



## Notice of Meeting and Meeting Agenda Hospitals and Housing Committee

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Wednesday, March 3, 2021

1:30 PM

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

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L. Helps (Chair), G. Orr (Vice Chair), D. Blackwell, S. Brice, F. Haynes, G. Holman, J. Loveday,  
K. Murdoch, D. Screech, 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. [21-184](#) Minutes of the February 3, 2021 Hospitals and Housing Committee Meeting

**Recommendation:** That the minutes of the Hospitals and Housing Committee meeting of February 3, 2021 be adopted as circulated.

**Attachments:** [Minutes - February 3, 2021](#)

### 4. Chair's Remarks

### 5. Presentations/Delegations

*In keeping with directives from the Province of BC, this meeting will be held by Live Webcast without the public present.*

*To participate electronically, complete the online application for "Addressing the Board" on our website. Alternatively, you may email the CRD Board at [crdboard@crd.bc.ca](mailto:crdboard@crd.bc.ca).*

### 6. Committee Business

#### 6.1. [21-172](#) Tenant Advisory Committee 2020 Year End Reporting

**Recommendation:** That the Tenant Advisory Committee 2020 Year End Report be received for information.

**Attachments:** [Staff Report: Tenant Advisory Cttee 2020 Year End Reporting](#)  
[Appendix A: Tenant Advisory Committee Terms of Reference](#)  
[Appendix B: Tenant Advisory Committee 2020 Annual Plan](#)

- 6.2.**      [21-171](#)      Capital Region Housing Corporation Operational Update No. 1, 2021
- Recommendation:**    The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:  
That the Capital Region Housing Corporation Operational Update No. 1, 2021 report be received for information.
- Attachments:**        [Staff Report: CRHC Operational Update No. 1, 2021](#)  
[Appendix A: Rent-up Snapshot Oct. 5, 2020 - Feb. 12, 2021](#)
- 6.3.**      [21-170](#)      Housing Needs Report Regional Project
- Recommendation:**    The Hospitals and Housing Committee recommends to the Capital Regional District Board:  
That the Housing Needs Report Regional Project be received for information.
- Attachments:**        [Staff Report: Housing Needs Report Regional Project](#)  
[Appendix A: Housing Needs Report](#)
- 6.4.**      [21-169](#)      3656 Raymond Street South Housing Agreement and Bylaw
- Recommendation:**    The Hospitals and Housing Committee recommends to the Capital Regional District Board:  
a) That Bylaw No.4402, "Resale Control and Housing Agreement Bylaw (3656 Raymond Street South), 2021" be introduced and read a first, second and third time; and  
b) That Bylaw No. 4402 be adopted.
- Attachments:**        [Staff Report: 3656 Raymond Street South Housing Agrmt & Bylaw](#)  
[Appendix A: Bylaw No. 4402](#)
- 6.5.**      [21-142](#)      Capital Regional Hospital District Investment Portfolio Holdings and Annual Performance Update
- Recommendation:**    The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:  
That the Capital Regional Hospital District Investment Portfolio Holdings and Annual Performance Update be received for information.
- Attachments:**        [Staff Report: CRHD Investment Portfolio Update](#)  
[Appendix A: Market Analysis](#)
- 6.6.**      [21-143](#)      Capital Region Housing Corporation Investment Portfolio Holdings and Performance Annual Update
- Recommendation:**    The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:  
That the Capital Region Housing Corporation Investment Portfolio Holdings and Performance Annual Update be received for information.
- Attachments:**        [Staff Report: CRHC Investment Portfolio Annual Update](#)  
[Appendix A: Market Analysis](#)

- 6.7.**      [21-195](#)      Capital Regional District and Capital Region Housing Corporation Investment Policy Updates
- Recommendation:**      The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:  
That the Capital Region Housing Corporation Investment Policy be rescinded and superseded by the Capital Regional District Investment Policy.
- Attachments:**      [Staff Report: CRD & CRHC Investment Portfolio Updates](#)  
[Appendix A: Updated CRD Investment Policy](#)  
[Appendix B: Policy Revision Concordance Table](#)  
[Appendix C: 2017 CRD Investment Policy](#)  
[Appendix D: 2013 CRHC Investment Policy](#)  
[Appendix E: Example - Sensitivity Analysis](#)
- 6.8.**      [21-167](#)      Previous Minutes of Other CRD Committees and Commissions for Information
- Recommendation:**      That the following minutes be received for information:  
a)    Regional Housing Advisory Committee minutes - December, 10, 2020  
b)    Tenant Advisory Committee minutes - December 14, 2020
- Attachments:**      [Minutes: Reg'l Housing Advisory Cttee - December 10, 2020](#)  
[Minutes: Tenant Advisory Committee - December 14, 2020](#)

## **7. Notice(s) of Motion**

## **8. New Business**

## **9. Motion to Close the Meeting**

- 9.1.**      [21-197](#)      Motion to Close the Meeting
- Recommendation:**      That the meeting be closed for Appointments in accordance with Section 90(1)(a) of the Community Charter. [1 Item]

## **10. Rise and Report**

## **11. Adjournment**

The next meeting is April 7, 2021.

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

## Meeting Minutes

### Hospitals and Housing Committee

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Wednesday, February 3, 2021

1:30 PM

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

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#### PRESENT

Directors: L. Helps (Chair), G. Orr (Vice Chair), D. Blackwell, S. Brice, F. Haynes (EP), G. Holman (EP), J. Loveday, K. Murdoch, D. Screech

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; D. Elliott, Senior Manager, Regional Housing; M. Lagoa, Acting Deputy Corporate Officer; T. Pillipow, Committee Clerk (Recorder)

Regrets: Director C. Plant (Board Chair, ex officio)

The meeting was called to order at 1:34 pm.

#### 1. Territorial Acknowledgement

Chair Helps provided a Territorial Acknowledgement.

#### 2. Approval of Agenda

**MOVED** by Director Brice, **SECONDED** by Director Loveday,  
That the agenda for the February 3, 2021 Hospitals and Housing Committee  
meeting be approved.  
**CARRIED**

#### 3. Adoption of Minutes

##### 3.1. [21-113](#) Minutes of the January 6, 2021 Hospitals and Housing Committee Meeting

**MOVED** by Director Orr, **SECONDED** by Director Screech,  
That the minutes of the Hospitals and Housing Committee meeting of January 6,  
2021 be adopted as circulated.  
**CARRIED**

#### 4. Chair's Remarks

Chair Helps thanked the hard working staff of the Capital Regional District.

#### 5. Presentations/Delegations

There were no presentations or delegations.

## 6. Committee Business

- 6.1. [21-090](#) Award of Contract RFP No. CRHD.2020-03 - Construction Management Services for the Demolition of Oak Bay Lodge

K. Lorette spoke to Item 6.1.

Discussion ensued on consideration of environmental best practices while evaluating the proposals for a demolition contractor.

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

**That Contract RFP No. CRHD.2020-03 for Oak Bay Lodge Construction  
Management Services for Demolition be awarded to Unitech Construction  
Management for \$43,000 plus a contingency of \$3,000 for additional services if  
warranted.**

**CARRIED**

- 6.2. [21-091](#) Hockley House Development Mortgage Registration: 830 Hockley Avenue

K. Lorette spoke to Item 6.2.

Discussion ensued on the interest rates and rental rates

**MOVED by Director Brice, SECONDED by Director Blackwell,  
The Hospitals and Housing Committee recommends to the Capital Region  
Housing Corporation Board:**

**a) That the resolution attached as Appendix A and required by BC Housing  
Management Commission to authorize the execution of the Section 219  
Covenant and the Loan and Mortgage documents for 830 Hockley Avenue  
be approved; and**

**b) That staff be authorized to sign any documents related to the Loan and  
Mortgage and Section 219 Covenant registration and to take steps necessary  
to conclude the purchase of 830 Hockley Avenue, Langford, BC.**

**CARRIED**

- 6.3. [21-092](#) Hockley House Mortgage - Tri-Partite Agreement and Landlord Estoppel Certificate: 830 Hockley Avenue

K. Lorette spoke to Item 6.3.

**MOVED by Director Blackwell, SECONDED by Director Brice,  
The Hospitals and Housing Committee recommends to the Capital Regional  
District Board:**

**That 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 830 Hockley Avenue, Langford, BC.**

**CARRIED**

**6.4.     [21-093](#)****Royal Oak Square Refinancing**

K. Lorette spoke to Item 6.4.

**MOVED by Director Orr, SECONDED by Director Screech,  
The Hospitals and Housing Committee recommends to the Capital Region  
Housing Corporation Board:  
That staff be authorized to apply for, accept and execute all documents related  
to a \$4,500,000 Canada Mortgage and Housing Corporation insured mortgage  
with the Toronto-Dominion Bank.  
CARRIED**

**6.5.     [21-013](#)****1114 Rockland Housing Agreement and Bylaw**

K. Lorette spoke to Item 6.5.

Discussion ensued on the market value determination.

**MOVED by Director Screech, SECONDED by Director Murdoch,  
The Hospitals and Housing Committee recommends to the Capital Regional  
District Board:  
a) That Bylaw No. 4398, "Resale Control and Housing Agreement Bylaw (1114  
Rockland Avenue), 2021" be introduced and read a first, second and third  
time; and  
b) That Bylaw No. 4398 be adopted.  
CARRIED**

**6.6.     [21-076](#)****Previous Minutes of Other CRD Committees and Commissions for  
Information**

Discussion ensued on the scope of the Tenant Advisory Committee.

**MOVED by Director Loveday, SECONDED by Director Brice,  
That the following minutes be received for information:  
a) Tenant Advisory Committee minutes - September 28, 2020  
CARRIED**

Director Orr left the meeting at 1:55pm.

**7. Notice(s) of Motion**

There were no Notice(s) of Motion.

**8. New Business**

There was no new business.

**9. Motion To Close**

9.1. [21-114](#) Motion to Close the Meeting

**MOVED** by Director Brice, **SECONDED** by Director Screech,  
That the meeting be closed for Appointments in accordance with Section 90(1)(a)  
of the Community Charter.

**CARRIED**

The Hospitals and Housing Committee moved to the closed session at 1:57 pm.

**10. Rise and Report**

The Hospitals and Housing Committee rose from closed session at 2:02 pm and  
reported on the following item:

**3.1. Tenant Advisory Committee Membership 2021**

In accordance with the Terms of Reference, that the following slate of candidates  
be approved as members of the Tenant Advisory Committee for 2021: Lisa Helps,  
Kim Bedard, Katya Naraghi, Evans Ngongo, Laura Reid, Charlane Simpson,  
Elizabeth Syring, Nevin Thompson, David Wallace.

**11. Adjournment**

**MOVED** by Director Screech, **SECONDED** by Director Loveday,  
That the February 3, 2021 Hospitals and Housing Committee meeting be  
adjourned at 2:02 pm.

**CARRIED**

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Recorder



Making a difference...together

## **REPORT TO HOSPITALS AND HOUSING COMMITTEE MEETING OF WEDNESDAY, MARCH 03, 2021**

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**SUBJECT**     Tenant Advisory Committee 2020 Year End Reporting

### **ISSUE**

To provide the Capital Regional District's (CRD) Hospitals and Housing Committee (HHC) an overview of 2020 activities of the Tenant Advisory Committee (TAC) in accordance with the TAC Terms of Reference (ToR).

### **BACKGROUND**

At the April 11, 2018 CRD Board meeting, the TAC was established through the HHC. The recommended membership of the TAC includes the Chair or delegate of the HHC and up to eight tenant representatives in good standing. Tenants in good standing are individuals who have been tenants with the Capital Region Housing Corporation (CRHC) for 12 consecutive months, have paid their rent on time and in full for the previous six months, have maintained their unit in good condition with no damage in excess of normal wear and tear, and have ensured that their standard of conduct has not resulted in a warning letter from CRHC.

The purpose of the TAC, through the HHC, is to promote effective communication, engagement and collaboration between the CRHC and its tenants, and provide information, feedback and advice regarding tenant-related policies and programs to support healthier and more livable communities. Further details of the TAC can be found in the ToR, attached as Appendix A. An overview of 2020 TAC activities is attached as Appendix B – Tenant Advisory Committee 2020 Annual Plan.

### **ALTERNATIVES**

#### *Alternative 1:*

That the Tenant Advisory Committee 2020 Year End Report be received for information.

#### *Alternative 2:*

That the Tenant Advisory Committee 2020 Year End Report be referred back to staff for further review based on Hospitals and Housing Committee direction.

### **IMPLICATIONS**

#### *Service Delivery Implications*

Due to COVID-19, the TAC was not able to meet as frequently as was intended in 2020. Of the five meetings originally scheduled, the TAC only met a total of three times, with the April 2020 and June 2020 meetings being cancelled. The cancelled meetings have had an impact and ability of the TAC to undertake all activities included in the 2020 Annual Plan. In some instances, the activities are underway, but are behind schedule and in others the 2020 activities are under consideration to be included in the 2021 TAC Annual Plan still under development.



The TAC provided important feedback that CRHC staff could improve communication in a number of areas including unit upgrades, online presence and the Tenant Handbook. With input from the TAC, staff were able to better tailor the materials about Tenant Component Replacement Requests to highlight this initiative to modernize occupied units to interested tenants. Unfortunately, due to COVID-19, all occupied unit work has been on hold but is expected to continue when safe to do so. Another important area relating to communication included enhancing the representation of the TAC and its members. Updates were made to highlight this committee and its membership on the CRD website. The Tenant Handbook was another item of focus as the TAC was presented with various iterations of the handbook from previous years and provided general support to the direction staff were taking with updates to the document. This work included developing an online version.

Improvements in customer services was also a focus of the TAC in 2020 and was rooted in the results from the 2018 CRHC tenant survey. Staff presented the operational commitment to response times based on urgency and other general improvements to customer service. The TAC reviewed these standards and affirmed their implementation.

Online banking has been identified as a key priority for many tenants and staff have been working to advance this effort. It is expected that tenants will be able to pay for some of their expenses online in 2021, though there is still a process underway as the financial institutions will need to authorize final implementation of this tool for tenants. The TAC continues to be kept up to date on the progress of this initiative.

The two final items the TAC contributed to in 2020 include Pride of Place and potential updates to CRHC's pet policy. Related to Pride of Place, the TAC discussed various tenant behaviours and the compounding impacts of the ongoing pandemic as it relates to mental wellness and some of the operational implications this can have for various buildings. Staff look to work with tenants exhibiting behaviours that can impact their neighbours in a one on one and as needed basis, but continue to appreciate the input from tenants on how these challenges can impact the enjoyment of CRHC properties. Related to the Pet Policy, CRHC shared activities already underway with regard to the process around various updates, including a survey of staff, working group, and literature review. Staff sought advice from TAC members on suggestions to address the two major issues with allowing dogs: feces and safety. Two TAC members submitted suggestions/policy ideas.

#### *Financial Implications*

Due to the inability to undertake certain planned activities in 2020, the total budget allocated to tenant engagement was underspent. Approximately \$6,000 was spent on programming and \$3,200 spent on printed communication of a budgeted \$20,000 across all properties. For 2021, the budget remains at \$20,000 and staff are working to plan activities and expenditures that are possible should the COVID-19 pandemic continue through 2021.

