COVID-19 funding into coordinated actions with government agencies, health and social services, housing providers and community initiatives that support the strategy's priorities.

Objectives

1. Provide guidance and support to the Reaching Home Community Advisory Board (CAB) in recommending processes for allocating RHP COVID-19 funding.
2. Provide a strategic framework that allows flexibility and responsiveness in assessing and allocating funding requests for services and goods eligible under the RHP COVID-19 Directives.
3. Support an equitable distribution of funding geographically to meet differential levels of need throughout the region.
4. Provide for transparency and accountability to organizations seeking RHP COVID-19 funding.
5. Ensure that a proportional level of funding is allocated to initiatives to address the needs of Indigenous people, who are overrepresented among homeless populations.
6. Meet Government of Canada requirements related to the RHP COVID-19 funding being allocated according to the RHP COVID-19 Emergency Response Plan.

Priority Areas

1. Support the establishment of short-term sheltering, support services and provision of goods that ensure people who are unsheltered in the region can meet their basic needs and are adequately protected against contracting and the spread of COVID-19 during the provincial and national emergency.
2. Protect against increasing the number of people who are unsheltered in the region by providing short-term supports that ensure stable and continuous access to housing and shelter for individuals and households who are determined to be in need during the period of the provincial and national COVID-19 emergency.
3. For the period of the COVID-19 emergency, provide people who are at risk of losing access to housing or shelter due to financial hardship with short-term access to goods and/or services that

address basic and/or personal needs and for which access has been disrupted or threatened due to job/financial losses or emergency measures related to the COVID-19 crisis.

Strategy

Jurisdictional Approach

The \$1.312 million in funding is provided in two envelopes, Designated Communities and Indigenous Homelessness. After removing the \$48,000 required to administer the funding agreement, there is \$1.264 million available to support the community response to COVID-19. According to new Government of Canada policy, by First Nations can access Designated Communities funding to support programs delivered on-reserve and Indigenous Homelessness funding to support programs delivered off-reserve.

According to the 2018 Point in Time Count, approximately 30% of the current population of homeless people in the region identify as Indigenous. The proportion of RHP funding allocated to the CRD under the Indigenous Homelessness stream is approximately \$380,000, which aligns with the proportion of Indigenous people experiencing homelessness in the region.

The Strategy also aims to allocate the \$884,000 Designated Communities funding equitably on a geographic basis, taking into consideration the proportion of people identified as unsheltered in four key areas throughout the region. A summary of the needs and estimated proportion of RHP COVID-19 funding available to address needs in each of these geographic areas is summarized in Appendix 1. These total allocations may fluctuate on the basis of identified need and capacity to leverage other funding within the different jurisdictions. It should also be noted that funding allocations may fluctuate with changing needs due to the economic and social impacts of a potentially prolonged emergency time period.

Coordinating Funding

The Reaching Home Funding will be allocated in ways that align with other funding and resources available to individuals and organizations under a variety of provincial and federal initiatives. CE staff will collaborate with provincial and federal partners as well as non-profits to ensure individuals are able to access the supports they need and will work to align RHP investments with other programs, including:

Province

- [COVID-19: Joint Provincial Program Framework for Emergency Response Centres](#)
- [BC Emergency Benefit for Workers](#)
- [COVID-19 Support for Income & Disability Assistance](#)
- [Temporary Rental Supports](#)

Government of Canada

- [Canada's COVID-19 Economic Response Plan](#)
- [Indigenous Community Support Fund](#)
- [Supporting women's shelters and sexual assault centres during COVID-19](#)
- [Canada Emergency Response Benefit](#)
- Temporary Emergency Wage Subsidy

The estimated costs presented in Appendix 2 to address Priority 1 needs are based on preliminary engagement and discussions with other government agencies, most notably, BC Housing and Island Health. Every effort will be made to ensure the Reaching Home funds are used to complement funding available from other government agencies and to fill resource gaps and not to replace funding that should be delivered through other provincial or federal programs.

CE staff are also working closely with Victoria Foundation and the United Way of Greater Victoria staff to identify ways that charitable contributions can help augment and leverage the Reaching Home funds to most effectively and efficiently meet community need.

Indigenous Homelessness

The CRD has worked with the Homelessness Service Providers Network that was assembled by the Aboriginal Coalition to End Homelessness to provide information on the services and goods that could be funded through this initiative and to identify possible areas for funding. A draft of this Strategy as well as the requests for Indigenous Homelessness funding were reviewed by the CE's Indigenous Review Panel.

The CRD has reached out to First Nations located within the region informing them of the opportunity to access funding through Reaching Home. At this early point, the CRD has already received interest from three of nine First Nations expressing an interest in supporting both on and off reserve initiatives. The CRD will be following up with all interested Nations to explore their needs and determine potential allocations to help address their populations during the emergency period.

Current RHP Funded Programs

In early March, Employment and Social Development Canada (ESDC) indicated that CEs were able to work with their existing funded programs to repurpose Designated Communities and Indigenous Homelessness funding in 2020-2021 to help address issues facing individuals due to the COVID-19 crisis. Shortly after, ESDC announced the additional COVID-19 funding stream and have since provided Directives to support the delivery of this funding to organizations supporting people who may face threats to their housing stability due to the impact of the COVID-19 pandemic.

In early April, the CE asked RHP funded agencies to submit requests for support. The CRD received three requests which will be assessed and considered for funding. These requests predominantly focus on Priority 2 and 3 areas of this Strategy and will be considered once the needs within the Priority 1 area are assessed and funding allocated accordingly.

Contingency Measures in a Prolonged Emergency

Preliminary estimates suggest that there is likely sufficient funding to effectively respond to Priority 1 needs for a three month period and support some Priority 2 and 3 needs that have been identified by currently funded agencies. However, First Nations needs have yet to be fully determined, which could will likely increase the draw on both Designated and Indigenous funding streams. Should this emergency situation be prolonged, there is not likely enough capacity to sustain the current estimated level of support required to meet all three priority areas beyond an additional 30-45 days.

Administration

Considering the substantial level of mobilization underway in the four geographic areas and within First Nation communities, the CRD, as CE, is working with local EOCs, BC Housing, Greater Victoria Coalition to End Homelessness (GVCEH), First Nations and non-profits to assess need. The Government of Canada does not require a RFP process, hence the CRD is taking a contracting approach in order to expedite funding to already identified needs. This aligns with CRD procurement policies and provides appropriate cost control and accountability measures in disbursement of the funding. An Administrative Coordinator will be hired for a six month period to manage, track and report on the use of the RHP COVID-19 funding and a small amount will be used to support program expenses and a required audit of the file. Total administration costs will be approximately \$48,196, requiring only 3.7% of the overall funding available.

Conclusion

The provision of additional funding by the Government of Canada through Reaching Home to assist people experiencing or at risk of homelessness during the COVID-19 pandemic is greatly needed and will augment funding commitments from other levels of government as well as funding available through local charitable institutions. A great deal of information on need and the resources required to assist this population has already been gathered and has informed the development of this Strategy. At the same time, conditions and circumstances are changing rapidly in the community, and a flexible, time-sensitive processes is required to leverage this funding into the community.

This Strategy provides a foundation for transparency and accountability in the disbursement of this funding, and provides clarity to other funders in understanding the priorities and targets for the use of Reaching Home funds. Changing needs will be monitored over time and the CAB will be provided with regular reports on the ongoing allocation of funding, capacity of the fund to meet emerging future needs as well as progress made toward protecting this vulnerable population as the COVID-19 pandemic evolves.

Appendix 1 – Potential Allocation by Jurisdiction – Designated Communities* (Based on Proportion of Estimated Number of People Unsheltered in each Jurisdiction)

Jurisdiction	Summary of Needs	People Unsheltered	Proportion of Need
City of Victoria	<ul style="list-style-type: none"> • Approximately 300 people are sheltering outdoors in several locations with supports being provided by various providers. GVCEH is managing outdoor sheltering space at Topaz Park. • BC Housing and the City of Victoria have secured 200 hotel rooms of which 120 have been allocated. The remainder are being held for potential health needs in the case of contagion. • Island Health is establishing a triage station to support testing of individuals. • Island Health and BC Housing are coordinating staffing through their own organizations and contracting to provide supervision, support and harm reduction. • A search for an indoor sheltering site by BC Housing continues, however no viable opportunity has materialized as of yet. 	420	81%
District of Sooke/ Juan de Fuca EA	<ul style="list-style-type: none"> • Approximately 45 individuals have been identified as being in need in the area. • SEAPARC has been approved by Emergency Management BC (EMBC) as an indoor shelter and the CRD has established a licensing agreement with BC Housing to use the site. • BC Housing is entering into an agreement with Sooke Region Communities Health Network to operate the shelter. • Aids Vancouver Island has been approached to provide harm reduction services. 	45	9%
Town of Sidney	<ul style="list-style-type: none"> • The Town has opened an EOC and a shower facility has been opened in Iroquois Park and public washrooms are open and being cleaned daily and approximately 6-10 people are using the showers on a daily basis. • Tenting has started to take place near Iroquois and Tulista Parks. • RCMP estimate up to 20 individuals in need in the peninsula area. • BC Housing and Social Development and Poverty Reduction staff attended to the cohort on Friday, April 20. 	20	4%
Salt Spring Island	<ul style="list-style-type: none"> • The seasonal shelter operated by SSI Community Services (SSICS) had to reduce capacity to meet COVID-19 distancing requirements and has allowed outdoor tent sheltering on the property they own on Drake Road. • BC Housing is working with local authorities to look at different options for sheltering. • SSICS has asked CRD to consider outdoor tent sheltering on its Drake Road property. • Regional Housing staff have recently joined the EOC meetings and was recently asked to facilitate a task force that would report to the SSI EOC group on progress toward achieving indoor shelter on the Island. 	30	6%*
Total		515	100%**

* According to ESDC policy, this amount is only available after opportunities to access Reaching Home funding have been exhausted through the Rural and Remote program.