#### *Social Implications*

Tenant Engagement (TE) as a related function of the TAC was greatly reduced by COVID-19 regulations, particularly in CRHC's apartments for seniors and people with disabilities, many of whom are being very cautious with regard to contacts. TE still managed to support a number of activities and events with staff distributing seedlings from the City of Victoria to a number of complexes. CRHC added soil, planters and tools as well to promote small-scale gardening activities. TE activities were limited to and focussed on those that were intended to support safe, socially distanced community building.

Larger-scale events were not able to take place as anticipated, but staff actively supported food distribution alongside community partners, supporting vulnerable lone tenants to access services to befriend and support, and working to manage many of the tensions that surface in times of isolation and stress. The proposed in-person tenant orientation sessions were put on hold during the state of emergency but is being planned to take place in 2021 with four videos for new tenants under development. These videos are expected to support new tenants to understand the CRHC and its role as landlord as well as to support a more comfortable settling in to their new homes and how to better ensure a long-term and successful tenancy.

In an effort to support the continued engagement of tenants through the TAC and the continuity of work currently underway, staff have executed a process to support staggered TAC terms going forward. At the end of 2020, the TAC had six members whose terms were scheduled to end and two vacancies. Staff engaged the existing six members to identify four willing to accept a one-year reappointment. Two existing members and the two new members have been appointed for a two-year term thereby creating a process where membership on the committee is staggered to encourage continued capacity building and continuity on projects and initiatives.

*Alignment with Board & Corporate Priorities*

The CRD's 2019-2022 Board Priority of Community Wellbeing includes housing as a key component. Specifically, that the CRD will advocate, collaborate and form partnerships to address affordable housing needs of a growing and diverse population. The TAC represents residents across a range of CRHC properties and helps to inform service planning, trend identification, tenant engagement and policies that contribute to enhanced community wellbeing.

**CONCLUSION**

Though the TAC was not able to connect as frequently as planned, work continues to be underway and will be carried into 2021. Renewed and staggered appointments have been made and the TAC continues to be a vital connection to residents of CRHC properties to provide information, feedback and advice on tenant-related policies and programs with the aim of supporting healthier and more livable communities.

**RECOMMENDATION**

That the Tenant Advisory Committee 2020 Year End Report be received for information.

Submitted by:	Don Elliott, MUP, Senior Manager, Regional Housing & CRHC
Concurrence:	Kevin Lorette, P.Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

**ATTACHMENTS:**

Appendix A – Tenant Advisory Committee Terms of Reference  
Appendix B – Tenant Advisory Committee 2020 Annual Plan

# Terms of Reference



## Tenant Advisory Committee

### PREAMBLE

The Capital Regional District (CRD) Tenant Advisory Committee is an advisory committee established by the Hospitals and Housing Committee to promote effective communication, engagement and collaboration between the Capital Region Housing Corporation (CRHC) and its tenants, and provide information, feedback and advice regarding tenant related policies and programs to support healthier and more livable communities.

The Committee's official name is to be:

Tenant Advisory Committee

### 1.0 PURPOSE

- a) The purpose of the Tenant Advisory Committee (TAC) through the Hospitals and Housing Committee is to:
  - i. recommend priorities for the Service Plan based on operational considerations;
  - ii. identify and raise trends, and recommend proposals to improve tenant satisfaction;
  - iii. provide input in the development of Tenant Engagement Plans as necessary; and
  - iv. provide feedback into the tenant related policies.

### 2.0 RELATIONSHIP TO THE CRHC

- a) The TAC will report through the Hospitals and Housing Committee. The General Manager, Planning and Protective Services, or delegate, will act as a staff liaison to attend TAC meetings, represent the CRHC and provide effective communication between the TAC and the CRHC.
- b) The TAC will present an annual report to the Hospitals and Housing Committee and may be requested to attend additional Hospital and Housing Committee meetings at the request of the Chair.

### 3.0 MEMBERSHIP, SELECTION AND TERM

- a) The Committee will consist of up to nine members including:
  - i. The Chair of the CRD Hospitals and Housing Committee, or delegate, who will act as Co-Chair of the TAC; and

- ii. Up to eight members who are tenants in good standing with the CRHC and who have experience and knowledge of affordable housing issues and/or community development and their initiatives. One of the tenant members will be elected to the position of Co-Chair of the TAC.
- b) Other members of the Hospitals and Housing Committee may attend TAC meetings as non-voting members.
- c) Tenant member positions will be advertised and a nominations committee will select applicants through an interview process for recommendation to the General Manager, Planning and Protective Services.
- d) Membership of the TAC will be recommended by the General Manager, Planning and Protective Services, to the Hospitals and Housing Committee each year for approval.
- e) Tenant members will serve a two-year term on the TAC with the option to serve a second two-year term only. After serving four years a two-year break must be taken before a tenant may re-apply to sit on the TAC.
- f) The Chair of the Hospitals and Housing Committee is appointed annually by the CRD Chair and may serve one or more terms as Co-Chair of the TAC as an extension of that appointment.

#### **4.0 PROCEDURES**

- a) The TAC will meet 4-8 times per year. Dates of meetings will be set at the beginning of the year based on recommendations of the General Manager, Planning and Protective Services and the Chair of the Hospitals and Housing Committee. Any additional meetings will be at the call of the Co-chairs.
- b) TAC members are expected to attend meetings to the best of their ability. Should a member miss two consecutive meetings without any communication they will be asked by the Co-Chairs to resign their seat and the vacant position will be advertised for the duration of the term.

#### **5.0 BUDGET**

- a) Subject to CRHC Board approval, an annual budget may be available to cover costs related to the administration and logistical support for convening meetings throughout the year.
- b) Members of the TAC will be reimbursed for out of pocket expenses as aligned with the CRD expense reimbursement policies and procedures.

#### **6.0 RESOURCES AND SUPPORT**

- a) The General Manager, Planning and Protective Services, or delegate, is the primary contact for the Committee. The Regional Housing and Legislative Services staff will provide secretarial and administrative support. Minutes and agendas are prepared and distributed by the Regional Housing Division.

**TENANT ADVISORY COMMITTEE  
2020 Annual Plan**

February 24	<p>Business Arising:</p> <ul style="list-style-type: none"> <li>• Online Banking Update</li> <li>• Communication Strategy re: Unit Upgrades</li> </ul> <p>New Business:</p> <ul style="list-style-type: none"> <li>• (New) Customer Service Standards Presentation</li> </ul>
April 27	<p><del>Business Arising:</del></p> <p><del>•</del></p> <p><del>New Business:</del></p> <ul style="list-style-type: none"> <li>• <del>Tenant Handbook Update Presentation</del> (Moved to September)</li> <li>• <del>Rebranding our Image—Pride of Place</del> (Moved to September)</li> </ul>
June 29	<p><del>Business Arising:</del></p> <p><del>•</del></p> <p><del>New Business:</del></p> <ul style="list-style-type: none"> <li>• <del>Non Smoking Policy Update</del> (Potential 2021 Item)</li> </ul>
September 28	<p>Business Arising:</p> <ul style="list-style-type: none"> <li>• Online Banking Update</li> </ul> <p>New Business:</p> <ul style="list-style-type: none"> <li>• Tenant Handbook Update Presentation</li> <li>• <del>Rebranding Our Image—Pride of Place</del> (Moved to December)</li> </ul>
December 14	<p>Business Arising:</p> <ul style="list-style-type: none"> <li>•</li> </ul> <p>New Business:</p> <ul style="list-style-type: none"> <li>• Rebranding Our Image - Pride of Place Discussion</li> <li>• Pet Policy Update</li> <li>• Outcome Measures</li> </ul>

## **REPORT TO HOSPITALS AND HOUSING COMMITTEE MEETING OF WEDNESDAY, MARCH 03, 2021**

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**SUBJECT**     **Capital Region Housing Corporation Operational Update No. 1, 2021**

### **ISSUE SUMMARY**

To provide the Capital Region Housing Corporation (CRHC) Board with a quarterly update on the operations of the CRHC with a focus on the Operations Budget, Routine Capital and Major Capital plans. This update also includes information on the rent-up of Regional Housing First Program (RHFP) units up to February 12, 2021.

### **BACKGROUND**

The CRHC is a wholly owned subsidiary of the Capital Regional District (CRD) with the mandate to develop and manage affordable housing to meeting the needs of individuals and families residing within the capital region. In working to fulfill its mandate, the CRHC owns and operates 1,773 units of housing providing homes to more than 3,500 residents of the capital region with low to moderate incomes. For 2021, the CRHC budgeted a total of \$23.2 million (M) across five separate operating budgets that were approved by the CRHC Board in December 2020.

The CRHC has a five year (2020-2025) \$11M Routine Capital Plan that is updated annually and was last updated by the CRHC Board in December 2020. In addition to the Routine Capital Plan, the CRHC also has a \$222.9M Major Capital Plan (2021-2025) that was approved by the CRHC Board in December 2020. Currently there are 120 new units under construction and 313 units in development tied to this Plan.

Staff committed to reporting back to the CRHC Board on the rent-up progress for RHFP buildings if the actuals appeared to vary significantly from projections. It is for this reason that this first quarter (Q1) 2021 report is being advanced early to include information related to the rent-up of RHFP units being operated by CRHC.

### **ALTERNATIVES**

#### *Alternative 1*

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

That the Capital Region Housing Corporation Operational Update No. 1, 2021 report be received for information.

#### *Alternative 2*

That the Capital Region Housing Corporation Operational Update No. 1, 2021 report be referred back to staff for additional information based on Hospitals and Housing Committee direction.

### **DISCUSSION**

#### *Activities and Initiatives*

Staff continue to work in support of increasing sense of community within CRHC properties, engaging tenants, improving system operations, working toward targets on unit turnovers, and improving customer service. Ongoing tenant engagement work and the continued support to the

Tenant Advisory Committee (TAC) have been important tools in bridging between CRHC operational policies and procedures and the day-to-day realities of tenants. An overview of the activities of the TAC from 2020 is being advanced in a separate report.

The CRHC continues to experience increased pressures from a highly competitive labour market that is impacting staff's ability to fill vacancies as quickly as planned.

#### *Routine Capital Plan*

The updated Five-Year Routine Capital Plan budgeted for \$3.9M in 2021 and staff are actively working to advance needed works. As this staff report is being advanced early, actuals from Q1 are not yet available but the Q2 report will contain greater detail on progress made in moving these projects forward.

#### *Major Capital Plan*

The Five-Year Major Capital Plan budgeted for \$54.8M in 2021 across a number of significant capital projects.

Project	2021 Budget	Notes
Caledonia	\$13.8M	Project continues to advance with minor delays in the planning process. Rezoning still expected in the spring of 2021.
Michigan	\$2.3M	Project continues to advance on schedule.
Hockley	\$25.6M	Occupancy permit expected to be issued March 1, 2021. CRHC anticipates taking possession on March 19, 2021 with tenants beginning to move in on March 31/April 1, 2021.
Triway	\$12M	Project continues to advance on schedule.
New CRHC Projects	\$0.6M	Feasibility work currently underway.
CRHC Redevelopment	\$0.5M	Feasibility work expected to be underway in early Q2.

#### *RHFP Unit Turnover and Rent-up*

Turnover continues to be a challenge at Millstream Ridge, a 132 unit property in Langford. In 2020, this building had a 48% unit turnover and staff's effort to slow this by introducing a one year term lease versus month to month tenancies has not achieved the anticipated stability. Many have been impacted by unemployment, family composition changes or have been negatively affected by the large scale construction projects on either side of the building. Staff have increased the focus on this building to encourage greater tenant retention as well as working to allocate resources to attenuate the impacts of sound within and outside of the building to increase the quiet enjoyment of residents.

Rent-up at Spencer Close and West Park has been slower than anticipated. Appendix A - Rent-up Snapshot October 5, 2020 – February 12, 2021 contains an overview of these two properties and the vacancies as of February 12, 2021.

Initial budget projections for Spencer Close assumed full rent-up of the property in early March 2021 for both the shelter-rate (CAA) units and the affordable rental units. The CAA units are ahead of schedule with only one unit identified as vacant. Observations of rent-up rates up to February 12, 2021 suggest a full rent-up in early April 2021. This is approximately four weeks behind initial projections.

Initial budget assumptions for West Park assumed full rent-up of the property in early March 2021 for both CAA units and the affordable rental units. The CAA units are ahead of schedule with only three units identified as vacant. In looking at the affordable units in West Park, observations of rent-up rates up to February 12, 2021 suggest a full rent-up later than anticipated. It should be noted that the 1-bed, 1-bath units are only three to four weeks behind initial projections, but the 2-bed, 1-bathroom units and the units identified as accessible are trending slower than budget assumptions.

In response to the rent-up of both Spencer Close and West Park being slower than anticipated, staff are responding with the following actions:

- Increase capacity of the rent-up assist staff from three full time employees (FTE) (auxiliary) to five FTE (auxiliary) to better respond to the high number of inquiries and support sign up;
- Shift focus from Spencer Close to West Park;
- Engage additional marketing support to increase number of contacts and strategic targeting with potential tenants;
- Conduct a rent-level review across the RHFP portfolio to limit the competitiveness across RHFP buildings; and
- Engage additional potential community partners for accessible and two-bedroom units.

It should be noted that Hockley House, a 120 unit apartment building located in the heart of Langford is expected to be ready for tenancies on March 31/April 1, 2021. Staff are currently contacting interested parties from the waitlist and are receiving applications for the CAA units. Hockley House currently has nine pending applications for the CAA units and 16 for the affordable units.

#### *Financial Implications*

If the observed trends continue the projected impact on budget will be a deficit as follows:

	<u>Budget</u>	<u>Forecast</u>	<u>Variance</u>
Millstream	(\$145,740)	(\$165,740)	(\$20,000)
Spencer Close	\$52,866	\$55,009	\$2,143
West Park	\$47,448	(\$266,319)	(\$313,767)
Hockley House	\$61,252	\$61,252	\$0
<b>Total Forecast</b>	\$15,826	(\$315,798)	(\$331,624)

At this time, the staff countermeasures are expected to mitigate this estimate. However, if the current trend continues a budget amendment will be required.

Staff have estimated approximately \$416,408 in capital surplus from both West Park and Spencer Close once the 2020 operating results and small-scale capital costs associated with finalizing occupancy and possession are realized due primarily to lower than anticipated interim and take out financing rates. This capital surplus will be applied to address the potential variance from budget within the RHFP portfolio due to the slower than anticipated rent-up.



## **CONCLUSION**

As part of staff's commitment to providing quarterly operational updates to the CRHC Board, the CRHC Operational Update No. 1, 2021 provides a snapshot of issues and items that have a potential to impact the Operations Budget, Routine Capital Plan and the Major Capital Plan. In addition, staff have identified a trend in rent-up of RHFP properties that has the potential to impact the performance of the RHFP portfolio against budget. As this quarterly report was advanced slightly ahead of schedule to include information related to tenant turnover and rent-up, a more fulsome financial picture of 2021 progress will be contained in the Operational Update No. 2 expected in July 2021.

Though the ongoing challenges related to turnover and rent-up rates have the potential to impact the overall 2021 financial performance of the RHFP portfolio, staff have developed and are in the process of implementing a number of activities that have shown a positive impact on the rent-up rates January 1 – February 12, 2021 when compared to October 5 – December 31, 2020. Additionally, staff are actively working to address the high-levels of turnover at Millstream, including working to address sound challenges within the building.

## **RECOMMENDATION**

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

That the Capital Region Housing Corporation Operational Update No. 1, 2021 report be received for information.

Submitted by:	Don Elliott, MUP, Senior Manager, 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 - Rent-up Snapshot October 5, 2020 – February 12, 2021

## Appendix A: Rent-up Snapshot October 5, 2020 – February 12, 2021

### Spencer Close

Unit Summary as of February 12, 2021

<b>Affordable Units</b>	<b>Rent Charged</b>	<b>Total # of Units</b>	<b># of Rented Units</b>	<b># of Units Remaining</b>	<b>Pending Applications</b>
1-Bed, 1-Bath & Den	\$1,275	12	12	0	0
2-Bed, 1 or 2 Bath	\$1,600	15	14	1	1
2-Bed, 1-Bath*	\$1,600	12	2	10	0
2.5-Bed, 1-Bath	\$1,675	65	46	19	4
<b>Total Affordable</b>		<b>104</b>			
<b>Total Rented</b>			<b>74</b>		
<b>Total Remaining</b>				<b>30</b>	<b>5</b>
<b>CAA Units</b>					
1-Bed, 1-Bath	\$375	24	23	1	0
2-Bed, 1-Bath	\$570	1	1	0	0
2-Bed, 1-Bath*	\$570	1	1	0	0
<b>Total Barrier-Free</b>		<b>26</b>			
<b>Total Rented</b>			<b>25</b>		
<b>Total Remaining</b>				<b>1**</b>	<b>0</b>
<b>Building Total</b>		<b>130</b>	<b>99</b>	<b>31</b>	<b>5</b>

\* Accessible

\*\* One unit not rented during building modifications

### West Park

Unit Summary as of February 12, 2021

<b>Affordable Units</b>	<b>Rent Charged</b>	<b>Total # of Units</b>	<b># of Rented Units</b>	<b># of Units Remaining</b>	<b>Pending Applications</b>
1-Bed, 1-Bath	\$1,395	56	31	25	1
1-Bed, 1-Bath*	\$1,395	18	1	17	1
2-Bed, 1-Bath	\$1,735	44	10	34	1
<b>Total Affordable</b>		<b>118</b>			
<b>Total Rented</b>			<b>42</b>		
<b>Total Remaining</b>				<b>76</b>	<b>3</b>
<b>CAA Units</b>					
Studio	\$375	32	31	1	1
1-Bed, 1-Bath*	\$570	2	2	0	0
<b>Total Barrier-Free</b>		<b>34</b>			
<b>Total Rented</b>			<b>33</b>		
<b>Total Remaining</b>				<b>1</b>	<b>1</b>
<b>Building Total</b>		<b>152</b>	<b>75</b>	<b>77</b>	<b>4</b>

\* Accessible

**REPORT TO HOSPITALS AND HOUSING COMMITTEE  
MEETING OF WEDNESDAY, MARCH 03, 2021**

---

**SUBJECT**     **Housing Needs Report Regional Project**

**ISSUE SUMMARY**

Receipt of an information report confirming the completion of the Regional Housing Needs Report Regional Project according to the terms of the Union of BC Municipalities (UBCM) Grant Program Requirements.

**BACKGROUND**

In 2018, the Provincial Government passed *Bill 18 – 2018: Local Government Statutes (Housing Needs Reports) Amendment Act, 2018*, which requires local governments to develop housing needs reports every five years.

To support municipalities and electoral areas in completing these reports, funding has been made available as grants through a UBCM program. The program is structured to reflect the planning areas for which local governments are required to complete housing needs reports: municipalities, electoral areas and local trust areas (within the Islands Trust). Funding is scaled based on the net population of the planning area and regional projects are possible where municipalities and electoral areas agree to work together.

Through the Development Planning Advisory Committee (DPAC), Capital Regional District (CRD) confirmed the participation of 11 local government authorities in a regional project through which the CRD would work with the participating local governments to manage a consulting contract to complete the respective Housing Needs Reports. These municipalities are listed in Appendix A. The remaining four municipalities completed independent projects in conjunction with other planning efforts already underway in their respective jurisdictions.

At its September 4, 2019 meeting, the CRD Board approved a resolution supporting a CRD application for a UBCM grant to support the initiative. Following this, to support the grant application requirements, the council or trust committee for each of the 11 participating local authorities passed resolution supporting its participation in the regional project. In January 2020, the CRD was informed that it had been approved for a grant of up to \$150,000 to support the regional project.

Working through DPAC and a Project Management Committee made up of participating local authorities, the CRD facilitated a Request for Proposal process through which Urban Matters was chosen to complete the project. Urban Matters completed 11 separate Housing Needs Reports, one for each jurisdiction.

In accordance with the requirements of the grant program, each of the local authorities have received the reports at their respective council or committee levels and links to all 11 reports will appear on the CRD website, making the reports available to the public.

CRD staff is in the process of compiling a final report to submit to UBCM to support the CRD receiving the remainder of the grant amount.

## **ALTERNATIVES**

### *Alternative 1*

The Hospitals and Housing Committee recommends to the Capital Regional District Board:  
That the Housing Needs Report Regional Project be received for information.

### *Alternative 2*

That the Housing Needs Report Regional Project report be referred back to staff for additional information based on Hospitals and Housing Committee direction.

## **IMPLICATIONS**

### *Intergovernmental Implications*

As a recipient of the UBCM grant, the CRD is required to report the completion of the project to its elected authority and to monitor and ensure that the elected bodies for each participating local area government receives its completed Housing Needs Report. The CRD has received confirmation from all participating local governments that their local councils or committees have received their respective reports.

## **CONCLUSION**

The CRD's leadership of this regional project provided the opportunity for 11 local area governments to collaborate in a cost effective approach to complete their respective Housing Needs Reports. The project completed under budget and provided documents through which each community can meet the requirements of the provincial legislation.

## **RECOMMENDATION**

The Hospitals and Housing Committee recommends to the Capital Regional District Board:  
That the Housing Needs Report Regional Project be received for information.

Submitted by:	Don Elliott, MUP, Senior Manager, Regional Housing
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

## **ATTACHMENT**

Attachment: Appendix A - Housing Needs Report



Making a difference...together

## Appendix A

### Housing Needs Reports Project

#### Summary of Activities

In 2018, the Provincial Government passed *Bill 18 – 2018: Local Government Statutes (Housing Needs Reports) Amendment Act, 2018* which required local governments to develop housing needs reports on a regular basis. The reports are intended to strengthen the ability of local governments to understand what kinds of housing are most needed in their communities, and help inform the development and implementation of official community plans and regional growth strategies.

In 2020, the Capital Regional District (CRD) received a grant of \$150,000 from the Union of BC Municipalities (UBCM) Housing Needs Reports Program to support 11 municipalities and electoral areas in creating reports that meet the provincial requirements.

The project was facilitated through Regional Housing and supported by the Development Planning Advisory Committee (DPAC).

Through a Request for Proposal process, Urban Matters was chosen as the successful consultant to complete 11 distinct Housing Needs Reports for each participating local government. The consultants analyzed, summarized and organized data provided by the Province, added data where necessary and completed engagement with key stakeholders.

Staff from each local authority was responsible for working with the consultant to finalize each report and facilitate its presentation to the local government's governing body.

#### Results

The project was completed under budget and each completed report can be viewed by clicking the links below. The date each local government received their respective reports is also shown below. This meets grant program requirements and a final report is being prepared for submission to UBCM.

[Township of Esquimalt](#) - November 9, 2020  
[District of Central Saanich](#) - November 16, 2020  
[District of Highlands](#) - November 16, 2020  
[District of Saanich](#) - November 16, 2020  
[Salt Spring Island](#) - November 26, 2020  
[City of Victoria](#) - December 3, 2020  
[District of North Saanich](#) - December 7, 2020  
[City of Langford](#) - December 7, 2020  
[City of Colwood](#) - December 14, 2020  
[Juan de Fuca Planning Area](#) - January 13, 2021  
[District of Metchosin](#) - February 1, 2021

#### Potential Future Collaboration

Through engagement with DPAC, all local government entities in the capital region have indicated the desire to collaborate on the ongoing updating of these reports and develop a sustainable and accessible data reporting approach to housing information in the region.

**REPORT TO HOSPITALS AND HOUSING COMMITTEE  
MEETING OF WEDNESDAY, MARCH 03, 2021**

---

**SUBJECT**     **3656 Raymond Street South Housing Agreement and Bylaw**

**ISSUE SUMMARY**

The *Local Government Act* requires a bylaw to enable the Capital Regional District (CRD) to enter into a developer-initiated housing agreement to administer six below-market home ownership units at a housing development proposed for 3656 Raymond Street South in the District of Saanich.

**BACKGROUND**

The CRD currently administers the resale control agreements on a number of below-market home ownership units within existing and proposed housing developments throughout the region.

The CRD's Regional Housing Division has been in discussions with the District of Saanich and Abstract Developments (the Developer) regarding a proposed housing development that will include six price-restricted, below-market units as part of the project. The District of Saanich and the Developer have requested the CRD administer resales of the below-market units.

The units are part of a proposed development located at 3656 Raymond Street South in the District of Saanich. The terms of the Bylaw and Housing Agreement (Appendix A) require all sales of below-market units be restricted to a sale price no higher than 90% of market value, as determined by an appraisal. Initial and subsequent sales will require a qualifying income level based on unit size as follows:

- Less than 500 square feet (less than two bedrooms): the gross household income cannot exceed the \$74,450 or approximately 64% of BC Housing's Moderate Income for couples without children, as determined by BC Housing from time to time.
- Greater than 500 square feet (two or more bedrooms): the gross household income cannot exceed \$105,000 or approximately 64% of BC Housing's Moderate Income for families with children, as determined by BC Housing from time to time.

A resale control and administrative procedure based on best practice has been prepared within the Agreement to ensure the units may only be sold as described, and, in cases of hardship, may be rented at a below-market rate for up to two years at which time they must be re-occupied with an approved occupant or relisted for sale. The Agreement provides for cost-recovery measures to pay for the CRD's administrative services. Staff are taking the same resale control approach consistent with projects previously approved by the CRD Board whereby, in the event the owner is in default with the terms of the Agreement, the CRD may take control in its own name in order to most effectively administer the provisions for any below-market unit.

The District of Saanich and the Developer have requested the CRD adopt this Agreement as a covenant and housing agreement within Section 483 of the *Local Government Act*, which further requires the CRD to do so by way of a bylaw.

## **ALTERNATIVES**

### *Alternative 1*

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

- a) That Bylaw No. 4402, "Resale Control and Housing Agreement Bylaw (3656 Raymond Street South), 2021" be introduced and read a first, second and third time; and
- b) That Bylaw No. 4402 be adopted.

### *Alternative 2*

That the 3656 Raymond Street South Housing Agreement and Bylaw report be referred back to staff with alternative direction from the Hospitals and Housing Committee.

## **IMPLICATIONS**

### *Financial Implications*

The CRD is assessing a one-time \$3,500 fee to the Developer to cover CRD costs associated with setting up the Housing Agreement and facilitating the approval of the Bylaw. Administration of the resale control function and ensuring compliance with the terms of use of the affordable units has a cost associated with it, which is factored into the program by charging the buyer a fee of 0.5% of the gross selling price of the unit at time of completion (e.g., \$1,500 on a \$300,000 sale). Staff review and monitor the administration of previously approved projects on the basis of the amount of staff time and other resources in order to ensure full cost recovery for the provided service. It should be noted that the administration fee will change with market fluctuations, where required.

### *Social Implications*

For the households who become able to purchase and occupy these units through a discounted price, the economic implications of home ownership will be significant. The measure of resale control allows the homeowner the opportunity to build a modest level of equity while also providing them with security of tenure.

## **CONCLUSION**

The CRD has experience unique in the region, and the potential to enter into agreements with developers to administer the sale of affordable home ownership units aligns with the goals and objectives of the Regional Housing Affordability Strategy. The Developer and CRD staff have negotiated the Agreement and the Developer has recommended a household income limit that has been identified as acceptable and will be presented to the District of Saanich Council within the rezoning application. The Agreement includes the terms of use and matters related to the resale of units, and the Developer has executed the Agreement. The CRD has developed administrative procedures that ensure unit use conforms to the Agreement terms, provides reasonable authority for the CRD to act when use is non-conforming and provides the CRD adequate cost recovery for the administration of the program.

## **RECOMMENDATION**

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

- a) That Bylaw No.4402, "Resale Control and Housing Agreement Bylaw (3656 Raymond Street South), 2021" be introduced and read a first, second and third time; and
- b) That Bylaw No. 4402 be adopted.

Submitted by:	Don Elliott, MUP, Senior Manager, Regional Housing
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

**ATTACHMENT**

Appendix A – Bylaw No. 4402 “Resale Control and Housing Agreement Bylaw (3656 Raymond Street South), 2021”



**CAPITAL REGIONAL DISTRICT  
BYLAW NO. 4402**

\*\*\*\*\*

**A BYLAW TO AUTHORIZE A HOUSING AGREEMENT  
FOR 3656 RAYMOND STREET SOUTH (BYLAW NO. 4402)**

\*\*\*\*\*

**WHEREAS:**

- A. The owner of land legally described as Lot E (D.D. 386779I) of Section 14, Victoria District, Plan 14121, PID: 004-356-993 wishes to develop it in the District of Saanich to provide, among a strata development of market housing, six units of affordable housing, in the form of one studio, four one-bedroom, and one two-bedroom units;
- B. Under the *Local Government Act*, RSBC 2015, c 1, section 483, the Capital Regional District may enter into an agreement, by bylaw, to ensure the availability of the housing units to certain classes of persons identified in the agreement, the administration and management of the units, rents, leases, and sale prices that may be charged, and the rates at which these may be increased over time as specified in the agreement or as determined by a formula; and under the *Land Title Act*, RSBC 1996, c 250, section 219, it may place a covenant on property to restrict its use and alienation; and
- C. Whereas the Capital Regional District Board wishes to enter into such a housing agreement and covenant to secure the affordable housing;

**NOW THEREFORE**, the Capital Regional District Board in open meeting enacts as follows:

- 1 The Capital Regional District is authorized to enter into the *Local Government Act* section 483 housing agreement and *Land Title Act* section 219 covenant attached to this Bylaw as Appendix 1 (the "Housing Agreement").
- 2 The Chair of the Capital Regional District is authorized to execute the Housing Agreement and the Corporate Officer or designate is authorized to sign and file in the Land Title Office a notice of the Housing Agreement, as required by the *Local Government Act*.
- 3 This bylaw may be cited for all purposes as "Resale Control and Housing Agreement Bylaw (3656 Raymond Street South), 2021".