** According to recently announced changes to ESDC policy, First Nations can also access Designated Communities funding for on-reserve programs. As requests are received, they will need to be evaluated.

Appendix 2 – Estimated Needs by Strategy Priority Area

The CRD has been working with GVCEH partners, government agencies, health providers, non-profits and other stakeholders to identify key services and goods needed to support people experiencing and at risk of homelessness during the COVID-19 crisis. Some of the types of services and goods for which contracts may be entered into are listed below.

Priority 1 - Unsheltered:

- **Staffing – outreach, shelter personnel**
- **Contracted services**
 - **Food service prep and delivery**
 - **Site cleaning and maintenance**
 - **Laundry**
 - **Harm reduction (supervised and managed substance use)**
- **Food**
- **Supplies and equipment – bedding, tents, linens, personal protective equipment**
- **Safety and security**

Priorities 2 and 3 – Remain Sheltered and Basic Needs:

- **Outreach staffing**
- **Shelter cost supplements**
- **Moving expenses**
- **Food, supplies and delivery**
- **Administration**

2020-21 Reaching Home COVID-19 Contracts							
Organization	Funding Stream	Description	Start Date	End Date	Designated Funding (\$)	Indigenous Funding (\$)	Total Contract Funding (\$)
Threshold	Designated	Place youth in temporary, transitional accommodations for self-isolation purposes when needed; provide time-limited financial assistance for rent arrears, utilities, food cards, and other related expenses caused by lay-off or work shortage; provide emergency funds for grocery, hamper and delivery transportation; procure additional cleaning supplies, hygiene products, and PPE equipment; provide weekend remote counselling sessions for youth; and provide staff training to existing staff to reduce risk of Covid-19.	April 1, 2020	March 31, 2021	\$41,446	\$0	\$41,446
Peers	Designated & Indigenous	Designated: Mobile outreach worker (0.6 FTE) to unsheltered individuals and residents of motels to address gap in support to homeless individuals offered space in non-symptomatic motels who require more intensive support to reduce time in the community and be comfortable in their units. Anticipate supporting 10-15 individuals. Some funding will go to basic supplies and eviction prevention supports for current Reaching Home clients. Indigenous: Indigenous housing support worker (0.8 FTE) to support homeless or unsheltered Indigenous women and two spirit individuals to successfully transition into motel environments and other temporary housing while also participating in cultural initiatives led by the Aboriginal Coalition to End Homelessness including the care package delivery program, shelter and Spa'Qun House. It is anticipated that Indigenous housing support worker will provide intensive caseload support to 15-20 persons in six months, and should the need be higher, the existing Reaching Home staff will also provide support. Provided a letter of support from ACEH.	June 1, 2020	November 27, 2020	\$51,246	\$21,962	\$73,208
Dandelion Society	Designated	Reimbursement of costs of services to people sheltering in Topaz Park in the early days of the COVID19 response.	April 1, 2020	April 30,2020	\$23,223	\$0	\$23,223
SRCHN	Designated	Contribute to daytime staffing at SeaParc Leisure Complex to temporarily shelter up to 45 individuals.	April 1, 2020	June 30, 2020	\$51,900	\$0	\$51,900
Jones BBQ	Designated	Funding for 3,410 meals for the Boxes of Hope food distribution program to homeless persons sheltering at Topaz Park during the Covid-19 pandemic, along with 3 days of meals for unsheltered persons.	May 10, 2020	May 24, 2020	\$34,086	\$0	\$34,086
AVI Victoria	Designated & Indigenous	For people who are unsheltered, coordinate and facilitate ongoing access to drinking water, food, hygiene and health supplies, sheltering supplies, clothing, bathrooms, showers, handwashing, laundry, health and harm reduction services, fire safety supplies and plans, or waste management. A combination of on-site resident facilitators, IHRT outreach staff, PK outreach staff, a PK volunteer coordinator and an IHRT/PK project coordinator will be funded. In addition to materials and supplies, an alcohol program and a laundry program will be organized and delivered.	July 1, 2020	March 31, 2021	\$325,466	\$139,486	\$464,952
AVI Sooke	Designated	Westshore AVI Health Centre will provide nursing care, liaise for optimum medical care, provide social work services, provide expertise and consultations to shelter staff, provide harm reduction resources, and facilitate opportunities for personal growth/wellness activities.	April 1, 2020	March 31, 2021	\$136,805	\$0	\$136,805
Sooke Shelter Society	Designated	Funding will supplement rental costs for people exiting the SeaParc shelter, for a period of 3-6 months for 5-10 individuals. Supports up to \$275/month for 3 months, with reassessment for another 3 month term based on extenuating circumstances.	June 1, 2020	March 31, 2021	\$9,060	\$0	\$9,060
Connections Place	Designated	Connections Place will purchase assets such as laptops and cellphones to increase communication potential and connectivity with clients/members and the community as well as Personal Protective Equipment in order to provide in-building service delivery, address a greater need for outreach-related activity to help members/clients maintain health and wellness and to promote physical distancing and safe operating practices	April 1, 2020	July 31, 2020	\$9,430	\$0	\$9,430
Burley Cleaning	Designated	Cleaning washrooms at Topaz Park for April-May 2020, supporting people sheltering in Topaz Park.	April 1, 2020	May 21, 2020	\$37,263	\$0	\$37,263
Woosah Cleaning*	Designated	Cleaning showers at Topaz Park for May 1-10, 2020, supporting people sheltering in Topaz Park.	May 1, 2020	May 20, 2020	\$22,526	\$0	\$22,526
Red Cedar Cafe*	Designated & Indigenous	Red Cedar Cafe non-profit meal program, in partnership with volunteers from LLEOHN grassroots network of people with lived experience of homelessness will provide 120 meals made by RCC and delivered by LLEOHN once per day to outdoor sheltering sites selected by LLEOHN. Site selection will be based on camper feedback about access to other food options and input from other groups working with people living outside. Meals will be hot and nutritionally dense, and will be delivered in FoodSafe manner. \$7/meal budget includes all costs.	October 1, 2020	March 31, 2021	\$107,016	\$45,864	\$152,880
VNFC	Indigenous	Provide food baskets to 47 households in Siem Lelum and Fernwood House (supportive housing), taxi transport from grocery stores, cultural supplies for activities families can do in their units, rent coverage for 3 months for unemployed, prepaid cell cards, shaw wifi hotspot, security system installation and cameras.	April 1, 2020	March 31, 2021	\$0	\$82,489	\$82,489
ACEH	Indigenous	The ACEH will provide Indigenous Outreach services, a Managed Alcohol Program for 10 people at a shelter, and support indigenous peoples living rough or precariously housed to transition into housing, while also providing basic care kits with water, sanitizer, fruit, and cultural supplies.	April 1, 2020	March 31, 2021	\$0	\$64,468	\$64,468
Total Funding Allocated:					\$849,467	\$354,269	\$1,203,736
Total Funding Available:					\$863,317	\$371,588	\$1,234,905
Remaining Funding Unallocated					\$13,850	\$17,319	\$31,169



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**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, NOVEMBER 04, 2020**

SUBJECT **Regional Housing First Program: Project Update, Third Quarter 2020**

ISSUE SUMMARY

This report is in fulfillment of the Hospitals and Housing Committee request that staff provide a quarterly update on Regional Housing First Program (RHFP) projects.

BACKGROUND

The RHFP partnership was formed in 2016, through which the CRD, BC Housing Management Commission and Canada Mortgage and Housing Corporation committed \$30 million (M) each to build housing units that would be used to address chronic homelessness in the region.

In 2020, the partners committed to increasing their contributions by \$10M each to address escalating land acquisition and construction costs. The total capital fund now available is \$120M and better positions the program to achieve the development of up to 400 units that rent at provincial assistance shelter rates. Within the mixed market model, the program is expected to build up to 2,000 units in total, of which the remaining non-RHFP housing units will operate as affordable rental. Overall, the program is expected to leverage the development of approximately \$600M in capital developments in housing.

ALTERNATIVES

Alternative 1

The Hospitals and Housing Committee recommends to the Capital Regional District Board: That the Regional Housing First Program: Project Update, Third Quarter 2020 report be received for information.

Alternative 2

That the Regional Housing First Program: Project Update, Third Quarter 2020 report be referred back to staff for additional information.

IMPLICATIONS

RHFP Program

Appendix A summarizes progress in the development of the nine RHFP projects that have previously received preliminary project approval by the CRD Board. These projects represent a total of 960 units with 226 to be rented at the provincial income assistance shelter rate.

Financial

These projects have been approved to receive a total of \$66,675,000 in RHFP funding.

CONCLUSION

The project summary provides the Hospitals and Housing Committee with an update on the progress of nine previously approved RHFP projects. In doing so, it fulfills the request that the Committee receive quarterly progress reports on the advancement of the program.

RECOMMENDATION

The Hospitals and Housing Committee recommends to the Capital Regional District Board: That the Regional Housing First Program: Project Update, Third Quarter 2020 report be received for information.