READ A FIRST TIME THIS	—	day of	2021
READ A SECOND TIME THIS	—	day of	2021
READ A THIRD TIME THIS	—	day of	2021
ADOPTED THIS	—	day of	2021

\_\_\_\_\_  
CHAIR

\_\_\_\_\_  
CORPORATE OFFICER

**LAND TITLE ACT**  
**FORM C (Section 233) CHARGE**  
**GENERAL INSTRUMENT - PART 1 Province of British Columbia**

PAGE 1 OF 24 PAGES

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, RSBC 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

Mullin DeMeo Wirk

Barristers and Solicitors

1626 Garnet Road

Victoria

BC V8P 3C8

Telephone: (250) 477-3327

File No.: RaymondStreet/92252/JDM/km

Covenant and Housing Agreement

Deduct LTSA Fees? Yes ☒

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID]

[LEGAL DESCRIPTION]

004-356-993

LOT E (D.D. 386779I) OF SECTION 14, VICTORIA DISTRICT, PLAN 14121

STC? YES ☐

3. NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

**SEE SCHEDULE**

4. TERMS: Part 2 of this instrument consists of (select one only)

(a) ☐ Filed Standard Charge Terms D.F. No.

(b) ☒ Express Charge Terms Annexed as Part 2

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument.

5. TRANSFEROR(S):

**RAYMOND STREET HOLDINGS LTD. (INC.NO. BC1071887)**

**COAST CAPITAL SAVINGS FEDERAL CREDIT UNION**

6. TRANSFEREE(S): (including postal address(es) and postal code(s))

**SEE SCHEDULE**

7. ADDITIONAL OR MODIFIED TERMS:

N/A

8. EXECUTION(S): This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)

**JOHN D. MULLIN**  
**BARRISTER & SOLICITOR**  
**1626 GARNET ROAD**  
**VICTORIA, BC V8P 3C8**

Execution Date		
Y	M	D
21	02	05

Transferor(s) Signature(s)

Raymond Street Holdings Ltd. by its  
 Authorized Signatory(ies):

Print Name: **MIKE MILLER**

Print Name:

**OFFICER CERTIFICATION:**

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

**LAND TITLE ACT  
FORM D**

**EXECUTIONS CONTINUED**

PAGE 2 of 24 PAGES

Officer Signature(s)

**Execution Date**

Transferor / Borrower / Party Signature(s)

**Y M D**

Coast Capital Savings Federal Credit  
Union by its Authorized Signatory(ies):

Print Name:

Print Name:

**OFFICER CERTIFICATION:**

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

**LAND TITLE ACT  
FORM D**

**EXECUTIONS CONTINUED**

PAGE 3 of 24 PAGES

Officer Signature(s)

**Execution Date**

**Y M D**

Transferor / Borrower / Party Signature(s)

CAPITAL REGIONAL DISTRICT by its  
Authorized Signatory(ies):

Print Name:

Print Name:

**OFFICER CERTIFICATION:**

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

**LAND TITLE ACT  
FORM E****SCHEDULE**

PAGE 4 OF 24 PAGES

NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

Covenant

Section 219 page 10 Paragraph 2.1

NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

Rent Charge

Page 13 Paragraph 2.4

NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

Option to Purchase

Page 15 Paragraph 3.1

NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

Priority Agreement

Granting the Section 219 Covenant with 3 registration numbers less than this priority agreement priority over Mortgage CA5309605 and Assignment of Rents CA5309606 Page 20

NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

Priority Agreement

Granting the Rent Charge with 3 registration numbers less than this priority agreement priority over Mortgage CA5309605 and Assignment of Rents CA5309606 Page 20

NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

Priority Agreement

Granting the Option to Purchase with 3 registration numbers less than this priority agreement priority over Mortgage CA5309605 and Assignment of Rents CA5309606 Page 20

**LAND TITLE ACT  
FORM E**

**SCHEDULE**

**PAGE 5 OF 24 PAGES**

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM, OR GENERAL INSTRUMENT FORM.

**6. TRANSFEREE(S): (including postal address(es) and postal code(s)):**

CAPITAL REGIONAL DISTRICT  
625 Fisgard Street  
Victoria BC V8W 2S6  
Canada

## TERMS OF INSTRUMENT – PART 2

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### SECTION 219 COVENANT AND HOUSING AGREEMENT

#### WHEREAS:

- A. Raymond Street Holdings Ltd. (the “**Developer**”) is the registered owner of the Lands described in Item 2 of General Instrument – Part 1 and the Developer intends to complete a multi-unit residential development on the Lands (the “**Strata Development**”) and shall designate six (6) affordable in perpetuity units, comprising four (4) studio/junior one-bedroom units, one (1) one-bedroom unit, and one (1) two-bedroom unit, of the strata lots to be created by the strata plan for the Strata Development as the Affordable Units to which strata lots this Agreement will apply.
- B. The Developer intends to build the Affordable Units to ensure the availability of affordable housing in Victoria, British Columbia.
- C. To ensure that each Affordable Unit continues to be available as affordable housing, the Developer has agreed to grant the Capital Regional District (“**CRD**”):
  - (a) a covenant under Section 219 of the *Land Title Act* (the “**Covenant**”) and a housing agreement under Section 483 of the *Local Government Act* setting out, amongst other things, the procedure to be followed in connection with any sale of an Affordable Unit as well as restrictions on the sale price on use and rental of an Affordable Unit;
  - (b) an option to purchase an Affordable Unit if it is sold, rented or used in breach of the Covenant; and
- D. For clarity, the Owner acknowledges and agrees that:
  - (a) this Agreement constitutes both a covenant under Section 219 of the *Land Title Act* and a housing agreement entered into under Section 483 of the *Local Government Act*;
  - (b) the CRD is required to file a notice of housing agreement in the Land Title Office against title to the Land; and
  - (c) once such notice is filed, this Agreement binds all persons who acquire an interest in the Land as a housing agreement under Section 483 of the *Local Government Act*.

NOW THEREFORE in consideration of the mutual covenants set out below and other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each of the parties), the parties agree as follows:

### SECTION 1. INTERPRETATION

#### 1.1 **Definitions**. In this Agreement:

- 1.1.1 “Affordable Unit” or “Affordable Units” shall mean the six (6) strata lots to be designated by the Developer within the Strata Development as the strata lots to which this Agreement shall apply, and shall be comprised of four (4) studio/junior one-bedroom units, one (1) one-bedroom unit, and one (1) two-bedroom unit;

- 1.1.2 "Affordable Rate" means a rate determined from time-to-time by the NPO in its sole discretion with reference to BC Government guidelines, if any;
- 1.1.3 "Agreement" means Parts 1 and 2 of this General Instrument;
- 1.1.4 "Appraisal" has the meaning stated in Section 2.2;
- 1.1.5 "Appraisal Review Period" has the meaning stated in Section 2.2.4.1;
- 1.1.6 "Appraiser" means an appraiser accredited by the Appraisal Institute of Canada and duly qualified to appraise an Affordable Unit and on an approved list maintained by the NPO, if any;
- 1.1.7 "Approved Lender" means an "approved lender" (as defined in the *National Housing Act*, R.S.C. 1985, c. N-11) which holds an Insured Mortgage of an Affordable Unit;
- 1.1.8 "Below Market Value" means 90% of the Fair Market Value of the Affordable Unit from time to time;
- 1.1.9 "Business Day" means any day other than Saturday, Sunday or a statutory holiday in the Province of British Columbia;
- 1.1.10 "Closing Date" means the 30th day after the Notice Date, or the first Business Day thereafter that the LTO is open for business to the public;
- 1.1.11 "CMHC" means Canada Mortgage and Housing Corporation or any successor thereto;
- 1.1.12 "Covenant" has the meaning stated in Recital C and is the covenant set out in Section 2.1;
- 1.1.13 "CRD" has the meaning stated in Recital C;
- 1.1.14 "Developer" has the meaning stated in Recital A;
- 1.1.15 "Environmental Law" means any applicable federal, provincial or municipal laws pertaining to the presence, handling, release or removal of Hazardous Substances;
- 1.1.16 "Fair Market Value" of an Affordable Unit means the purchase price from time to time which a willing purchaser would pay to a willing vendor, dealing at arm's length from each other, for an Affordable Unit, unencumbered with the exception of Permitted Encumbrances and without the benefit of a parking stall or other parking entitlement;
- 1.1.17 "General Instrument - Part 1" means the General Instrument - Part 1 to which this Terms of Instrument - Part 2 is attached;
- 1.1.18 "Hazardous Substances" collectively means contaminants, pollutants or other substances which are hazardous or dangerous to the health of humans, animals or plants or to the environment and includes substances defined as hazardous substances or special waste under any law, regulation or order of a Statutory Authority;
- 1.1.19 "Immediate Family" means grandparent, parent, sibling, spouse, common-law partner, son or daughter;
- 1.1.20 "Insured Mortgage" means a mortgage insured pursuant to the *National Housing Act*, R.S.C. 1985, c. N-11;



- 1.1.21 "LTO" means the Land Title Office for the jurisdiction in which an Affordable Unit is located;
- 1.1.22 "Notice" means any written notice which CRD may deliver to the Owner under Section 3.3, exercising the Option;
- 1.1.23 "Notice Date" means the day on which the Owner is deemed by Section 6.2 to have received the Notice;
- 1.1.24 "NPO" means the Capital Region Housing Corporation or other non-profit housing organization or Person retained by CRD from time to time to administer the sale of the Affordable Units and to manage the rental of the Affordable Units;
- 1.1.25 "NPO Appraisal" has the meaning stated in Section 2.2.4.1;
- 1.1.26 "Offer" has the meaning stated in Section 2.2;
- 1.1.27 "Option" means the option to purchase granted by the Developer and the Owner to CRD under Section 3.1;
- 1.1.28 "Option Purchase Price" means:
- (1) 95% of the Below Market Value; or
  - (2) if the Owner has granted a bona fide arm's length mortgage or mortgages of the Affordable Unit to an Approved Lender which, as at the Closing Date, secures in aggregate an amount which exceeds 95% of the Below Market Value, the amount owing under and required to discharge the mortgage or mortgages to the Approved Lender as at the Closing Date;
- 1.1.29 "Owner" means the registered owner of an Affordable Unit from time to time and includes the Developer in its capacity as developer of the Affordable Units until the first conveyance to a Qualified Buyer, and their respective heirs, legal representatives, successors and assigns;
- 1.1.30 "Permitted Encumbrances" means those charges or encumbrances stated in Schedule "A" and any other encumbrances approved as required by the City of Victoria or Developer from time to time to complete the Strata Development or as in writing by CRD but shall not include any mortgage or other financial encumbrance and shall not include this Agreement;
- 1.1.31 "Person" means any individual, society, corporation, partnership, trustee, administrator, legal representative, Statutory Authority or other legal entity;
- 1.1.32 "Personal Property" means all lighting fixtures, appliances, equipment, cabinetry, affixed carpeting, drapes and blinds located within an Affordable Unit (except to the extent otherwise agreed in writing by CRD) but does not include an Owner's personal effects;
- 1.1.33 "Proceeding" has the meaning stated in Section 2.3.1;
- 1.1.34 "Project" means the Strata Development of which the Affordable Units will be a part and comprises all of the Lands referred to in Item 2 of the General Instrument - Part 1;

- 1.1.35 "Property" means the Affordable Unit and all Personal Property within the Affordable Unit;
- 1.1.36 "Qualified Buyer" means an individual who meets the criteria stated in Schedule "B";
- 1.1.37 "Statutory Authority" means any federal, provincial or municipal governmental authority which has jurisdiction over any matter referred to in this Agreement;
- 1.1.38 "Term" means the period commencing on the date of registration of this Agreement in the LTO and ending on the earlier of (a) the date which is ninety- nine (99) years thereafter, and (b) the date of any destruction or statutorily deemed destruction of the Project;
- 1.1.39 "Transaction" means the transfer of an Affordable Unit from the Owner to CRD;
- 1.1.40 "Transfer" means an instrument in a statutorily prescribed form by which the Owner transfers title to the Affordable Unit to CRD.
- 1.2 **Time.** Time will be of the essence of this Agreement. If any party expressly or impliedly waives this requirement, that party may reinstate it by delivering notice to the other party. If a time is specified in this Agreement for observing or performing any obligation, such time will be local time in Victoria, British Columbia.
- 1.3 **Governing Law.** This Agreement will be governed by and construed and enforced in accordance with the laws of British Columbia and the laws of Canada applicable in British Columbia.
- 1.4 **References.** In this Agreement, words importing the singular include the plural and vice versa, and words importing gender include all genders.
- 1.5 **Construction.** The division of this Agreement into sections and the use of headings are for convenience of reference only and are not intended to govern, limit or aid in the interpretation of this Agreement. The wording of this Agreement will be construed simply, according to its fair meaning, and not strictly for or against any party.
- 1.6 **Validity of Provisions.** If a Court of competent jurisdiction finds that any provision contained in this Agreement is invalid, illegal or unenforceable, such invalidity, illegality or unenforceability will not affect any other provision of this Agreement which will be construed as if such invalid, illegal or unenforceable provision had never existed and such other provisions will be enforceable to the fullest extent permitted at law.
- 1.7 **No Waiver.** Failure by either party to exercise any of its rights, powers or remedies hereunder or its delay to do so, will not be interpreted as a waiver of those rights, powers or remedies except in the case of a written waiver. No waiver of a particular right will be deemed to be a waiver of that right in any other instance or a waiver of any other right.
- 1.8 **Statutes.** Any reference to a statute and to any regulations under that statute means the statute and regulations as amended or replaced from time to time.
- 1.9 **Remedies.** Any party to this Agreement, in addition to its rights under this Agreement or at law, will be entitled to all equitable remedies including specific performance, injunction and/or declaratory relief, to enforce its rights under this Agreement. No reference to or exercise of any specific right or remedy under this Agreement or at law or in equity by any party will prejudice or preclude that party from exercising any other such right or remedy. No such right or remedy will be exclusive or dependent upon any other such right or remedy, but any party, from time to

time, may exercise any one or more of such rights or remedies independently, successively or in combination. The Owner acknowledges that specific performance, injunctive relief (mandatory or otherwise) or other equitable relief may be the only adequate remedy for a default by the Owner under this Agreement.

1.10 **Schedules**. The following Schedules are attached to and form integral parts of this Agreement:

Schedule "A" Permitted Encumbrances Schedule  
"B" Qualified Buyer Criteria

## **SECTION 2. SECTION 219 COVENANT**

2.1 **Covenant**. The Owner hereby covenants with CRD that:

- (a) the Affordable Unit will not be sold, assigned or otherwise transferred otherwise than:
  - (i) to a Qualified Buyer;
  - (ii) for a selling price not greater than the Below Market Value;
  - (iii) subject to the Covenant and the Option; and
  - (iv) in a way which complies with Section 2.2, or to CRD under Section 3;
- (b) the Affordable Unit will not at any time be subject to a conventional high ratio mortgage or mortgages which, in total, secure an amount which exceeds 95% of the Below Market Value; and
- (c) the Owner shall not permit (whether by renting or otherwise) any person other than the Owner and members of the owner's Immediate Family to occupy the Affordable Unit, and shall not use or permit the premises to be used solely for conducting a business or profession,

and the Owner and CRD agree that, subject to Section 2.3 the covenant set out above will be registered as a charge against the Affordable Unit and run with the Affordable Unit for the Term.

2.2 **Procedure for Sale of Affordable Unit**.

2.2.1 **Owner Notifies NPO of Intention to Sell**.

If at any time after the first conveyance of an Affordable Unit by the Developer, the Owner wishes to sell, assign or otherwise transfer the Affordable Unit, the Owner will do so in accordance with a bona fide arm's length agreement of purchase and sale (or as a court may order in a proceeding to enforce a mortgage of the Affordable Unit) and the Owner will, prior to:

- (a) listing or offering the Affordable Unit for sale; or
- (b) accepting an offer to purchase the Affordable Unit,

deliver to the NPO written notice of their intention to sell an Affordable Unit, such notice to be in the form required by the NPO.

### 2.2.2 Owner Retains Appraiser.

Within 7 days after the Owner notifies the NPO of their intention to sell an Affordable Unit, the Owner will select an Appraiser to be retained by the Owner to undertake an appraisal (the "Owner Appraisal") of the Fair Market Value of the Affordable Unit. The Owner will deliver a copy of the Owner Appraisal to the NPO within 7 days after the Owner receives the Owner Appraisal.

### 2.2.3 Owner and NPO Agree on Maximum Selling Price.

If the Owner and the NPO agree within 7 days after the Owner Appraisal is delivered to the NPO that the Fair Market Value of the Affordable Unit is as stated in the Owner Appraisal, the Fair Market Value stated in the Owner Appraisal, less 10%, will be the maximum price at which the Owner will be permitted to sell the Affordable Unit during a period of 6 months commencing on the effective date of the Owner Appraisal.

### 2.2.4 Owner and NPO Do Not Agree on Maximum Selling Price.

2.2.4.1 If the Owner and the NPO do not agree within 7 days (the "Appraisal Review Period") after the Owner Appraisal is delivered to the NPO that the Fair Market Value of the Affordable Unit is as stated in the Owner Appraisal, the NPO will retain its own Appraiser to undertake an appraisal (the "NPO Appraisal") of the Fair Market Value of the Affordable Unit in which case the average of the Fair Market Value stated in the Owner Appraisal and the NPO Appraisal, less 10%, will be the maximum price at which the Owner will be permitted to sell the Affordable Unit during a period of 6 months commencing on the effective date of the NPO Appraisal.

2.2.4.2 The NPO will deliver a copy of the NPO Appraisal to the Owner within 7 days after the NPO receives the NPO Appraisal.

2.2.4.3 If the NPO Appraisal is not delivered to the Owner within 30 days after the end of the Appraisal Review Period, the Fair Market Value stated in the Owner Appraisal, less 10%, will be the maximum price at which the Owner will be permitted to sell the Affordable Unit during a period of 6 months commencing on the effective date of the Owner Appraisal.

### 2.2.5 Owner Responsible for Appraisal Costs.

The Owner will be responsible for the cost of both the Owner Appraisal and the NPO Appraisal. If the cost of the NPO Appraisal is initially paid by the NPO, the Owner will reimburse the NPO for the cost of the NPO Appraisal within 30 days after demand by the NPO. If any amount owed by the Owner to the NPO with respect to the NPO Appraisal is not paid prior to the completion of the sale of the Affordable Unit by the Owner, a portion of the sale proceeds equal to the amount owing to the NPO will be deemed to have been irrevocably assigned by the Owner to the NPO.

### 2.2.6 NPO Notifies Owner of Maximum Selling Price.

Within 7 days after the Fair Market Value of the Affordable Unit has been determined under Section 2.2.3 or 2.2.4, the NPO will notify the Owner of the maximum price, determined under Section 2.2.3 or 2.2.4, at which time the Owner will be permitted to offer to sell the Affordable Unit, which price shall be deemed to be its Below Market Value.

**2.2.7 Owner to Deliver True Copy of Sale Contract to NPO.**

The Owner will immediately deliver a true copy of any contract of purchase and sale which the Owner may enter into with respect to the sale of the Affordable Unit or any interest therein (the "Sale Contract"). The Owner will deliver to the NPO with the Sale Contract, or upon the request of the NPO, such information with respect to the buyer named in the Sale Contract as the NPO may reasonably require to determine whether the buyer is a Qualified Buyer.

**2.2.8 Terms to be Included in Sale Contract.**

The Sale Contract will be in writing and will:

- (a) be for a selling price not greater than the Below Market Value of the Affordable Unit;
- (b) be subject to the NPO determining and notifying the Owner in writing (within a period of 10 Business Days after the NPO receives a true copy of the Sale Contract) that (1) the Owner has complied with the requirements of this Section 2.2, and (2) the buyer is a Qualified Buyer, failing which the Sale Contract will be null and void; and
- (c) include a statement that the buyer agrees to purchase the Affordable Unit subject to the Covenant, the Option and all other terms of this Agreement.

**2.2.9 No Sale after 6 Months Without New Appraisal.**

The NPO will not be obligated to review or make any determination with respect to a Sale Contract as stated in subsection 2.2.8(b) above if the date of receipt by the NPO of a true copy of the Sale Contract and any other information required by the NPO under Section 2.2.7 is after the expiry of the 6 month period during which the Owner is permitted to sell the Affordable Unit. If the 6 month period has expired, the process under Section 2.2 will begin again, with the Owner giving fresh notice to the NPO of their intention to sell the Affordable Unit.

**2.2.10 CRD Will Notify Owner of Change in NPO.**

CRD will notify the Owner in writing of any appointment or replacement of an NPO and of the address to which notices to the NPO will be sent.

**2.2.11 Fee to NPO**

The NPO will be entitled to payment of a fee equal to 0.5% of the gross selling price of an Affordable Unit, such fee to be paid on closing of the sale of such Affordable Unit by the Owner and a portion of the sale proceeds equal to the amount owing to the NPO will be deemed to have been irrevocably assigned by the Owner to the NPO.

### 2.3 Procedure for Foreclosure.

#### 2.3.1 CRD Right to Market and Sell.

If the Approved Lender or CMHC commences a foreclosure proceeding (the "Proceeding") under an Insured Mortgage of the Affordable Unit the Owner covenants and agrees with CRD that:

- (a) the Owner shall notify CRD of the Proceeding;
- (b) at the time which is the midpoint of any redemption period (the "Redemption Period") ordered in the Proceeding, CRD shall have the right and may apply for an order in the Proceeding, unopposed by the Owner, to market and sell the Affordable Unit in accordance with Section 2.1(a)(i), (ii), (iii) and (iv);
- (c) on receipt of the order in the Proceeding under Section 2.3.1(b) CRD shall have the right to enter into an agreement with a licensed realtor to market and sell the Affordable Unit at the prevailing commission or fee; and
- (d) the Owner shall provide reasonable access to the Affordable Unit by CRD, the licensed realtor and any prospective purchaser of the Affordable Unit for the purpose of repairing, cleaning, appraising, marketing and selling the Affordable Unit.

#### 2.3.2 CMHC Notice to CRD.

In the event that CRD does not sell the Affordable Unit pursuant to Section 2.3.1, CMHC or the Approved Lender may, 120 days after expiry of the Redemption Period ordered in the Proceeding, issue a 30 day notice (the "Notice Period") to CRD to redeem the Insured Mortgage. In the event that CRD does not redeem the Insured Mortgage within the Notice Period, CRD shall cause this Agreement to be discharged from title to the Affordable Unit at the LTO within 7 days of expiry of the Notice Period.

#### 2.3.3 CMHC Sale.

In the event that the Affordable Unit is sold by the Approved Lender or CMHC after discharge of this Agreement from title to the Affordable Unit and such sale generates funds in excess of the balance owing under the Insured Mortgage and related costs, including charges, taxes, commissions and utilities regarding the Affordable Unit, such excess funds shall forthwith be paid to CRD, for its own use absolutely. This Section 2.3.3 shall bind the Owner, the Approved Lender, CMHC (where CMHC has a mortgage loan insurance policy in force for the Affordable Unit) and CRD both before and after discharge of this Agreement from title to the Affordable Unit.

### 2.4 Procedure for Rental and Recovery of Rent Charges.

#### 2.4.1 Rental Prohibited.

2.4.1.1 All rentals of the Affordable Units are prohibited, except:

- (a) In the case of hardship, as decided by the NPO in its sole discretion, and on making an application to the NPO in the form provided by the

NPO, if any, an Affordable Unit may be rented at an Affordable Rate for a period no shorter than six months; or

- (b) If a qualified buyer cannot be located, as decided by the NPO in its sole discretion, and on making an application to the NPO in the form provided by the NPO, if any, an Affordable Unit may be rented at an Affordable Rate for a period no shorter than six months.

2.4.1.2 The maximum term of any rental shall be two years, at which point the Affordable Unit must be listed for sale in accordance with section 2.2. Rental may continue at an Affordable Rate at the discretion of the NPO. If hardship continues or a qualified buyer cannot be located after this listing, additional sales listings may be required at any time at intervals decided by the NPO at its discretion.

2.4.1.3 Any tenancy shall be governed by an agreement under the *Residential Tenancy Act* (BC) which shall include the following provisions:

- (a) permitting the Owner to terminate the tenancy agreement in accordance with the *Residential Tenancy Act* if the tenant uses or occupies, or allows use or occupation of, the Affordable Unit in breach of the use or occupancy restrictions contained in this Agreement;
- (b) explicitly prohibiting the assignability, sub-letting, and use of the Affordable Unit for short term vacation rentals;
- (c) explicitly specifying that only persons named in the tenancy agreement may occupy the Affordable Unit;
- (d) providing that the Owner will have the right, at its option, to terminate the tenancy agreement should the tenant remain absent from the Affordable Unit for three consecutive months or longer, notwithstanding the timely payment of rent;
- (e) prohibiting guests residing in the Affordable Unit for more than 30 days, whether or not consecutive, in any 12 month period without the prior written consent of the Owner; and
- (f) prohibiting use of the Affordable Unit for non-residential rentals, assignments, sub-lets, licenses and uses, such as vacation rentals, including such services as AirBNB or Vacation Rental By Owner, short term licenses, or short-stay use of any kind, and business-only premises.

2.4.1.4 The Owner will terminate the tenancy if the tenant uses or occupies, or allows use or occupancy in breach of the use and occupancy restrictions in this Agreement.

## **2.4.2 Rent Charge and Acknowledgement.**

2.4.2.1 The Owner acknowledges that the CRD requires affordable housing to ensure prosperity and economic growth for the residents of the Capital Region. The Owner acknowledges the purpose of the Affordable Unit is to provide affordable housing to residents of the Capital Region, and it is not to be used for a short term vacation rental or left as a vacant home. The Owner therefore agrees that

for each day an Affordable Unit is occupied in breach of this Agreement, the Owner will pay to the CRD \$150 for each day on which the breach has occurred and continues to occur, as liquidated damages and not as a penalty, due and payable at the offices of the CRD on the last day of the calendar month in which the breach occurred. The \$150 per day amount will increase on January 1 of each year by the amount calculated by multiplying the amount per day payable on the previous January 1 by the percentage increase between that previous January 1 and the immediately preceding December 31 in the CPI.

2.4.2.2 The Owner hereby grants to the CRD a rent charge under s. 219 of the *Land Title Act* (British Columbia), and at common law, securing payment by the Owner to the CRD of the amount payable by the Owner pursuant to section 2.4.2 of this Agreement. The Owner agrees that the CRD, at its option, may enforce payment of such outstanding amount in a court of competent jurisdiction as a contract debt, by an action for and order for sale, by proceedings for the appointment of a receiver, or in any other method available to the CRD in law or in equity.

### SECTION 3. OPTION TO PURCHASE

- 3.1 **Option to Purchase.** The Owner hereby grants CRD an exclusive and irrevocable option to purchase the Affordable Unit during the Term at the Option Purchase Price in accordance with Sections 3 and 4.
- 3.2 **Exercise of Option.** CRD may exercise the Option only if the Owner:
- (a) defaults in its obligations under Sections 2.1 or 2.2; or
  - (b) acquired the Affordable Unit from a previous Owner for a price which was, as of the date of closing of that transaction, greater than the Below Market Value or if the Owner was not, as of that date, a Qualified Buyer; or
  - (c) defaults in its obligations under any mortgage of the Affordable Unit.
- 3.3 **Method of Exercise of Option.** CRD may exercise the Option by delivering Notice of exercise of the Option to the Owner.
- 3.4 **Effect of Exercise of Option.** From and after the Notice Date, this Agreement and the Notice will together constitute a binding and enforceable contract between the Owner and CRD for the purchase and sale of the Affordable Unit in accordance with the terms and conditions of Section 4.

### SECTION 4. PURCHASE AND SALE

- 4.1 **Purchase and Sale.** Subject to the terms and conditions of this Section 4 and relying on the warranties and representations herein set out, the Owner agrees to sell and CRD agrees to purchase the Affordable Unit on the Closing Date for the Option Purchase Price, and the Owner agrees that, at the request of CRD, it will transfer registered title to the Affordable Unit to CRD or such other Person as CRD may designate.
- 4.2 **Option Purchase Price.** CRD will pay the Option Purchase Price, subject to adjustment pursuant to Section 4.10, to the Owner on the Closing Date.



- 4.3 **Repair and Maintenance.** From and after the Notice Date to the Closing Date, the Owner will take good care of the Property, will carry out all necessary repairs, maintenance, and replacements, will take reasonable care to protect and safeguard the Property and will in all other respects deal with the Property so that the warranties and representations of the Owner set out in this Agreement remain true and correct.
- 4.4 **Insurance.** From and after the Notice Date to the Closing Date, the Owner will ensure that all policies of insurance with respect to the Property remain in full force and effect.
- 4.5 **Risk.** The Property will be at the risk of the Owner up to the time the Transfer is submitted for registration at the LTO on the Closing Date and will be at the risk of CRD after the time the Transfer is submitted for registration at the LTO on the Closing Date.
- 4.6 **Damage.** If, prior to the time the Transfer is submitted for registration at the LTO, any damage occurs to the Property or any of the assets comprising the Property, CRD, by notice to the Owner, may elect to postpone the Closing Date for a period of not more than 30 days and may also elect:
- (a) not to acquire the Affordable Unit, in which case neither party will have any further obligation to the other under this Section 4 pertaining to that particular Notice; or
  - (b) that the Owner assign to CRD the Owner's right to receive any and all insurance proceeds payable with respect to the damage, subject to any bona fide loss payee designation, in which case the Owner will execute and deliver to CRD an assignment satisfactory to CRD.
- 4.7 **Construction Warranties.** From and after the Closing Date, the Owner will assign to CRD all the Owner's rights under all warranties, guarantees or contractual obligations against any contractor or supplier who was engaged in the construction, renovation, or repair of all or any part of the Affordable Unit or any improvement to the Affordable Unit. CRD's acceptance of this assignment will not represent a waiver by CRD of the Owner's covenants, agreements, representations and warranties set out in this Agreement.
- 4.8 **Owner's Covenants.** The Owner will:
- (a) take all proper actions and proceedings on its part to enable the Owner to transfer a good and marketable title to the Affordable Unit to CRD or such Person as CRD may designate, free and clear of all encumbrances other than Permitted Encumbrances;
  - (b) deliver vacant possession of the Property to CRD or such Person as CRD may designate on the Closing Date, subject to prior receipt of the Option Purchase Price by the Owner;
  - (c) not, from and after the Notice Date to the Closing Date, sell, transfer, dispose of or remove from the Affordable Unit any Personal Property; and
  - (d) both before and after the Closing Date do such other things as CRD may reasonably require for transferring to and vesting in CRD or such Person as CRD may designate title to the Affordable Unit as contemplated by this Section 4.
- 4.9 **Documents.** CRD will prepare the documents necessary to complete the Transaction which will be in a form and substance reasonably satisfactory to CRD and its lawyers.