Submitted by:	John Reilly, Manager, Housing Planning, Policy & Programs, Regional Housing
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT

Appendix A: Regional Housing First Program: Project Update, Third Quarter 2020

Description	Total Estimated Project Cost	RHFP Contribution	Partner Agency Funding RHFP	RHFP Units	Total Units	Operator	Funding Sources	HHC Approval Date	CRD Board Approval Date	Year Completed	Update
Cedar Grove (Victoria)	\$19,318,000	\$9,000,000	BC Housing	30	72	Victoria Cool Aid Society (VCAS)	BC Housing Regional Housing Trust Fund \$600,000	n/a	March 8, 2017 & November 13, 2019 (increase)	2021	VCAS acquired and successfully relocated all tenants to the former Mayfair Hotel in May 2020. The structures on the property at 210 Gorge have been demolished and a Building Permit is nearing approval with the City of Victoria. Project has been tendered and a final construction price is complete.
Croftonbrook (Salt Spring)	\$19,092,858	\$5,400,000	BC Housing	18	56	Island Women Against Violence	BC Housing Regional Housing Trust Fund \$408,000	n/a	March 8, 2017 & November 13, 2019 (increase)	2020 and 2022	Phase II construction continues to proceed with expected occupancy in December 2020. Phase III design work is being completed and the Development and Building Permits are being prepared. Occupancy is expected in spring 2022
Drennan and Sooke (Sooke)	\$45,622,950	\$10,200,000	BC Housing	34	170	EOI - TBD	BC Housing Regional Housing Trust Fund \$765,000	June 13, 2018	June 13, 2018 & November 13, 2019 (increase)	2021	Development Permits submitted and expect District approval by September 30. Working through design feedback from the District with the builder. Regional Housing Trust Fund (RHTF) application was submitted to the CRD and a RHTF Commission recommendation for grant of \$765K was approved by the CRD Board at its October 2020 meeting.
Charters (formerly called Throup) (Sooke)	\$20,917,220	\$3,375,000	BC Housing	15	75	EOI - TBD	BC Housing Regional Housing Trust Fund \$330,000	June 13, 2018	June 13, 2018	2021	Development Permits submitted and expect District approval by September 30. Working through District design element feedback with the builder. RHTF application was submitted to the CRD and a RHTF Commission recommendation for grant of \$330K was approved by the CRD Board at its October 2020 meeting.

Description	Total Estimated Project Cost	RHFP Contribution	Partner Agency Funding RHFP	RHFP Units	Total Units	Operator	Funding Sources	HHC Approval Date	CRD Board Approval Date	Year Completed	Update
Spencer Road (Langford)	\$38,263,972	\$7,800,000	CMHC	26	130	CHRC	CMHC \$7,800,000 n/a	June 13, 2018	June 13, 2018	Nov 2020	Phase 1: Floors 6-2 are 98% complete with deficiency repairs underway. Floor 1 is 85% complete with final paint underway. Phase 2: Floors 6-3 are 98% complete with deficiency repairs underway. Floors 2-1 are 85% complete with final paint underway. Carpet in the common stairwells and corridors is complete on floors 6-3. Parking lot paving and line painting is underway. Commissioning, testing, balancing and inspections will commence in the second week of October. The anticipated occupancy permit date is October 30, 2020. CRD/CRHC project closing is scheduled for November 20, 2020.
Treanor (Langford)	\$45,215,533	\$9,000,000	CMHC	30	132	CRHC	CMHC \$9,000,000 n/a	n/a	November 14, 2018	2019	COVID 19 has presented some unique challenges for the property regarding rent collection, rent increases and vacancy.
Hockley (Langford)	\$32,775,114	\$7,200,000	CMHC	24	120	CHRC	CMHC \$7,200,000 n/a	n/a	November 14, 2018	March 2021	Phase 1: Drywall, cabinet installation and vinyl flooring are complete with second coat painting underway. Phase 2: Drywall installation and first coat paint underway. The building is watertight with roofing and rain screen complete. Anticipated completion of the building envelope system is November 20, 2020. Elevator installation is underway. Offsite water connections are complete for domestic and fire suppression systems. Project completion estimated for March 2021.

Description	Total Estimated Project Cost	RHFP Contribution	Partner Agency Funding RHFP	RHFP Units	Total Units	Operator	Funding Sources		HHC Approval Date	CRD Board Approval Date	Year Completed	Update
West Park Lane (View Royal)	\$41,673,485	\$10,200,000	CMHC	34	152	CRHC	CMHC \$10,200,000	Regional Housing Trust Fund \$660,000	May 1, 2019	May 8, 2019	Nov 2020	Phase 1: Occupancy permit was issued on September 15, 2020. Phase 1: CRD third-party inspections are underway. Phase 2: Deficiency repairs and final cleaning underway. Phase 2: Commissioning, testing, balancing and inspections are underway. Phase 2: Occupancy permit was issued on October 9, 2020. CRD/CRHC project closing is scheduled for November 2, 2020.
Michigan Square Building 1	\$21,000,000	\$4,500,000	CRHC	15	53	CRHC	CRHC \$4,500,000	Regional Housing Trust Fund \$570,000	July 29, 2020	August 12, 2020	2023	The Development Permit with Variances is proceeding to a City of Victoria Public Hearing on October 22, 2020.
Total RHFP Units				226	960							
Total RHFP Investment	\$283,879,132	\$66,675,000										

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, NOVEMBER 04, 2020**

SUBJECT **Spencer Close Redevelopment Mortgage Registration: 2763 Spencer Road**

ISSUE SUMMARY

BC Housing Management Commission (BCHMC) requires a resolution from the Capital Region Housing Corporation (CRHC) Board of Directors to authorize the execution of the Spencer Close mortgage documents.

BACKGROUND

Financial Commitments

In November 2018, the Regional Housing First Program (RHFP) partnership approved the Spencer Close development project, located at 2763 Spencer Road. At the same time the CRHC Board of Directors agreed that the CRHC would be operator of this property.

The Capital Regional District (CRD) will purchase this property and hold 100% ownership. Canada Mortgage and Housing Corporation (CMHC) will provide a grant for 20% of the units through CMHC's contribution to the RHFP to the CRD. The CRHC will enter into a 60-year prepaid lease agreement with the CRD equal to the amount of the mortgage. The CRHC will also enter into an operator agreement with the CRD to ensure that the CRHC meets the terms of the RHFP. The CRHC will operate 100% of the units and will be responsible for financing the remaining 80% of the cost of the project. This will be financed through the BC Housing Community Partnership Initiative (CPI) Financing Program. Operations and debt financing will be paid for through the tenant rent revenue. No ongoing subsidy is required.

The final project budget is \$38,263,972. The approved project budget included a \$7,800,000 RHFP equity contribution, and a repayable \$30,463,972 mortgage. BC Housing projected interest rate forecast for 2021 is 2.25%.

As planned, the repayable mortgage will be charged initially as short-term financing and will convert to take-out financing in January 2021. Until January, a variable rate will be charged under the loan and a fixed rate during take-out financing. At the time of take-out financing, the mortgage documents will be modified to reflect the final amount, term, and interest rate.

Mortgage Documents Registered on Title

Mortgage registration requires registration of a Section 219 Covenant granted in favour of BCHMC and registered on title. A Section 219 Covenant is a means of preserving a property's special attribute; in this case, the use of the building for affordable housing. The conditions of the Section 219 Covenant are set out in the CPI Operating Agreement. The CPI Operating Agreement states that the CRHC will provide housing to households with low-to-moderate incomes.

Tri-Partite Agreement

The Tri-Partite Agreement, which forms part of the mortgage documents, is an agreement between the CRD, CRHC, and BCHMC. This agreement overlaps with the Landlord Estoppel Certificate and is in place because the land and improvements will be leased to the CRHC by the CRD. As a condition of making the loan, the lender wishes to use this Tri-Partite Agreement to set out rights and obligations relating the lease and mortgage. The agreement will ensure that the lease remains in force and in effect, and the parties agree to keep the lease in good standing. It also prevents the CRHC and CRD from terminating their lease agreement without written consent of BCHMC.

ALTERNATIVES

Alternative 1:

The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:

- a) That the resolutions required by BC Housing Management Commission to authorize the execution of the Section 219 Covenant and the Loan and Mortgage documents for 2763 Spencer Road be approved; and
- b) That Staff be authorized to execute any agreements with Capital Regional District and BC Housing Management Commission and to take steps necessary to conclude the purchase of 2763 Spencer Road, Langford, BC.

Alternative 2:

That staff be directed to review other financing options based on Hospitals and Housing Committee direction.

IMPLICATIONS

Financial Implications

Short-term financing and take-out financing must be secured in order to advance the purchase of 2763 Spencer Road. The repayable mortgage of \$30,463,972 will bear interest at a variable rate until the interest adjustment date, which is the first month following final advancement of the principal amount. A fixed rate mortgage will commence after the interest adjustment date.

BCHMC will obtain a fixed rate mortgage through a competitive bidding process. BCHMC's fixed rate is estimated at 2.25%; however, the actual rate may end up lower than the estimate given current market rates and recent issues (i.e., Westview at 1.63%).

The loan commitment fee of 1% and insurance fee of \$75/unit up to \$5,000 is accounted for in the project budget.

CONCLUSION

CRHC must secure short-term and take-out financing to purchase the Spencer Close development project. BCHMC has provided a repayable \$30,463,972 mortgage. The repayable mortgage rate uses the Ministry of Finance's rate plus a spread of up to 9/16%, which is among the lowest in the market. BCHMC's most recent take-out financing rate was 1.631% for the Westview project. BCHMC has committed to securing take-out financing fixed rates through a competitive process.

RECOMMENDATION

The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:

- a) That the resolutions required by BC Housing Management Commission to authorize the execution of the Section 219 Covenant and the Loan and Mortgage documents for 2763 Spencer Road be approved; and
- b) That Staff be authorized to execute any agreements with Capital Regional District and BC Housing Management Commission and to take steps necessary to conclude the purchase of 2763 Spencer Road, Langford, BC.

Submitted by:	Rob Fowles, Manager Construction & Capital Projects, Regional Housing
Concurrence:	Kevin Lorette, P.Eng., MBA, General Manager Planning & Protective Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S):

Appendix A: Spencer Close Resolution of Directors

"Appendix A"

CAPITAL REGION HOUSING CORPORATION
(the "Borrower")
CERTIFIED COPY OF
RESOLUTION OF DIRECTORS

"WHEREAS the Borrower has leased or will be leasing the property at 2763 SPENCER RD, VICTORIA, BC legally described as:

PID: 030-668-638, LOT 1 SECTIONS 5 AND 99 ESQUIMALT DISTRICT PLAN EPP72773 (the "Property") and will be operating a housing project on the Property (the "Project") under the British Columbia Housing Management Commission ("BCHMC") Community Partnership Initiative Program; and

WHEREAS the Borrower needs to borrow money in order to facilitate the leasing the Project;

BE IT RESOLVED THAT:

1. The Borrower borrow monies as required to facilitate the leasing of the Project and grant to BCHMC a covenant restricting the use of the Property in accordance with the Loan Commitment Letter;
2. The Borrower execute and deliver all documents required by BCHMC or the lender of the monies, including any takeout lender, in such form and containing such terms, covenants, provisos and conditions as are satisfactory to or required by them, including without limitation a lease, section 219 covenant, mortgage, assignment of rents, security agreement (and any assignments, modifications and assumptions thereto as approved by BCHMC) and affordable housing agreement (if applicable) and operator/ operating agreement; and
3. Robert Kenneth Lapham, Chief Administrative Officer and Nelson Chan, Chief Financial Officer, for and on behalf of the Borrower, be and are hereby authorized to execute and deliver under the seal of the Borrower or otherwise, all such deeds, documents and other writings and to do such acts and things in connection with the Property and the Project as they, in their discretion, may consider to be necessary or desirable for giving effect to this resolution and for the purpose of fulfilling the requirements of BCHMC or the lender of the monies."

I, _____, THE UNDERSIGNED, _____ of **CAPITAL REGION HOUSING CORPORATION** hereby certify the above to be a true copy of a resolution duly passed by the Directors of the Borrower at a meeting held on the ___ day of _____, 20__ (and sanctioned by a special resolution of the Borrower if such sanction is required), and that such resolution has not been rescinded, amended or modified and is now in full force and effect.

WITNESS my hand this ___ day of _____, 20__.

Witness

(Secretary or President)



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**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, NOVEMBER 04, 2020**

SUBJECT **Spencer Close Mortgage – Tri-Partite Agreement and Landlord Estoppel Certificate: 2763 Spencer Road**

ISSUE SUMMARY

BC Housing Management Commission (BCHMC) requires that the Capital Regional District (CRD) Board of Directors authorize the execution of the Tri-Partite Agreement and Landlord Estoppel Certificate in order for the Capital Region Housing Corporation (CRHC) to execute the Spencer Close mortgage documents.

BACKGROUND

In November 2018, the Regional Housing First Program (RHFP) partnership approved the Spencer Close development project, located at 2763 Spencer Road. At the same time the CRHC Board of Directors agreed that the CRHC would be operator of this property.

The CRD will purchase this property and hold 100% ownership. Canada Mortgage and Housing Corporation (CMHC) will provide a grant for 20% of the units through CMHC's contribution to the RHFP to the CRD. The CRHC will enter into a 60-year prepaid lease agreement with the CRD equal to the amount of the mortgage. The CRHC will also enter into an operator agreement with the CRD to ensure that the CRHC meets the terms of the RHFP. The CRHC will operate 100% of the units and will be responsible for financing the remaining 80% of the cost of the project. This will be financed through the BC Housing Community Partnership Initiative (CPI) Financing Program. Operations and debt financing will be paid for through the tenant rent revenue. No ongoing subsidy is required.

The final project budget is \$38,263,972. The approved project budget included a \$7,800,000 RHFP equity contribution, and a repayable \$30,463,972 mortgage. BC Housing projected interest rate forecast for 2021 is 2.25%.

As planned, the repayable mortgage will be charged initially as short-term financing and will convert to take-out financing in January 2021. Until January, a variable rate will be charged under the loan and a fixed rate during take-out financing. At the time of take-out financing, the mortgage documents will be modified to reflect the final amount, term, and interest rate.

Mortgage Documents Registered on Title

Mortgage registration requires registration of a Section 219 Covenant granted in favour of BCHMC and registered on title. A Section 219 Covenant is a means of preserving a property's special attribute; in this case, the use of the building for affordable housing. The conditions of the Section 219 Covenant are set out in the CPI Operating Agreement. The CPI Operating Agreement states that the CRHC will provide housing to households with low-to-moderate incomes.

Tri-Partite Agreement

The Tri-Partite Agreement, which forms part of the mortgage documents, is an agreement between the CRD, the CRHC, and BCHMC. This agreement overlaps with the Landlord Estoppel Certificate and is in place because the land and improvements will be leased to the CRHC by the CRD. As a condition of making the loan, the lender wishes to use this Tri-Partite Agreement to set out rights and obligations relating to the lease and mortgage. The agreement will ensure that the lease remains in force and in effect, and the parties agree to keep the lease in good standing. It also prevents the CRHC and the CRD from terminating their lease agreement without written consent of BCHMC.

ALTERNATIVES

Alternative 1:

The Hospitals and Housing Committee recommends to the Capital Regional District Board:

- a) That the resolutions required by BC Housing Management Commission to authorize the execution of the Tri-Partite Agreement and Landlord Estoppel Certificate for 2763 Spencer Road be approved; and
- b) That the Staff be authorized to execute any agreements with Capital Region Housing Corporation and BC Housing Management Commission and to take steps necessary to conclude the purchase of 2763 Spencer Road, Langford, BC.

Alternative 2:

That staff be directed to review other financing options based on Hospitals and Housing Committee direction.

IMPLICATIONS

Financial Implications

Short-term financing and take-out financing must be secured in order to advance the purchase of 2763 Spencer Road. The Tri-Partite Agreement and Landlord Estoppel Certificate forms part of the mortgage agreement and is a condition of financing.

CONCLUSION

CRHC must secure short-term and take-out financing to purchase the Spencer Close development project. The Tri-Partite Agreement and Landlord Estoppel Certificate must be in place in order to secure financing.

RECOMMENDATION

The Hospitals and Housing Committee recommends to the Capital Regional District Board:

- a) That the resolutions required by BC Housing Management Commission to authorize the execution of the Tri-Partite Agreement and Landlord Estoppel Certificate for 2763 Spencer Road be approved; and
- b) That the Staff be authorized to execute any agreements with Capital Region Housing Corporation and BC Housing Management Commission and to take steps necessary to conclude the purchase of 2763 Spencer Road, Langford, BC.

Submitted by:	Rob Fowles, Manager Construction & Capital Projects, Regional Housing
Concurrence:	Kevin Lorette, P.Eng., MBA, General Manager Planning & Protective Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: Spencer Close Landlord Estoppel Certificate and Acknowledgement of Notice

LANDLORD ESTOPPEL CERTIFICATE AND ACKNOWLEDGEMENT OF NOTICE

To: **British Columbia Housing Management Commission** (the "Lender")

Re: **CAPITAL REGION HOUSING CORPORATION** (the "Lessee")

PID: 030-668-638, LOT 1 SECTIONS 5 AND 99 ESQUIMALT DISTRICT PLAN

EPP72773

(the "Property")

This certificate is given to you in connection with your mortgage and assignment of rents from the Lessee. **Capital Regional District** (the "Lessor") confirms, acknowledges and certifies to you as follows:

1. The Lessee holds a lease (the "Lease") of the Property from the Lessor.
2. The rent due under the Lease will be paid in full the earlier of the interest adjustment date or occupancy of the Property.
3. The Lease is in full force and effect, has not been cancelled or surrendered, and has not been modified or amended since its execution except as follows:
4. To the best information and belief of the maker of the statements contained in this document, the Lessee and the Lessor are not in default under any provision of this Lease except as follows:
5. The Lessor consents to the Lessee granting a mortgage of the Lease to the Lender and acknowledges that in accordance with the Lease the Lessor has received from the Lender a copy of the mortgage of Lease and notice of the Lender's address for notice under the Lease. For greater certainty, the notices, demands and requests which may or are required to be given to the Lender pursuant to the Lease shall be in writing and shall be sufficiently given if served personally upon the Lender or an executive officer of the Lender or mailed prepaid and double registered and addressed to: British Columbia Housing Management Commission, #1701 - 4555 Kingsway, Burnaby, BC V5H 4V8, or such other address as the Lender may from time to time advise by notice in writing.

DATED at _____, British Columbia, this ____ day of _____, 20__.

CAPITAL REGIONAL DISTRICT

Per:



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REPORT TO HOSPITALS AND HOUSING COMMITTEE MEETING OF WEDNESDAY, NOVEMBER 04, 2020

SUBJECT **Government of Canada Rapid Housing Initiative**

ISSUE SUMMARY

The Capital Regional District (CRD) Board needs to delegate authority to staff to negotiate and execute an agreement with the Government of Canada in order to access and use a minimum of \$13.1 million in Rapid Housing Initiative (RHI) funding to help house people experiencing homelessness in the region.

BACKGROUND

In September 2020, the Government of Canada announced it would be allocating \$1 billion to a RHI. Further to this announcement, on October 23, 2020, the Government of Canada Social Development Minister, contacted Board Chair Colin Plant by phone to inform him that the CRD was allocated \$13,056,502 in funding under the program to support the creation of a minimum of 52 units of new permanent housing. This was followed by a letter from the Canada Mortgage and Housing Corporation (CMHC) confirming this allocation (see Appendix A).

The CRD has been asked to develop and submit an Investment Plan that outlines the capital projects that will be built in the region. This plan is due to CMHC by November 27, 2020. CMHC has also provided a sample Agreement outlining the specific terms of the program and expectations of funding recipients (Appendix B). In summary, the funding can be used for the following purposes:

- acquisition of land and the construction of affordable multi-residential modular housing units (as defined in Schedule A);
- acquisition of land and buildings for the purpose of conversion of non-residential into affordable multi-residential housing units;
- acquisition of land and buildings in disrepair or abandoned for the rehabilitation into affordable multi-residential housing units; and
- costs related to the pre-development, pre-construction (e.g., environmental site assessments, cost consultant reports, architectural or engineering reports, legal/closing costs related to acquisition of land and buildings) for the development of permanent affordable housing units.