- 4.10 **Adjustments and Credits.** The Owner and CRD will adjust, as at the Closing Date, all usual adjustments for a property similar to the Property including taxes, utility rates and any moneys owing to the strata corporation formed in respect of the Project.
- 4.11 **Closing.** The Owner and CRD will complete the Transaction on the Closing Date at the offices of CRD or its lawyers.
- 4.12 **Owner's Closing Documents.** At the closing, the Owner will deliver to CRD the following duly executed documents:
- (a) the Transfer;
  - (b) a vendor's statement of adjustments;
  - (c) a bill of sale for the Personal Property and all other deeds, transfers, assignments, resolutions, consents, estoppels and other certificates and assurances as CRD may reasonably require;
  - (d) a certificate in confirmation that the sale of the Affordable Unit to CRD is exempt from taxes under the *Excise Tax Act* (the "GST") or, alternately, a certified cheque or bank draft payable to CRD in an amount equal to the GST payable by CRD on the Option Purchase Price; and
  - (e) unless waived in writing by CRD, a certified cheque or bank draft payable to CRD in the amount, if any, by which the moneys owing under and required to discharge any mortgage or mortgages of the Affordable Unit exceed the Option Purchase Price (calculated in accordance with Section 1.1.28(2)), as adjusted under Section 4.10.
- 4.13 **CRD's Closing Documents.** At the closing, CRD will deliver to the Owner:
- (a) a purchaser's statement of adjustments; and
  - (b) a cheque for the Option Purchase Price, as adjusted under Section 4.10.
- 4.14 **Tabling.** Except for the Transfer, all documents and cheques will be tabled at the closing. CRD will cause its lawyers, on the Closing Date, to conduct a pre-registration index search of the Affordable Unit at the LTO. If that search indicates that no liens, charges or encumbrances have been registered or filed in respect of the Affordable Unit except for Permitted Encumbrances and encumbrances which the lawyers for the Owner have undertaken to discharge, the lawyers for CRD or their agents shall submit the Transfer for registration and then conduct a post-filing registration index search. If that search indicates that no liens, charges or encumbrances have been registered or filed in respect of the Affordable Unit since the pre-filing registration index search, all documents and payments will be released to each of the Owner and CRD according to the entitlement of each of them.
- 4.15 **Reimbursement.** If CRD waives payment on the Closing Date of the amount referred to in Section 4.12(e), the Owner shall pay such amount to CRD, on demand, with interest thereon at the rate of eighteen percent (18%) per annum, compounded monthly, from the Closing Date to the date of payment.
- 4.16 **Survival.** All the representations, warranties, covenants and agreements of the Owner and CRD contained in this Agreement will survive the Closing Date, registration of documents, and the payment of the Option Purchase Price.

## SECTION 5. RELEASE

- 5.1 **Release.** The Owner releases CRD and its officers, directors, employees and agents and their respective heirs, executors, administrators, personal representatives, successors and assigns absolutely and forever, from any claims the Owner may have against all or any of them for costs, expenses or damages the Owner may suffer, incur or be put to arising out of or in connection with this Agreement and from all claims arising out of advice or direction respecting the sale of the Affordable Unit or use of the Property given to the Owner by any of them or by the NPO.

## SECTION 6. GENERAL PROVISIONS

- 6.1 **Discharge of Covenant and Option to Purchase on Strata Lots not designated as Affordable Units.** The parties agree that this Agreement is intended to only apply to the six (6) strata lots to be designated by the Developer as the Affordable Units upon the filing of the strata plan for the Strata Development and concurrently with filing of the strata plan for the Strata Development this Covenant, the Rent Charge and the Option to Purchase shall be discharged from title to all of the strata lots and the common property except for the Affordable Units designated by the Developer, and this Agreement will only charge the Affordable Units. The parties will execute all such documents as may be required to complete the foregoing discharges.
- 6.2 **Notices.** Unless otherwise specified, each notice to the Owner must be given in writing and delivered personally or by courier to the Owner at its address shown on title to the Affordable Unit as registered in the LTO from time to time. Unless otherwise specified, each notice to CRD must be given in writing and delivered personally or by courier to CRD, Attention: Manager Real Estate Services, at the address shown on the General Instrument - Part 1 or to such other address or addresses or person or persons as CRD may designate. Notices will be deemed to have been received when delivered.
- 6.3 **Fees.** Each of the Owner and CRD will pay its own legal fees. CRD will pay all fees in connection with registration of the Transfer.
- 6.4 **Enuring Effect.** This Agreement will enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns as the case may be of the Owner and CRD, provided that the Owner shall not be liable for any breach of the covenant contained in Section 2.1 except as such liability relates to the period of ownership of an Affordable Unit by the Owner. If, by operation of statute or otherwise, the Option becomes or will within a period of three months become void or unenforceable as the result of the passage of time, the Owner or their heir, legal representative, successor or permitted assign, as the case may be, will, at the request of CRD, execute and deliver to CRD a replacement agreement substantially in the form of this Agreement.
- 6.5 **Registration.** This Agreement will be registered against title to the Lands initially and then shall be restricted to the titles to the Affordable Units upon filing of a strata plan of the Lands in the LTO subject only to Permitted Encumbrances.
- 6.6 **Discharge.** On expiry of the Term, the Owner may require that CRD execute and deliver to the Owner a release in registrable form of the Covenant and the Option.
- 6.7 **Amendment.** This Agreement may only be amended by written agreement of the parties.

- 6.8 **Counterparts**. This Agreement and any amendment, supplement, restatement or termination of any provision of this Agreement may be executed and delivered in any number of counterparts, each of which, when executed and delivered is an original, but all of which taken together constitute one and the same instrument.

IN WITNESS WHEREOF the parties have duly executed this Agreement by signing the General Instrument - Part 1.

**CONSENT AND PRIORITY AGREEMENT**

GIVEN THAT Coast Capital Savings Federal Credit Union (the "Chargeholder") is the holder of a mortgage and assignment of rents registered against the land legally described (the "Land") in the s. 219 covenant to which this Agreement is attached (the "Covenant"), which mortgage and assignment of rents are registered in the Victoria land title office under instrument numbers CA5309605 and CA5309606 respectively (the "Charge"),

This Consent and Priority Agreement is evidence that in consideration of payment to it of \$1.00 by the transferee described in item 6 of Part 1 of the Form C to which this Agreement is attached (the "Transferee"), the Chargeholder agrees with the Transferee as follows:

1. The Chargeholder consents to the granting and registration of the Covenant, Rent Charge, and Option to Purchase, and the Chargeholder agrees that the Covenant, Rent Charge and Option to Purchase bind its interest in and to the Land.
2. The Chargeholder grants to the Transferee priority for the Covenant, Rent Charge, and Option to Purchase over the Chargeholder's right, title and interest in and to the Land and the Chargeholder postpones the Charge, and all of its right, title and interest thereunder, to the Covenant, Rent Charge and Option to Purchase as if the Covenant, Rent Charge, and Option to Purchase had been executed, delivered and registered prior to the execution, delivery and registration of the Charge.

As evidence of its agreement with the Transferee to be bound by this Consent and Priority Agreement, as a contract and as a deed executed and delivered under seal, the Chargeholder has executed and delivered this Agreement by executing Part 1 of the Land Title Act Form C to which this Agreement is attached and which forms part of this Agreement.

**SCHEDULE "A"**  
**PERMITTED ENCUMBRANCES**

Legal Notations:

None

Charges, Liens and Interests:

Undersurface Rights (M76301) – Her Majesty the Queen in Right of the Province of British Columbia, Inter Alia, A.F.B. 3.257.3685; A.F.B. 1.645.830 Section 172(3)

Right of Way (239846G) - The Corporation of the District of Saanich, Inter Alia, Southerly 10 Feet

**SCHEDULE "B"**  
**QUALIFIED BUYER CRITERIA**

**1. Sale of an Affordable Unit by the Developer:**

In the case of the sale of an Affordable Unit by the Developer, a Qualified Buyer means:

- (a) a first time home buyer, being a buyer who has not owned a principal residence for at least 5 years immediately prior to the date of purchase of an Affordable Unit;
- (b) a resident of the Capital Regional District from time to time, for at least one year immediately prior to the date of purchase of an Affordable Unit;
- (c) a person who provides Proof of Income that annual gross Income is, for a unit less than 500 sq. ft, up to \$74,450 at time of sale or 64% of BC Housings Moderate Income for Couples Without Children, and for a unit larger than 500 sq. ft is up to \$105,500 or 64% of BC Housings Moderate Income Limit for Families with Children at time of sale, for at least one year immediately prior to the date of purchase of an Affordable Unit; and
- (d) a person who intends to immediately use and occupy the Affordable Unit as their principal residence and not rent or lease the Affordable Unit to any other person, nor leave the unit vacant, use it solely for a business or profession, or use it as a short- term vacation rental property of any kind.

it being understood and agreed that preferential consideration may be given to a person who meets all of the above criteria and all or some of the following criteria:

- (a) a person who does not own a vehicle; and
- (b) a person who satisfies such other criteria as may be applied by the NPO and CRD from time to time.

**2. Sale of an Affordable Unit by an Owner other than the Developer:**

In the case of the sale of an Affordable Unit by an Owner other than the Developer, a Qualified Buyer means:

- (a) a first time home buyer, being a buyer who has not owned a principal residence for at least 5 years immediately prior to the date of purchase of an Affordable Unit;
- (b) a resident of the Capital Regional District from time to time, for at least one year immediately prior to the date of purchase of an Affordable Unit;
- (c) a person who provides Proof of Income that annual gross Income is between the range set from time-to-time by the NPO in its sole discretion (which shall not be appealed) for at least one year immediately prior to the date of purchase of an Affordable Unit, it being understood and agreed that the NPO may, from time to time, grant an exemption from or vary such requirement if, in the opinion of the NPO and having regard to prevailing market conditions, such exemption or variation is consistent with the continued use and availability of the Affordable Unit as affordable housing; and

- (d) a person who intends to immediately use and occupy the Affordable Unit as their principal residence and not rent or lease the Affordable Unit to any other person, nor leave the unit vacant, use it solely for a business or profession, or use it as a short-term vacation rental property of any kind.

For the purpose of Schedule B:

"Income" means the total income before income tax from all sources of all persons intending to live in an Affordable Unit including, without limitation:

- (a) all income from earnings, including commissions and tips;
- (b) all income from all public and private pension plans, old age security and guaranteed income supplement;
- (c) all income received under the *Employment and Assistance Act* and the *Employment and Assistance for Persons with Disabilities Act*;
- (d) disabled veteran's allowance;
- (e) alimony;
- (f) child support;
- (g) workers' compensation benefits;
- (h) employment insurance; and
- (i) Income from Assets,

but excluding the following:

- (a) child tax benefit;
- (b) capital gains, such as insurance settlement, inheritances, disability awards and sale of effects in the year they are received;
- (c) the earnings of a person aged 18 and under;
- (d) student loans, student loan equalization payments and student grants but excluding non-repayable training allowances, research fellowships or similar grants;
- (e) shelter aid for elderly renters (SAFER) or rental assistance program (RAP) payments received prior to purchasing an Affordable Unit;
- (f) GST rebates;
- (g) taxable benefits received through employment;
- (h) government provided daycare allowance; and
- (i) payments for foster children, or child in home of relative (CIHR) income under the *Employment and Assistance Act*.



"Income from Assets" means computing income from assets of all persons intending to live in an Affordable Unit at a percentage per annum as determined by CRD, excluding the first \$62,051.00 in assets of such persons, based on November 1, 2018 dollars, indexed over time by reference to changes from time to time in the consumer price index (all items, British Columbia) or if such consumer price index is no longer published, such substitute and comparable index as the NPO may designate.

"Proof of Income" means a tax return filed with Canada Revenue Agency or a notice of assessment from Canada Revenue Agency under the *Income Tax Act*.

END OF DOCUMENT

**REPORT TO THE HOSPITALS AND HOUSING COMMITTEE  
MEETING OF WEDNESDAY, MARCH 03, 2021**

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**SUBJECT**      **Capital Regional Hospital District Investment Portfolio Holdings and Annual Performance Update**

**ISSUE SUMMARY**

Provide an update on Capital Regional Hospital District (CRHD) investment holdings and performance for the period ended December 31, 2020.

**BACKGROUND**

The CRHD invests operating, capital, and reserve funds in accordance to the *Local Government Act*, *Community Charter*, and Board approved Investment Policy. The *Hospital District Act* does not contain specific reference to investing guidelines. The Investment Policy applies to the investment activities for all funds maintained by the Capital Regional District and the CRHD. The types and terms of investments purchased are evaluated conservatively on four fundamental objectives: safety of principal, liquidity, responsible investing, and return on investment.

The policy also provides the minimum ratings of investment vehicles that can be purchased. Currently, investments in chartered banks or savings institutions must be rated R-1 (low) or higher for short-term investment and A- for long-term. Both ratings indicate a superior credit rating on all investments.

The Investment Policy provides criteria to ensure the capital is preserved and rate of return maximized while maintaining sufficient liquidity. The CRHD invests net working capital and reserves in a mix of vehicles including high-interest savings accounts (HISA), fixed term guaranteed investment certificates (GICs) and Municipal Finance Authority (MFA) investment funds. The placement or divestiture of investments are timed with the forecasted need.

Investments through 2020 have been made in alignment with the Investment Policy. Although economic and market conditions were challenging, performance exceeded expectations for the year ended December 31, 2020, as described in the report.

**IMPLICATIONS**

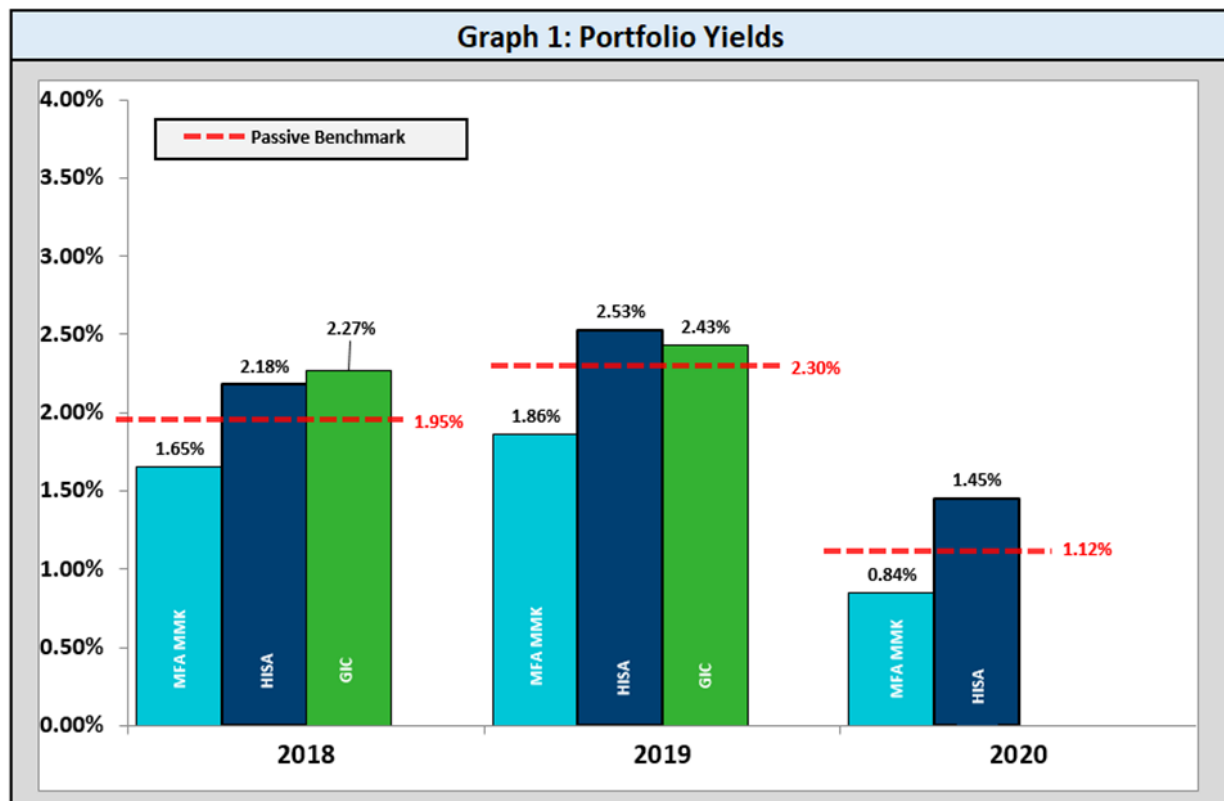
*Financial Implications*

**Performance**

Returns in 2020 decreased as a result of reduced Bank of Canada rates and lower cash reserves with the completion of the the Summit Project. Reserve cash flow estimates resulted in all investments remaining short-term facilities.

An active investment strategy became increasingly important, driven by rate environment fluctuations and maturing cash flow management. This approach increases investment activity but helps to manage liquidity and interest rate risk.

To take advantage of rate premiums on short-term investments, cash was placed in facilities yielding optimum return while still meeting liquidity targets. Graph 1 below provides a detailed report on portfolio yields for 2020:



During 2020, the HISA deposits yielded 1.45% while the MFA Money Market Fund returned 0.84%, indicative of short-term rates declining on marketable securities. The passive benchmark represents a theoretical return experienced from a liquid hold strategy with no active management. Passive rates over the past 3 years were 1.95%, 2.30% and 1.12% respectively.

Table 1 below shows the three year trend on investment income. Realized income is distributed annually on a pro-rata basis to reserves.

<b>Table 1: CRHD Investment Income 3-Year Trend (\$ Millions)</b>	<b>2018</b>		<b>2019</b>		<b>2020</b>	
Passive Income	1.9%	\$0.8M	2.3%	\$0.9M	1.1%	\$0.2M
Value-Add	0.3%	\$0.4M	0.2%	\$0.1M	0.3%	\$0.1M
<b>Total</b>	<b>2.2%</b>	<b>\$1.2M</b>	<b>2.5%</b>	<b>\$1.0M</b>	<b>1.4%</b>	<b>\$0.3M</b>

The total effective rate of return on investments, during 2020, was 1.4%. Total investment income for 2020 was \$0.3 million.

### Portfolio Holdings

At December 31, 2020, the CRHD held \$19.6 million invested in short-term investments, as outlined in Table 2 below.

**Table 2: Investment – as at Dec 31, 2020**

Investments	Balance (\$millions)	% Share
<b>Investments Short-Term (less than 2 years)</b>		
BMO High Interest Savings Account	\$13.0	66.6%
Scotiabank High Interest Savings Account	3.6	18.4%
Scotiabank Notice Plan	2.7	13.9%
MFABC CIBC High Interest Savings Account	0.0	0.2%
MFABC National Bank High Interest Savings Account	0.1	0.4%
MFABC Money Market Fund	0.1	0.5%
<b>Total Investments:</b>	<b>\$19.6</b>	<b>100%</b>

As noted in Table 2 above, the CRHD investment portfolio at December 31, 2020, was distributed 100% to short-term investments. Investments with maturities less than two years are classified as short-term.

**Table 3: Cash and Reserves Invested – as at Dec 31, 2020 (unaudited)**

Investments	Balance (\$millions)	% Share
Land Development Reserve Fund	\$6.2	31.6%
Housing First Health Projects Reserve Fund	5.8	29.5%
Summit Management Reserve	0.3	1.4%
Capital and Loan Fund	3.4	17.5%
Hospital District Act Section 20(3) Reserve	3.9	20.0%
<b>Total Investments:</b>	<b>\$19.6</b>	<b>100%</b>

The Summit at Quadra Village construction project necessitated maintaining high levels of liquidity, driving a higher ratio of short-term investments. With the project concluding, short-term liquidity requirements will decrease in 2021. As the CRHD builds reserves in anticipation of future construction and major capital asset replacement, capital reserves requiring investment in long-term investment holdings will increase.

### CONCLUSION

Overall, the Capital Regional Hospital District portfolio of investments reflects the four fundamental objectives of safety of principal, liquidity, responsible investing and return on investment. Investments have been made in keeping with requirements under the Investment

Policy and investment performance was in line with expectations for the year ended December 31, 2020.

**RECOMMENDATION**

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

That the Capital Regional Hospital District Investment Portfolio Holdings and Annual Performance Update be received for information.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

**ATTACHMENT(S)**

Appendix A: Market Analysis

## Market Analysis

### Applies to the Capital Regional District (CRD), the Capital Regional Hospital District (CRHD), and the Capital Region Housing Corporation (CRHC)

As part of overall portfolio management, staff regularly monitor market trends and key metrics such as the Bank of Canada overnight interest rate, the Government of Canada bond rates and other market commentary issued by banks and investment brokers. Additionally, the Municipal Finance Authority (MFA) provides regular market commentary on new product developments and based on outlook reports provided by Phillips, Hager & North Investment Management (PH&N).

In 2020, the Bank of Canada reacted to the COVID-19 global pandemic by dropping its key overnight rate three times in March 2020, from 1.75% to 0.25%. These moves decreased the prime rate as well as the rate offered on cash deposits with the CRD's primary bank, the Royal Bank of Canada (RBC). For most of 2020, both the short term high-interest savings accounts and short term GICs were offering competitive returns when compared to long-term GICs. The table below presents key indicator rates at December 31 for the period 2018 to 2020:

**Table A1: Indicative Market Rates 2018 to 2020**

Rate	2018	2019	2020
Bank Of Canada – Overnight Rate	1.25% - 1.75%	1.75%	0.25% - 1.75%
HISA	1.96% - 2.46%	2.46%	0.80% - 1.06%
RBC – Bank Rate	1.70% - 2.30%	2.30%	0.80% - 2.30%
Fixed GIC – 180 day /1 Year (sample)	1.57% / 2.68%	1.68% / 2.30%	0.92% / 1.24%

### Investment Marketplace

Throughout 2020, HISA rates were highly competitive compared to fixed term GIC products. In many cases, HISA returns were higher than maturities up to terms as long as four (4) years.

On January 28, 2020, the MFA introduced a new pooled investment fund, called the MFA Mortgage Fund, which invests in existing PH&N pooled fund products, providing investment exposure to commercial investment grade mortgages.

On May 4, 2020, the MFA introduced a Fossil Fuel-Free Bond Fund (FFF). The FFF Bond Fund invests in securities similar to the existing bond fund except that the FFF option excludes those holdings directly related to non-renewable energy extraction, processing, and transportation. This additional screening is estimated to exclude approximately 4% of the population of investible securities compared to the existing bond fund. Both offerings are responses to demand from local government and both offer the same liquidity and pooled structure as the existing MFA investment offerings.

Staff will assess investment placements in these two new MFA pooled funds in the future, for the CRD, the CRHD, and the CRHC, as the need to place long-term funds arises.

**REPORT TO HOSPITALS AND HOUSING COMMITTEE  
MEETING OF WEDNESDAY, MARCH 03, 2021**

---

**SUBJECT**      **Capital Region Housing Corporation Investment Portfolio Holdings and Performance Annual Update**

**ISSUE SUMMARY**

Provide an update on Capital Region Housing Corporation (CRHC) investments held and performance for the period ended December 31, 2020.

**BACKGROUND**

The CRHC invests operating, capital and reserve funds in accordance with the *Local Government Act*, *Community Charter* and the Investment Policy. The types and terms of investments purchased are evaluated conservatively on three fundamental objectives: safety of principal, liquidity, and return on investment.

The policy also provides the minimum ratings of investment vehicles that can be purchased. Currently, investments in chartered banks or savings institutions must have a risk rating of R-1 (mid) or higher for short-term and a rating of AA for long-term. Both ratings achieve a superior credit rating on all investments.

Investments are continuously monitored to ensure the appropriate strategy through known economic and financial conditions. The CRHC invests net working capital and replacement reserves in a mix of vehicles including high interest savings accounts (HISA), fixed term guaranteed investment certificates (GICs) and Municipal Finance Authority (MFA) investment funds. The placement or divestiture of investments are timed with the forecasted need.

Investments through 2020 have been made in alignment with Investment Policy. Although economic and market conditions were challenging, performance exceeded expectations for the year ended December 31, 2020, as described in the report.

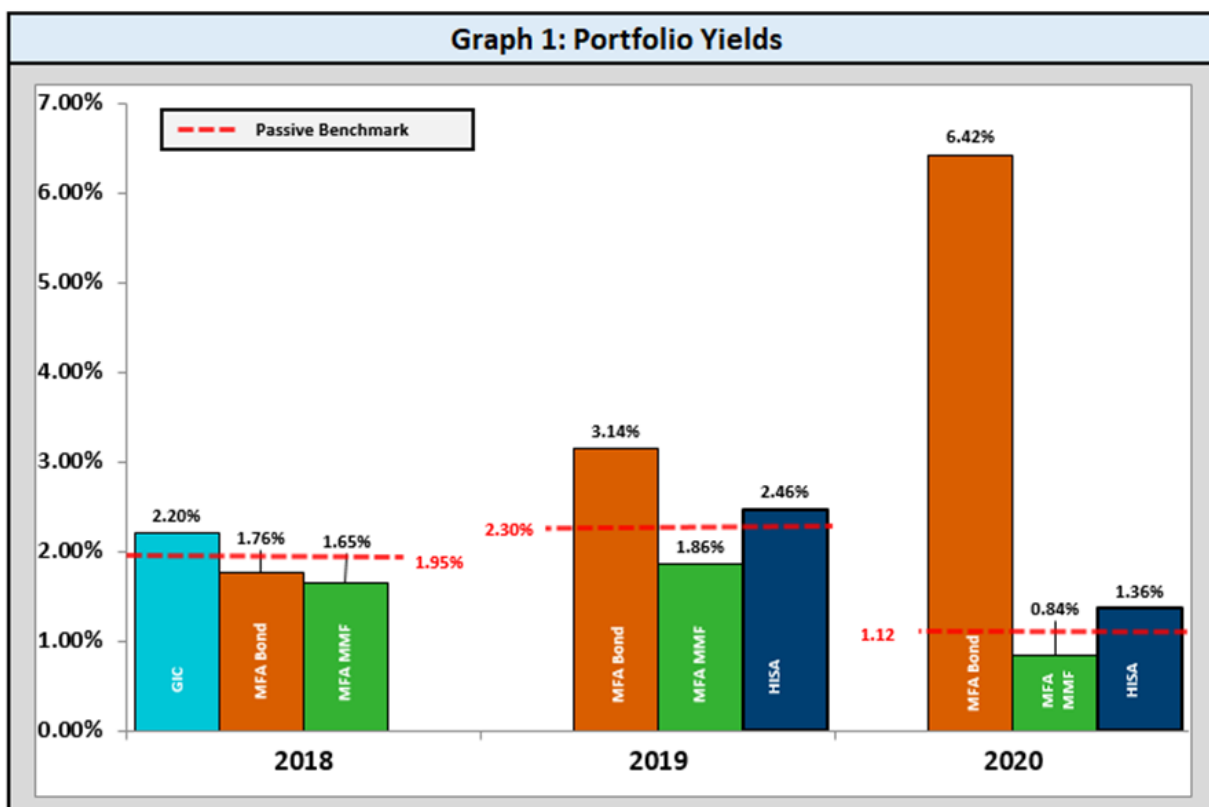
**IMPLICATIONS**

*Financial Implications*

**Performance**

While the Bank of Canada interest rates declined in 2020, most of the investment portfolio is long term in nature and remains invested in the MFA Bond Fund, mitigating short term market fluctuations. For short term investments, surplus net working capital is actively managed and placed in high yield products. An active investment strategy became increasingly important, driven by rate environment fluctuations and maturing cash flow management. This approach increases investment activity but helps to manage liquidity and interest rate risk.

Graph 1 below provides a detailed report on portfolio yields for 2020:



During 2020, the High Interest Savings Accounts earned 1.36% and the MFA Money Market returned 0.84%. The MFA Bond Fund posted a strong gain of 6.42% in 2020 due to the inverse relationship with falling prime interest rates. The passive benchmark represents a theoretical return experienced from a liquid hold strategy with no active management. Passive rates over the past 3 years were 1.95%, 2.30% and 1.12% respectively.

Table 1 below shows the three-year trend on investment income.

**Table 1: CRHC Investment Income 3-Year Trend (\$ Thousands)**

	2018		2019		2020	
Passive Income	1.6%	\$193.1K	2.3%	\$226.6K	1.1%	\$115.4K
Unrealized gain (loss)	(0.9%)	(\$56.8K)	0.5%	\$45.6K	3.5%	\$351.6K
Value-Add	0.8%	\$49.2K	0.2%	\$22.9K	1.0%	\$95.7K
<b>Total</b>	<b>1.8%</b>	<b>\$183.4K</b>	<b>3.0%</b>	<b>\$295.0K</b>	<b>5.6%</b>	<b>\$562.7K</b>

The total effective rate of return on investments during 2020 was 5.6%. Total investment income for 2020 was \$562.7 thousand, including unrealized gains on the MFA Bond Fund of \$351.6 thousand. The overall increase in investment income is driven by favourable returns on the MFA Bond fund and an active investment management strategy mitigating increased liquidity risk and uncertainty in 2020.



### Portfolio Holdings

At December 31, 2020, the CRHC held \$10.6 million invested in short-term and long-term investments, as outlined in Table 2 below.