CRD staff have engaged BC Housing in a dialogue to explore the potential to leverage this funding with other provincial programs.

The negotiation of the terms of the Investment Plan and the Agreement with CMHC will require timely responses from the CRD, hence a request being made that CRD staff be delegated the authority to negotiate and execute an agreement with CMHC under the RHI.

ALTERNATIVES

Alternative 1

The Hospitals and Housing Committee recommends to the Capital Regional District (CRD) Board: That CRD staff be authorized to negotiate and execute agreements with the Government of Canada for the Rapid Housing Initiative and do all things incidental to finalize such agreements.

Alternative 2

The Hospitals and Housing Committee provide Capital Regional District staff with alternate direction with respect to negotiating and executing these agreements.

IMPLICATIONS

Intergovernmental Implications

Approval of this recommendation will allow CRD staff to act quickly on a unique opportunity to respond to the Government of Canada's decision to allocate funding to the CRD to address matters of significant community concerns related to homelessness. By engaging with BC Housing, there is also the opportunity to leverage this funding through their Modular Build program to better meet the terms of the RHI program as they relate to meeting the needs of vulnerable populations. The CRD will also engage with all municipal and electoral area partners to identify opportunities for projects within their jurisdictions.

Social Implications

Mobilizing the funding being provided by the Government of Canada will help build additional housing that will be used to meet the needs of vulnerable populations who are currently experiencing homelessness or are at acute risk of homelessness in the region. Currently, it is estimated that there are up to 350 people still sheltering out-of-doors during the COVID19 Pandemic, many of whom suffer mental health and substance use issues. The opportunity to leverage this funding through the BC Housing Modular Build Program could help secure funding for the supports needed to address the unique needs of these populations.

Financial Implications

The use of this funding will require the CRD to flow an additional \$13.1 million in funding to capital projects in the community. The Government of Canada is not requesting matching funding, however the CRD will be engaging with partners to look for potential ways to leverage this funding and confirm funding and availability of the necessary support services.

The RHI operates on a very aggressive timeline. Once the CRD enters into an Agreement with the Government of Canada, the total funding request will be transferred to the CRD and the CRD will have only 12 months to complete and have projects occupied with qualified tenants. Should the CRD not achieve the agreed upon building completion and occupancy targets, CMHC may request that unused funds be returned to the Government of Canada.

Service Delivery Implications

The delivery of this funding will be supported through the Regional Housing section of Planning and Protective Services. The draft Agreement indicates that funding can be used to support soft costs associated with the developments. Staff will explore the resources needed in order to advance projects according to the RHI's aggressive timeline.

The expectations of the Government of Canada is that projects created with this funding will meet the needs of vulnerable populations, with specific targets for proportions of units to be made available to women and girls (30%) and Indigenous people (15%). It is also expected that these units will be used to house people who are experiencing or at acute risk of homelessness, which means the future tenants will likely require health and/or social supports. The CRD does not have the capacity or mandate to provide such services. Staff are exploring the potential to fund these supports through federal or provincial programs. The inability to secure funding for such supports could contribute to significant operational risks for tenants and project operators.

Should the CRD enter into operating agreements with third parties (non-profit housing providers) to operate housing for the target population, the CRD will remain fully responsible for 20 years for the projects continuing to achieve the targets outlined in the Agreement.

CONCLUSION

The allocation of RHI funding through the Government of Canada has provided evidence that the CRD is held in high regard with respect to its housing services and its capacity to respond in a timely way to urgent housing needs in the community. This funding opportunity also demonstrates the understanding the Government of Canada has of the significant problems that the capital region faces with respect to the impacts of homelessness in the community. Within the negotiations with the Government of Canada the CRD will ensure the identified risks to proceeding are addressed. Responding affirmatively to this allocation of funding will allow the CRD to strengthen its partnerships with other levels of government while also providing the opportunity to leverage additional resources through other government agencies in order to create more housing directed toward improving the quality of life of vulnerable people experiencing or at acute risk of experiencing homelessness.

RECOMMENDATION

The Hospitals and Housing Committee recommends to the Capital Regional District (CRD) Board: That CRD staff be authorized to negotiate and execute agreements with the Government of Canada for the Rapid Housing Initiative and do all things incidental to finalize such agreements.

Submitted by:	John Reilly, MSW, RSW, Manager, Housing Initiatives and Programs
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S)

Appendix A: Letter from Canada Mortgage and Housing Corporation

Appendix B: Sample Contribution Agreement

Appendix C: Rapid Housing Initiative Questions and Answers for Municipalities Under the Major Cities Stream

October 23, 2020

Robert Lapham
rlapham@crd.bc.ca
Chief Administrative Officer
Capital Regional District

Dear Mr. Lapham,

RE: Priority Allocation for Your Municipality from the Rapid Housing Initiative

I am pleased to inform you that your municipality has been identified for immediate funding to create new permanent affordable housing under the Rapid Housing Initiative (RHI) that was announced by the Government of Canada on September 21.

RHI will deliver \$1 billion to help address urgent housing needs of people and populations who are vulnerable by rapidly creating new affordable housing units across the country.

This funding will be delivered through the Canada Mortgage and Housing Corporation (CMHC), and the RHI will cover the construction of modular housing, as well as the acquisition of land, and the conversion of existing buildings to affordable housing. This initiative will be delivered through two funding streams:

- Major Cities Stream: which will flow directly to municipalities to ensure funds are directed to areas where chronic homelessness is most prevalent and;
- Projects Stream: which will prioritize applications received from Provinces, Territories, municipalities, Indigenous governing bodies and organizations and non-profits based on the overall strength of the application.

As part of the first funding stream, your municipality has been identified for immediate funding of \$13,056,502 to create a minimum of 52 units of new permanent affordable housing. This funding will be transferred to your municipality in full upon the successful execution of an agreement. Your collaboration to execute an agreement quickly is needed in order for the funding to be transferred before the end of the calendar year.

An investment plan outlining the capital projects that will be built with your municipality's RHI allocation is needed before November 27 in order to confirm the take-up of funds. Unused funds will be reallocated within the Major Cities Stream. You are encouraged to take a community benefits approach and are asked to prioritize 30% of projects targeting women and 15% of projects for urban Indigenous peoples.

There will be an opportunity for your municipality to request additional funding for consideration under the Projects Stream, that you can identify in your investment plan without needing to submit a separate application.

Projects funded under the RHI are intended to serve populations and operate for a minimum of 20 years, which may require support beyond what is provided through RHI and what municipalities can cover. We would be pleased to support you in your discussions with your provincial government counterparts regarding supports that may be needed over this 20-year period.

Later today, CMHC will be hosting a multilateral call with all the municipalities receiving funding under the Major Cities Stream. We invite you to participate in this call, as we will present further details on RHI and the next steps to complete an agreement and advance funding (template attached).

Please designate a key contact who will be involved with the funding agreement to reach out to Lance Jakubec, CMHC lead for your discussions with your municipality (contact information below), following the multilateral call in order to facilitate the coordination of activities.

Congratulations on being selected for this important initiative. We look forward to working with you to help address urgent housing needs of people and populations who are vulnerable.

Yours Sincerely,

A handwritten signature in blue ink that reads "Pam Hine". The signature is fluid and cursive, with the first name "Pam" being larger and more prominent than the last name "Hine".

Pam Hine
Vice-President, Partnership and Promotions
Client Solutions

CC

Lance Jakubec: ljakubec@cmhc-schl.gc.ca

Janet Neves: jneves@cmhc-schl.gc.ca

Governmentrelationsgouvernementales@cmhc-schl.gc.ca

RAPID HOUSING INITIATIVE AGREEMENT

THIS AGREEMENT is made as of the ___ day of _____, 202__ (the "**Effective Date**") between **CANADA MORTGAGE AND HOUSING CORPORATION** ("CMHC") and **[NAME OF CITY/MUNICIPALITY]** ("Recipient").

(collectively the "**Parties**" and individually a "**Party**")

WHEREAS the COVID-19 crisis has exacerbated existing housing affordability and homelessness issues particularly for the most vulnerable Canadians;

WHEREAS the Parties wish to implement the Rapid Housing Initiative ("**RHI**") to rapidly house some of the most vulnerable Canadians; and

WHEREAS in connection with the RHI, CMHC is authorized under the *National Housing Act* to make contributions to the Recipient for the purposes of developing, in conformity with an investment plan to be approved by CMHC and attached as **Schedule B** (the "**Investment Plan**"), at least **[number of units]** affordable housing units in **[Municipality / Region]** (the "**Units**");

NOW THEREFORE for value received, the Parties agree as follows:

1. Contribution and Purposes

The contribution by CMHC under this Agreement is \$**[●]** (the "**Contribution**") and will be advanced to the Recipient following signature of this Agreement, subject to the terms and conditions herein and for only to be used for the following purposes (as will be further specified by the Recipient in the Investment Plan):

(a) (i) acquisition of land and the construction of affordable multi-residential Modular Housing Units (as defined in **Schedule A**); (ii) acquisition of land and buildings for the purpose of conversion of non-residential into affordable multi-residential housing Units; or (iii) acquisition of land and buildings in disrepair or abandoned for the rehabilitation¹ into affordable multi-residential housing Units; and

(b) costs related to the pre-development, pre-construction (e.g. environmental site assessments, cost consultant reports, architectural or engineering reports, legal/closing costs related to acquisition of land and buildings) for the development of permanent affordable housing Units.

For greater certainty, costs must be incurred on or after the date of this Agreement and do not include operational expenses.

2. Conditions to Funding

The Recipient agrees it will:

(a) use the Contribution only for the purposes specified in the Investment Plan (and no other purpose) to create affordable Units for People And Populations Who Are Vulnerable (as defined in **Schedule A**) who are targeted by the Affordability Criteria (as defined in **Schedule A**);

(b) ensure, for a minimum period of 20 years (or for such longer period as agreed to in the Investment Plan) commencing on March 31, 2022, or on another date as may be set by CMHC at this discretion (the "**Term**"), the Units meet the Affordability Criteria (as defined in **Schedule A**) and are for People And Populations Who Are Vulnerable;

¹ The land and buildings to be rehabilitated must have been in disrepair and/or abandoned and in both cases inhabitable and lost to the housing stock.

- (c) ensure the Units, and the newly constructed building(s) where the Units are situated, will exceed by at least 5 percent the local accessibility requirements in its jurisdiction during the Term;
- (d) ensure the Units, and the newly constructed building(s) where the Units are situated, will exceed by at least 5 percent the energy efficiency standards, as set out in the 2015 National Energy Code for Buildings (NECB), or as set out in the local/regional standard, whichever is higher;
- (e) deliver within 30 days of receipt of the notice of the Recipient's allocation,² for CMHC's review and approval, the Investment Plan in the form and content attached as **Schedule B**, which will among other elements (1) show that the Units can be available for occupancy within twelve months of its approval by CMHC;³ (2) indicate how the Recipient is considering community benefits in the development of the Units; (3) indicate how the development of the Units by the Recipient is targeting, where possible, women and girls (30% of the Units) and urban Indigenous peoples⁴ (15% of the Units); and (4) confirm (i) how the full Contribution will be committed by the Recipient; (ii) how the Recipient will construct and operate the Units in accordance with this Agreement; and (iii) how the Recipient will, throughout the Term, comply with the covenants of affordability, accessibility and energy efficiency set out in this Agreement;
- (f) where it intends to engage a third party intermediary (the "**Intermediary**") to construct and/or operate the Units: (i) exercise appropriate care in selecting an Intermediary who is a reputable entity that meets the Recipient's integrity regime and Know-Your-Client requirements; (ii) enter with the Intermediary into agreements as may be needed, setting out terms and conditions reflecting the requirements of this Agreement; and (iii) take all necessary actions to cause the Intermediary to comply with the obligations under this Agreement, noting however that the Recipient shall remain at all times primarily liable to CMHC for the fulfillment of all obligations under this Agreement; and
- (g) be, and cause the Units and any property on which the Units will be constructed and operated to be, at all times in compliance with all applicable laws including environmental laws and municipal zoning, in all material respects.

3. Return of Contribution

In support of the implementation of the RHI to rapidly house some of the most vulnerable Canadians affected by the COVID-19 crisis, the Recipient will select projects that can be implemented within the short period of time specified in the Investment Plan. As a consequence, the Recipient agrees to the following:

- (a) CMHC may periodically review the progress in fulfilling the Investment Plan. Where CMHC or the Recipient considers that there may be reasonable doubt any part of the Investment Plan will be fully and timely delivered as expected, or where the Recipient has not started a project within [●] months of [●], the Parties shall consult together and make all efforts to find an acceptable solution that minimizes impacts on the projects and that is in the best interest of the RHI implementation, following which CMHC may reduce or cancel the Contribution to the extent that CMHC considers reasonable. In that case, the Recipient shall return any such reduced or cancelled Contribution within 30 days of being notified in writing by CMHC.

²The 30 days period starts as of the date the Recipient receives its notice of allocation, notwithstanding whether or not the Recipient already signed this Agreement.

³ If the Recipient has projects in excess of their initial allocation for consideration for future contributions that may be available, the Recipient should provide additional information (e.g. expediency of project completion; evidence of long-term viability), which may be considered by CMHC in connection with any future funding under the RHI.

⁴ The Recipient should, where possible, select and engage Indigenous governing bodies or organizations with the necessary experience and capacity as their intermediaries to construct, operate and deliver housing targeted at Indigenous peoples under this Agreement.

(b) The Recipient shall return to CMHC any undisbursed funds within 30 days of the Quarterly Attestation (as defined below) for the quarter in which all projects set out in the Investment Plan are completed, and in all cases no later than May 30, 2022, unless otherwise agreed by CMHC.

4. Disposition and Encumbrance of Units

(a) The Recipient is permitted to dispose of Units provided that (i) such Units are substituted by the Recipient with units that satisfy the terms and conditions of this Agreement; or (ii) the transferee acquiring such Units agrees to comply with the obligations of this Agreement by entering in a contract with the Recipient that is satisfactory to CMHC, acting reasonably; and (iii) in both cases, CMHC confirms in writing its consent to such disposition, after conducting a due diligence that is satisfactory to CMHC.

(b) The Recipient may not encumber the Units or any lands acquired with the Contribution without CMHC's prior written consent, acting reasonably.

5. Reporting

The Recipient agrees it will:

(a) deliver an attestation to CMHC within 30 days of each of March 31, 2021, June 30, 2021, September 30, 2021, December 31, 2021 and March 31, 2022, unless directed otherwise by CMHC, and in accordance with **Schedule C** (the "**Quarterly Attestation**"); and

(b) deliver an attestation to CMHC within 60 days of the Recipient's fiscal year end, commencing in the first fiscal year ending after March 31, 2022 and on each fiscal year thereafter, until the completion of the Term and in accordance with **Schedule C** (the "**Yearly Attestation**").

6. Projects Stream

The Recipient may, as part of the Investment Plan submitted under this Agreement for RHI funding pursuant to the *Major Cities Stream*, ask CMHC to be also considered for RHI funding pursuant to the *Projects Stream*. To do so, the Recipient must provide and include in the Investment Plan in the form and content attached as **Schedule B**, all additional information that is necessary for the *Projects Stream*, for CMHC's review and approval. In this scenario, the Investment Plan will serve for both RHI streams.

7. Schedules

Schedules attached hereto, including the Investment Plan (**Schedule B**) and the Additional Terms (**Schedule D**), form a part of this Agreement.

[Signature pages follow]

IN WITNESS WHEREOF the Parties hereto have duly executed this Agreement as of the date first written above.

CANADA MORTGAGE AND HOUSING CORPORATION

700 Montreal Rd
Ottawa, Ontario
K1A 0P7

Name:
Title:

Name:
Title:

*[Signature page for the Rapid Housing Initiative Agreement
between Canada Mortgage and Housing Corporation and [Recipient]]*

[RECIPIENT]

[Address]

Name:

Title:

Name:

Title:

*[Signature page for the Rapid Housing Initiative Agreement
between Canada Mortgage and Housing Corporation and **[Recipient]**]*

SCHEDULE A

Definitions

"Affordability Criteria" means:

All units must serve and be affordable (household is paying less than 30% of gross income on housing costs) to targeted People and Populations Who Are Vulnerable and who are also, or otherwise would be, in severe housing need or people experiencing or at high risk of homelessness as described below. Affordability must be maintained for a minimum of 20 years. The Recipient will be required to confirm, through an attestation, that all units serve the intended targeted population. CMHC may require incremental validation throughout the 20-year affordability period as needed.

A household in severe housing need is a subset of core housing need households that pays 50% or more for their current dwelling. A household is said to be in core housing need if its housing falls below at least one of the adequacy, affordability or suitability standards and it would have to spend 30% or more of its total before tax income to pay the median rent of alternative local housing that is acceptable (meets all three housing standards).

Homelessness is described as the situation of an individual, family or community without stable, safe, permanent, appropriate housing, or the immediate prospect, means and ability of acquiring it. Populations at imminent risk of homelessness are defined as individuals or families whose current housing situation will end in the near future (for example, within 2 months) and for whom no subsequent residence has been established.

A Recipient who has already adopted its own definitions for 'severe core housing need', 'homelessness' or at 'risk of homelessness' may, with approval of CMHC, apply such definitions to the Affordability Criteria. Otherwise, the definitions for these terms indicated herein apply.

"Modular Housing Units" means housing units which are partially or fully built in off-site (e.g. a factory, warehouse, or similar facility) by a qualified manufacturer and delivered to the site in whole or in parts and installed on an appropriately zoned and serviced lot.

"People and Populations Who Are Vulnerable" means the following groups and the individuals belonging to these groups:

- Women and children fleeing domestic violence;
- Seniors;
- Young adults;
- Indigenous peoples;
- People with disabilities;
- People dealing with mental health and addiction issues;
- Veterans;
- LGBTQ2+;
- Racialized groups;
- Black Canadians;
- Recent immigrants or refugees; and
- Homeless people or those at risk of homelessness.

SCHEDULE B

Investment Plan

[see attached]

1. Identification	Project A	Project B
Date submitted :		
Project name :		
Project description (Need, targeted population, program support, etc) :		
Street number :		
Street name :		
Municipality :		
Province :		
Postal code :		
Please provide the name of the intermediary, if different from the municipality (developer, owner or operator) :		

2. Project details	Project A	Project B
Type of intervention :		
Building type :		
Building purpose :		
Total soft costs :		
Soft costs incurred before agreement date :		
Soft cost eligible for RHI :	0.00 \$	0.00 \$
Total hard costs :		
Hard costs incurred before agreement date :		
Hard cost eligible for RHI :	0.00 \$	0.00 \$
Total land and acquisition cost :		
Was the land purchase/acquisition of building done before the agreement date :		
Total land and acquisition cost eligible for RHI :	0.00 \$	0.00 \$
Contingency costs (as % of soft and hard costs):		
Contingency costs :	0.00 \$	0.00 \$
Total other costs :		
Total other costs incurred before agreement date :		
Other costs eligible for RHI :	0.00 \$	0.00 \$
Total project costs :	0.00 \$	0.00 \$
Total eligible project costs :	0.00 \$	0.00 \$
CMHC funding requested (must be equal or less to Total eligible project costs) :		

Note: If each individual is assigned a specific bed, please enter the number of beds serving a priority group, otherwise, please enter the number of units.

3. Eligibility	Project A	Project B
Total number of new affordable units/beds created :		
Primary vulnerable population targeted :		
Number of new affordable units/beds created for primary vulnerable population :		
Secondary vulnerable population targeted :		
Number of new affordable units/beds created for secondary vulnerable population :		
Tertiary vulnerable population targeted :		
Number of new affordable units/beds created for tertiary vulnerable population :		
Is every unit/bed associated with a vulnerable population group? (Mandatory)	Yes	Yes
Provide a general description of the Community Employment Benefits that will be derived from each Project (see footnote for detail)		
Residential Space (% of Area) including program space :		
Date of acquisition / construction start date :		
Estimated completion date / ready for occupancy :		
Estimated full occupancy date :		
Will the tenants occupying the units (1) not spend more than 30% of their income on the applicable unit, and (2) be composed of individuals and families who are, or otherwise would be, in severe housing need, or people experiencing or at high risk of homelessness?		
How long will the affordability be maintained?		
For modular projects, will your project exceed by 5% the local accessibility requirements in its jurisdiction?		
For modular projects, will your project exceed by 5% the energy efficiency standards as set out in the 2015 National Energy Code for Buildings (NECB) or local/regional standard whichever is greater?		

Please fill-out the following section only for projects you wish to be considered for additional funding under the "Cities / projects stream" funding.

4. Prioritization	Project A	Project B
Will your project meet the affordability definition for a minimum of 20 years?		
Will 100% of the units provide permanent housing to tenants from the vulnerable population groups?		
Will your project reach first occupancy within 12 months of the execution of the contribution agreement?		
Are project lands located Off Reserve?		
Are project lands located On Reserve?		
Are project lands located North?		
Are project lands in a Remote location?		
How long will affordability be maintained?		
How quickly do you expect reaching first occupancy?		
How quickly do you expect completing your project?		
What is the status of the land?		
What is the duration of confirmed operating subsidy?		
What percentage of funding is needed from CMHC?		
Please confirm if you are specifically targeting any of these vulnerable population groups.		
For modular projects, will your project exceed the energy efficiency standards as set out in the 2015 National Energy Code for Buildings (NECB) or local/regional standard		

For modular projects, will your project exceed the local accessibility requirements in its jurisdiction?		
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Footnotes :

Questions

Type of intervention :

Building type :

Building purpose :

Note related to costs incurred before the agreement date

Was the land purchase/acquisition of building done before the agreement date : Yes / No

Primary, secondary and tertiary targeted vulnerable population :

Provide a general description of the Community Employment Benefits that will be derived from each Project.

Confirm that the contribution will create units for vulnerable populations who are in severe housing need or people experiencing or at high risk of homelessness : Yes / No

Project exceeds local accessibility criteria by 5% of the local accessibility requirement in it's jurisdiction : Yes / No

Project exceeds local accessibility criteria by 5% of the energy efficiency standard as set out in the 2015 National energy code for buildings (NECB) or as set out in the local/regional standard, whichever is higher : Yes / No

Will your project meet the affordability definition for a minimum of 20 years? Yes / No

Will 100% of the units provide permanent housing to tenants from the vulnerable Yes / No

Will your project reach first occupancy within 12 months of the execution of the Yes / No

Are project lands located Off Reserve? Yes / No

Are project lands located On Reserve? Yes / No

Are project lands located North? Yes / No

Are project lands in a Remote location? Yes / No

How long will affordability be maintained? 20 years, 21 to 30 years, 31 to 40 years+

How quickly do you expect reaching first occupancy? First occupancy within 12 months of execution of contribution agreement, First occupancy within 6 months of execution of contribution agreement, First occupancy within 3 months of execution of contribution agreement

How quickly do you expect completing your project? Project completed within 12 months of execution of contribution agreement, Project completed within 9 months of execution of contribution agreement, Project completed within 6 months of execution of a contribution agreement

What is the status of the land? Land is not yet owned/no agreement of purchase and sale and no executed lease in place (or current lease is not for min 20-year duration), Land has an agreement of purchase and sale with closing date within 3 months, Land is already owned in fee simple/leasehold interest

What is the duration of confirmed operating subsidy? Operating subsidy not yet confirmed, Confirmed up to 5 years, Confirmed more than 5 years up to 10 years, Confirmed more than 10 years but less than 20 years, Confirmed for full 20-year affordability period

What percentage of funding is needed from CMHC RHI Funding requested for 100% of costs, RHI Funding requested for 81% to 90% of costs, RHI Funding requested for 71% to 80% of costs, RHI Funding requested for 60% to 70% of costs, RHI Funding requested below 60%

Please confirm if you are specifically targeting any of these vulnerable population groups. Specifically targeting Black Canadians, Specifically targeting Women and Children, Specifically targeting Indigenous People, Not targeting any of these vulnerable population groups

For modular projects, will your project exceed the energy efficiency standards as set out in the 2015 National Energy Code for Buildings (NECB) or local/regional standard whichever is greater? It meets the energy efficiency standards, but doesn't exceed them, it exceeds by 5%, It exceeds by 10%, It exceeds by 15%, It exceeds by 20%

For modular project, will your project exceed the local accessibility requirements in its jurisdiction? It meets the accessibility requirements of the jurisdiction, but doesn't exceed them., It exceeds by 5%, It exceeds by 10%, It exceeds by 15%, It exceeds by 20%

SCHEDULE C

Reporting

Quarterly Attestation

[see attached]

Yearly Attestation

[see attached]

1. Attestation	Project A	Project B
Attestation date :		
Municipal building address :		
Amount of RHI funding that was used towards eligible costs?		
% of completion of the project :		
Construction / Renovation / Conversion start date :		
Construction / Renovation / Conversion completion date (all units are ready for long term occupancy) :		
Full occupancy date (all units are occupied) :		
Total number of new affordable units/beds in project :		
Number of new affordable housing units temporarily occupied (conversion/renovation not complete) :		
Number of new affordable housing units completed (occupancy permit obtained) :		
Number of new affordable housing units occupied (long term occupancy) :		
Type of intervention :		
Building type :		
Building purpose :		
Did changes to the distribution of units among vulnerable groups occur?		
(If changes occurred, please fill out the following)		
Primary vulnerable population targeted :		
Number of new affordable units/beds created for primary vulnerable population :		
Secondary vulnerable population targeted :		
Number of new affordable units/beds created for secondary vulnerable population :		
Tertiary vulnerable population targeted :		
Number of new affordable units/beds created for tertiary vulnerable population :		
Comments - please describe any other material changes to the project or units :		
Signature :		

	Project A	Project B
Attestation Date:		
Total number of affordable units that have been retained		
Building purpose :		
Did changes to the distribution of units among vulnerable groups occur? (If changes occurred, please fill out the following)		
Primary vulnerable population targeted :		
Number of new affordable units/beds created for primary vulnerable population :		
Secondary vulnerable population targeted :		
Number of new affordable units/beds created for secondary vulnerable population :		
Tertiary vulnerable population targeted :		
Number of new affordable units/beds created for tertiary vulnerable population :		
Are the tenants occupying the units (1) pay less than 30% of gross income on the applicable unit, and (2) composed of individuals and families who are, or would otherwise be, in severe housing need, or people experiencing or at high risk of homelessness?		
Is the project meeting the commitment towards number of accessible units?		
Comments - please describe any other material changes to the project or units.		
Signature		

SCHEDULE D
Additional Terms

Parties agree to the following additional terms and conditions:

1. Termination

In the event that the Recipient (or a representative thereof) does not adhere to the terms and conditions of this Agreement, or commits fraud, misconduct, criminal acts, gross negligence or willful misconduct, CMHC may immediately terminate this Agreement and declare the Contribution to be repayable to CMHC in whole or in part, and may exercise any other rights and remedies it has by operation of law or equity. Sections 2, 3 and 4 of this **Schedule D** shall survive the expiry or termination of this Agreement.

2. Indemnification

The Recipient agrees to indemnify and save harmless the Government of Canada, CMHC, its officers, directors and employees against all claims, demands, actions, suits or other proceedings (including but not limited to environmental claims) of any nature whatsoever arising from or as consequence of or relating to (a) any breach by the Recipient of its obligations, or any misrepresentation by the Recipient under this Agreement, (b) the construction or operation of the Units, (c) the failure of the Recipient to comply with all environmental laws or losses suffered in connection with the presence of any hazardous material on the land upon which Units are situated; or (d) any act or failure to act on the part of the Recipient in connection with the Contribution or the Units, whether or not CMHC is named as a party.

3. Liability

CMHC shall not be liable to the Recipient or any other party in relation to the Contribution. To the extent the Recipient engages or retains any third party in respect of its obligations under this Agreement, the Recipient shall remain primarily liable to CMHC for the fulfillment of its obligations under this Agreement. For the purposes of this Agreement, CMHC will only deal with the Recipient, and not with third parties retained by the Recipient including the Intermediary.

4. Recipient's Representations and Warranties

(a) The Recipient has the requisite power, authority and capacity to execute, deliver and perform its obligations under this Agreement, which has been duly authorized, executed, and delivered by the Recipient and constitutes a legal, valid, and binding obligation of the Recipient.

(b) The Recipient and any property on which the Units are situated are in compliance with all applicable laws, including all environmental laws and municipal zoning, in all material respects.

(c) It is a condition of this Agreement that all representations and warranties made in this Agreement or any other document or reporting by the Recipient are true, complete and correct.

5. Official Languages

In areas of significant demand, the Recipient agrees to provide all information and services pertaining to the RHI in both French and English. The Recipient will use the criteria for communications and services in the *Official Languages Regulations* made pursuant to Canada's *Official Languages Act* as a guideline to determine "significant demand". The Recipient will consult with representatives of local minority language groups.

6. Information and Communications

(a) Subject to the *Access to Information Act* (Canada), the *Privacy Act* (Canada), and the applicable provincial, territorial or municipal freedom of information and privacy legislation, the Parties shall hold confidential any information clearly identified and marked as confidential or that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure. Nothing in this Agreement shall be construed in a manner that would contravene the access to information and privacy legislation that applies to the Parties.

(b) The Recipient consents to the collection, use and disclosure of information submitted to CMHC by the Recipient for the following purposes: (i) to assess the Recipient's eligibility under the RHI; (ii) for analytics, policy analysis, auditing and research by CMHC; (iii) to communicate to the Recipient possible opportunities under other CMHC programs, or possible collaboration opportunities with third parties; (iv) for evaluation of the RHI; (v) for use by CMHC in and the Government of Canada for purposes related to the *National Housing Act* (Canada); and (vi) for information verification and due diligence purposes, including to detect and protect CMHC from errors and fraud. The Recipient shall obtain the foregoing consents from any third party intermediary engaged by the Recipient to construct and/or operate the Units.

(c) CMHC and its representatives are authorized to use and disclose the information, on a need to know basis, to CMHC employees, officers and directors, the office of the Minister responsible for CMHC and provincial/territorial/municipal entities collaborating with CMHC for the purposes outlined in Section 6(b) of this **Schedule D**.

(d) Any public communications related to projects under this Agreement must be approved in advance by CMHC. Notwithstanding the preceding, each Party retains the right to communicate information to Canadians about the projects to meet its respective legislated and regulatory obligations, with prior notice to the other Party.

(e) If requested by CMHC, the Recipient shall publicly acknowledge CMHC's and the Government of Canada's Contribution under this Agreement in a manner acceptable to CMHC, acting reasonably, including through use of signage at the project (at the costs of CMHC).

7. Audit

(a) CMHC and any of its officers, employees and agents shall have the right to inspect, audit and make extracts from the Recipient's books and records in relation to the Contribution upon its request, acting reasonably, until the completion of the Term.

(b) CMHC or a third party representative may conduct onsite visits to inspect and monitor the construction and operation of the Units and compliance with the terms and conditions of this Agreement. All site visits are for CMHC's program and risk management purposes only and are not to be considered a technical inspection to confirm the quality of the work or the Recipient's compliance with applicable laws, including building codes.

8. Notice

Delivery of notice under this Agreement shall be effective three days after posting by regular mail, or on the day following transmission by e-mail, to the Parties at addresses set out on the signature pages of this Agreement.

9. Independent Recipient

The Parties agree that under this Agreement CMHC is solely a financial contributor in respect of the Units and there shall be no legal partnership or joint venture between CMHC and the Recipient or the Intermediary. No

Party will use the name, logo or marks of the other party without the prior express written consent of that other party.

10. Costs

The Recipient is responsible for its own costs and expenses incurred in connection with the preparation, execution, enforcement and implementation of this Agreement.

11. Conflict of Interest

The Recipient shall avoid any conflict of interest during the Term of this Agreement and shall immediately declare any existing, potential or apparent conflict and shall, upon direction of CMHC, take steps to eliminate any conflict, or perception that a conflict of interest exists.

12. House of Commons/Senate

No member of the House of Commons or the Senate of Canada shall be admitted to any share or part of this Agreement or to any benefit arising therefrom.

13. Assignment and Amendment

This Agreement shall be binding upon and shall enure to the benefit of the Parties and their successors and assigns. This Agreement may not be assigned by a Party without the prior written consent of the other Party. Any amendment to this Agreement must be approved by both Parties in writing.

14. Counterparts

This Agreement may be executed in any number of counterparts, which taken together will be deemed to constitute one and the same instrument. This Agreement may be executed by electronic signature and such electronic signature shall be deemed to be an original signature for the purpose of this Agreement with the same legal effect as a manual signature.

15. Waiver

The failure of CMHC to insist on strict compliance with one or more of the terms of this Agreement shall not constitute a waiver of its right to enforce those terms at a later date. No provision of this Agreement shall be deemed to have been waived as a result of a breach by either Party of the provisions of this Agreement, unless such waiver is in writing and signed by CMHC. Any such waiver shall not be deemed a waiver for a subsequent breach of the same or any other provision of this Agreement.

16. Governing Law and Jurisdiction

This Agreement will be governed by and construed in accordance with the laws of the province or territory where the Units are situated, and the federal laws of Canada applicable therein. The courts of such jurisdiction shall exclusively hear any dispute related to this Agreement. Funding under this Agreement is at all times subject to appropriations by the Parliament of Canada.

17. Entire Agreement

This Agreement contains all of the agreements and understandings between the Parties and no other representations or warranties, verbal or otherwise, exist between the Parties. If any provision of this Agreement

is held by a competent authority to be invalid, illegal or unenforceable for any reason, the remaining provisions of this Agreement and any schedules attached hereto, will continue to be in full force and effect.

18. Additional Funds

Notwithstanding Section 17 of this **Schedule D**, if following the Effective Date, the Recipient is allocated - under either RHI streams - additional RHI funds that are separate and in addition to what is provided in the initial Investment Plan⁵ under this Agreement (the "**Additional Funds**"), CMHC may use this Agreement as a basis for its agreement with the Recipient in relation to the Additional Funds. If the Recipient accepts such allocation, and unless directed otherwise by CMHC, it shall deliver an additional investment plan substantially in the form of the Investment Plan attached as **Schedule B** (the "**Additional Investment Plan**") in respect of the Additional Funds (including the additional contribution, units and applicable term) within 30 days of receiving notice of the additional allocation, for CMHC's review and approval at its sole discretion. The terms and conditions of this Agreement, as varied by the Additional Investment Plan, shall apply to the Additional Funds mutatis mutandis unless otherwise agreed by the Parties.

⁵ For the avoidance of doubt, as per section 6 of the Agreement, the initial Investment Plan may itself comprise RHI funds pursuant to both RHI streams, without the need for an Additional Investment Plan for the *Project Stream* at that initial stage. Additional Funds are separate and in addition to the initial Investment Plan, and require an Additional Investment Plan.

RAPID HOUSING INITIATIVE (RHI)
QUESTIONS AND ANSWERS FOR MUNICIPALITIES UNDER THE MAJOR CITIES
STREAM

Q1. Is the allocation provided to municipalities under the Major Cities Stream a forgivable loan? Does it need to be repaid?

A1. The funding provided under the RHI is a capital contribution. It does not need to be repaid provided the terms of the agreement are met.

Q2. How long will it take to receive funding under each individual funding stream?

A2. Municipalities selected under the Major Cities Stream will receive their allocation immediately following the signature of their agreements; investment plans are required within 30 days of being advised of their allocation.

For the Projects Stream, the application window will be open until December 31, 2020 and CMHC will review applications within 30 days of the end of the application window. Once an agreement has been signed funding will flow.

Municipalities under the Major Cities Stream do not need to submit an application for the Projects Stream if their investment plans submitted prior to November 27, 2020 provide details of projects for additional funding consideration under the Projects Stream.

Q3. What types of projects can be funded under RHI?

A3. Costs associated with one of the three categories noted below to develop permanent housing under the RHI:

1. Acquisition of land and construction of modular housing,
2. Acquisition of land and existing buildings for the purpose of conversion,
3. Acquisition of land and rehabilitation of housing.

Construction must be completed within 12 months of agreement. For clarity, construction, conversion and rehabilitation costs are included in addition to the acquisition of land and buildings.

Q4. What other expenses are eligible under RHI?

A4. Costs related to the pre-development, pre-construction (e.g. environmental site assessments, cost consultant reports, permits, architectural or engineering reports, legal/closing costs related to acquisition of land and buildings) will be eligible as part of an application to develop permanent affordable housing. RHI funding cannot be used to cover operational expenses.

Expenses listed below are only eligible if they form part of the construction costs of units eligible under RHI. CMHC will not fund costs related to non-residential space.

- Deposits to secure eligible goods or services related to project development
- Off-site fabrication and delivery of housing units
- Costs related to relocation of units, including transportation and insurance

Q5. If a municipality has been selected to receive funding but does not think it can deliver within the allotted timelines, can it opt out of the Initiative?

A5. Yes, if a municipality does not wish to receive its allocation under the Major Cities Stream, it can opt out of the initiative. In such cases, the allocation will be reallocated to other municipalities within the Major Cities Stream.

Q6. Is there a maximum amount of funding a municipality can receive under both combined funding streams?

A6. There is no maximum amount that a municipality can receive under the combined RHI streams, however funding under the Projects Stream will be prioritized based on level of need, duration of affordability, expediency of delivery, availability of operational funding and additional capital contributions, and prioritization of certain vulnerable groups.

Q7. Why is modular the only type of new construction that's eligible? How is modular defined?

A7. Modular housing is an efficient method for delivering housing quickly. One of the objectives of RHI is to deliver housing rapidly to people and populations who are vulnerable, modular housing is being included along acquisitions and conversions.

For the purposes of RHI, modular housing is defined as housing units which are partially or fully built in off-site (e.g. a factory, warehouse, or similar facility) by a qualified manufacturer and delivered to the site in whole or in parts and installed on an appropriately zoned and serviced lot. This may range between single, scattered units up to larger multi-unit housing projects.

Q8. How was the funding allocation determined for municipalities under the Major Cities Stream?

A8. The allocation methodology considers cities with the highest incidence of renters in severe housing need according to 2016 Census data and number of people experiencing homelessness according to point-in-time count data. The final allocation was indexed to the average cost per unit for each city to account for varying housing market realities across municipalities.