**Table 2: Investments Holdings – as at Dec 31, 2020**

Investments	Balance (\$millions)	% Share
<b>Investments Short-Term (less than 2 years)</b>		
CIBC/MFABC High Interest Savings Account	1.6	15%
MFA Money Market Fund	0.1	1%
<b>Total Short-Term:</b>	<b>1.7</b>	<b>16%</b>
<b>Investments Long-Term (more than 2 years)</b>		
MFA Bond Fund	8.9	84%
<b>Total Long-Term:</b>	<b>8.9</b>	<b>84%</b>
<b>Total Investments:</b>	<b>\$10.6</b>	<b>100%</b>

As noted in Table 2 above, the portfolio was distributed between short-term and long-term investments by 16% and 84%, respectively. Investments with maturities less than two years are classified as short-term. While the MFA Bond Fund is a liquid investment, investments placed in the Bond Fund are recommended for longer term holdings only.

**Table 3: Cash and Reserves Invested – as at Dec 31, 2020 (unaudited)**

Investments	Balance (\$millions)	% Share
Capital Reserves	5.2	49%
Operating Reserves	2.6	25%
Working Capital	2.8	26%
<b>Total Investments:</b>	<b>\$10.6</b>	<b>100%</b>

Capital reserves are primarily held for long-term capital replacement of building components resulting in a high proportion of long-term investments. Operating reserves hold surpluses to fund changes in operating results or unanticipated variances in expenditures. Working capital funds day-to-day obligations such as payroll, trade invoices and other related expenditures. As the CRHC builds reserves in anticipation asset replacement, capital reserves requiring investment in long-term investment holdings will also increase.

### **CONCLUSION**

Overall, the Capital Region Housing Corporation portfolio of investments reflects the three fundamental objectives of safety of principal, liquidity, and return on investment. Investments have been made in keeping with requirements under the Investment Policy Statement and investment performance exceeded expectations for the year ended December 31, 2020.

**RECOMMENDATION**

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

That the Capital Region Housing Corporation Investment Portfolio Holdings and Performance Annual Update be received for information.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

**ATTACHMENT(S):**

Appendix A: Market Analysis

## Market Analysis

### **Applies to the Capital Regional District (CRD), the Capital Regional Hospital District (CRHD), and the Capital Region Housing Corporation (CRHC)**

As part of overall portfolio management, staff regularly monitor market trends and key metrics such as the Bank of Canada overnight interest rate, the Government of Canada bond rates and other market commentary issued by banks and investment brokers. Additionally, the Municipal Finance Authority (MFA) provides regular market commentary on new product developments and based on outlook reports provided by Phillips, Hager & North Investment Management (PH&N).

In 2020, the Bank of Canada reacted to the COVID-19 global pandemic by dropping its key overnight rate three times in March 2020, from 1.75% to 0.25%. These moves decreased the prime rate as well as the rate offered on cash deposits with the CRD's primary bank, the Royal Bank of Canada (RBC). For most of 2020, both the short term high-interest savings accounts and short term GICs were offering competitive returns when compared to long-term GICs. The table below presents key indicator rates at December 31 for the period 2018 to 2020:

**Table A1: Indicative Market Rates 2018 to 2020**

Rate	2018	2019	2020
Bank Of Canada – Overnight Rate	1.25% - 1.75%	1.75%	0.25% - 1.75%
HISA	1.96% - 2.46%	2.46%	0.80% - 1.06%
RBC – Bank Rate	1.70% - 2.30%	2.30%	0.80% - 2.30%
Fixed GIC – 180 day /1 Year (sample)	1.57% / 2.68%	1.68% / 2.30%	0.92% / 1.24%

### **Investment Marketplace**

Throughout 2020, HISA rates were highly competitive compared to fixed term GIC products. In many cases, HISA returns were higher than maturities up to terms as long as four (4) years.

On January 28, 2020, the MFA introduced a new pooled investment fund, called the MFA Mortgage Fund, which invests in existing PH&N pooled fund products, providing investment exposure to commercial investment grade mortgages.

On May 4, 2020, the MFA introduced a Fossil Fuel-Free Bond Fund (FFF). The FFF Bond Fund invests in securities similar to the existing bond fund except that the FFF option excludes those holdings directly related to non-renewable energy extraction, processing, and transportation. This additional screening is estimated to exclude approximately 4% of the population of investible securities compared to the existing bond fund. Both offerings are responses to demand from local government and both offer the same liquidity and pooled structure as the existing MFA investment offerings.

Staff will assess investment placements in these two new MFA pooled funds in the future, for the CRD, the CRHD, and the CRHC, as the need to place long-term funds arises.

**REPORT TO THE HOSPITALS AND HOUSING COMMITTEE  
MEETING OF WEDNESDAY, MARCH 03, 2021**

---

**SUBJECT** Capital Regional District and Capital Region Housing Corporation Investment Policy Updates

**ISSUE SUMMARY**

Recommended updates to the Capital Regional District (CRD) and Capital Region Housing Corporation (CRHC) investment policies.

**BACKGROUND**

The investment activity for both the CRD and the Capital Regional Hospital District (CRHD) is governed through the CRD Investment Policy, while the activity for the CRHC is governed through the CRHC Investment Policy. The CRD Investment Policy was originally approved by the CRD Board in September 2013 and amended in May 2017. The Capital Region Housing Corporation (CRHC) policy was approved by the CRHC Board in 1991 and amended in October 2013.

As a result of an evolving marketplace and continuous alignment to the corporate plan and corporate governance structures, a review to both investment policies was triggered and has resulted in a number of recommended updates, summarized as follows:

1. Alignment of corporate practice consistent with corporate structure (CRHC)
2. Alignment with Corporate Plan, Board Strategic Objectives and external markets
3. Refinement of diversification constraints and risk assessment practices

In order to align activities and practices across all three entities, a single policy is proposed to apply to the CRD, CRHD and CRHC. This results in the existing CRHC Investment Policy being superseded and all recommendations reflected as amendments to the existing CRD Investment Policy.

CRD investment activity is governed by Section 377 of the *Local Government Act*, which legislates that Section 183 of the *Community Charter* apply to regional districts and defines allowable investment options. Although the CRHC is not governed through these Acts, as a wholly owned subsidiary of the CRD, it is subject to the same governance standards; thus, application of similar investment policies is appropriate and has been the historical practice.

**ALTERNATIVES**

*Alternative 1*

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

That the Capital Region Housing Corporation Investment Policy be rescinded and superseded by the Capital Regional District Investment Policy.

*Alternative 2*

That this report be referred back to staff for additional information.

## **IMPLICATIONS**

In 2020, a review of the investment policies was conducted to assess alignment and effectiveness of delivery. The review identified opportunities to address:

1. policy alignment across all three entities of CRD, CRHD and CRHC
2. Corporate Plan (including Board Strategic Plan Objectives) consideration
3. revisions to portfolio diversification limits

### **1. Alignment of All Three Entities**

Upon review, the principles and parameters contained in both policies were identified to be the same except for the minimum rating criteria. Combining to one policy will move the minimum rating criteria on investments from AA and R-1 (mid) to A (low) and R-1 (low). A rating of A (low) and R-1 (low) is considered satisfactory on a credit quality scale as measured by Dominion Bond Rating Service (DBRS) and is the current minimum within the existing CRD policy. Expanding the policy to all three legal entities is recommended to provide administrative consistency across all three entities and reflects a moderate to high level of investor prudence and risk mitigation.

### **2. Corporate Plan Direction**

The review of the policy identified an opportunity to better align corporate practice with the Corporate Plan and Board Strategic Objectives with respect to responsible investing options. Revisions to the policy would provide greater flexibility and access to new suitable products.

The recommendation is to extend the responsible investing parameters to allocate a percentage of the total portfolio investments that meet responsible investing criteria, either for social or green outcomes, and include reference that internal project investments also meet responsible investing objectives. Currently, if a responsible investing option offers the same liquidity, principal protection and return, the investment will continue to be considered an authorized and suitable investment. In practice, since 2017, the experience has been of limited product offerings and lower than acceptable rates, eliminating the responsible investments as suitable options.

To address the limitations, the review work included a sensitivity analysis to determine how much of the total portfolio could be invested in lower return products before the overall return target on the total portfolio would be negatively impacted. The results of the sensitivity analysis have been included in Appendix E. The overall return target for the total portfolio is set to preserve reserves and cash against inflation.

The result of the analysis was that up to 10% of the total portfolio could be invested at rates up to 1% lower than market before negatively impacting the target return. The recommendation is to include a 10% limit on lower return investments within the responsible investing parameter.

Differently, the CRHC will be excluded from holding lower return responsible investing products, due to the 'not-for-profit' nature of its business activities. As a provider of affordable

housing, the CRHC already operates and invests within the social services sector. Furthermore, the not-for-profit corporate structure and financial operation preclude the CRHC from accepting lower than market returns, ensuring mandate delivery.

Additionally, the CRD can increase investment in responsible options through internal projects. Many CRD services directly align with Socially Responsible Investment (SRI) outcomes as defined by the United Nations Principal of Responsible Investment Social Development Goals. Making internal projects an authorized and suitable investment is recommended.

### **3. Portfolio Diversification Constraints**

Portfolio diversification refers to the amount of money an investor has in a particular asset or institution. Diversification is an important strategy to mitigate return risk and principal. As an example, a GIC of an unrated institution has a higher risk of loss to principal than those in a rated chartered bank.

The investment policy, approved in 2017, contained a uniform 20% exposure limit to all financial institutions and a 10% limit per investment issue. The attached investment policy contains edits to remove the uniform 20% and 10% limits, in favour of limits tailored on the risk assessment by institution and by investment type. The updated investment policy contains a portfolio diversification constraint table as an Appendix, which will permit a more detailed approach to portfolio allocation and risk management.

Along with the above revisions, various other administrative updates and edits are covered in Appendix B in the Policy Amendment Concordance Table.

Once approved, investment transactions will be administered against the amended policy. The introduction of a revised portfolio diversification table will not require any immediate divestiture to ensure compliance, rather will guide activities in the future.

## **CONCLUSION**

In 2020, a review was undertaken of the current investment policies related to the Capital Regional District, the Capital Regional Hospital District, and the Capital Region Housing Corporation to assess for alignment and effectiveness. The updated policy seeks to align activities and practices across all three entities, update principles and parameters to improve investment options aligned with market and corporate and board objectives, and ensure legislative compliance. Once approved, investment transactions after the date of approval will be administered against the amended policy.

## **RECOMMENDATION**

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

That the Capital Region Housing Corporation Investment Policy be rescinded and superseded by the Capital Regional District Investment Policy.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

**ATTACHMENT(S)**

- Appendix A: Updated CRD Investment Policy
- Appendix B: Policy Revision Concordance Table
- Appendix C: 2017 CRD Investment Policy
- Appendix D: 2013 CRHC Investment Policy
- Appendix E: Example – Responsible Investment Rate Sensitivity Analysis



## CAPITAL REGIONAL DISTRICT

Making a difference...together

### INVESTMENT POLICY

Policy Type	Board [Corporate]		
Title	INVESTMENT POLICY		
Adopted Date	September 22, 2013	Policy Number	BRD#
Amendment #1	May 10, 2017		
Amendment #2	March 10, 2021 (Proposed)		
Policy Owner	Financial Services		

#### 1. PURPOSE

This investment policy provides the framework for investment portfolio management for the Capital Regional District (CRD), Capital Regional Hospital District (CRHD) and Capital Region Housing Corporation (CRHC).

It is the policy of the CRD, CRHD and CRHC to invest funds in a manner that provides the optimal blend of investment security and return while meeting the short and long term cash flow requirements in support of the corporate plan priorities while maintaining compliance with statutory requirements.

#### 2. SCOPE

The investment policy applies to all cash operating funds, capital funds and reserve funds. It does not apply to funds held in trust or which have a specific legal or statutory requirement for cash management, disbursement, or investment.

#### 3. PRINCIPLES

The investment of funds must reflect a management philosophy based on the fundamental objectives of

##### 3.1 Safety of Principal

Investments shall be made to ensure preservation of principal within the portfolio. Preservation of principal is accomplished through placement of funds with creditworthy institutions and through portfolio diversification. Diversification is required to minimize potential losses on financial products.

##### 3.2 Liquidity

The investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated cash flow requirements.

##### 3.3 Responsible Investing

The investment program will consider socially responsible investment products that adhere to statutory requirements and meet the objectives laid out in this policy. Organizations that adopt a socially responsible investment platform are preferred.



**3.4 Return on Investment**

The investment portfolio shall be designed with the objective of maximizing market rate of return subject to the investment risk constraints, liquidity requirements and responsible investing objectives.

**4. INVESTMENT PARAMETERS****4.1 Safety of Principal**

The program will diversify cash reserve investments by security type and institution, taking into consideration the impact on return on investment. Section 5.4 outlines the authorized and suitable investments permissible to ensure optimal portfolio diversification.

**4.2 Liquidity**

To the extent possible, portfolio management will align investments with anticipated cash flow requirements. However, a portion of the portfolio shall be continuously invested in fully-liquid investments to meet ongoing obligations.

A long-term financial plan will be established for major capital reserves. The long-term financial plan will inform the term decision when placing timed investments in order to meet liquidity requirements.

**4.3 Responsible Investing**

Where responsible investment options provide comparable risk, return and liquidity, these facilities will be a priority. When responsible investing options provide lower return but comparable liquidity and risk, the investment will be limited to 10% of the total portfolio. Limiting lower rates to a maximum of 10% of the portfolio limits exposure of capital against performance and inflation.

**4.4 Return on Investment**

The investment program will seek to maximize the total return on all funds under management after considering protection of principal, liquidity and responsible investing. Return will be monitored through performance benchmarks to ensure program activities are providing benefits in excess of costs and with the goal to preserve capital against inflation over time. Due to the nature of the CRHC business activities, delivering affordable housing within the social service sector, CRHC will be excluded from holding lower return products.

**4.5 Authorized and Suitable Investments**

Money held may be invested or reinvested according to section 183 of the *Community Charter* subject to the following conditions:

1. Investments in marketable securities of a chartered bank or savings institution or any province must have a DBRS risk rating of R-1 (low) or higher for short-term debt and a rating of A (low) for long-term debt or comparable ratings of another rating organization, indicating equal or superior credit quality (see Appendix A of this policy).
2. Investment placements will conform to the portfolio diversification constraints listed in Appendix B. Exceptions to constraints listed in Appendix A require

Chief Financial Officer approval and shall be reported to the Board through Standing Committee at the next available meeting.

3. Internal projects under CRD service authority are considered allowable investment options when capital reserves are not immediately required and can be accessed through inter-service borrowing. Inter-service borrowing will be in compliance with legislation and the CRD Inter-Service Borrowing Guidelines.

## **5. STANDARD OF CARE**

### **5.1 Prudence**

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs. Investments will not be made for speculation. Foremost will be consideration for the safety of capital. Staff must be aware of reasonably foreseeable risks, trends and fluctuations in the market, and be able to recognize unreasonable risks whilst ensuring the liquidity of the investment portfolio.

### **5.2 Ethics and Conflict of Interest**

Staff responsible for investing activities shall comply with the CRD Conflict of Interest Policy and shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions.

### **5.3 Delegation of Authority**

Authority to manage the investment program ("the Program") is granted to the Chief Financial Officer and is derived from section 237 of the *Local Government Act*.

### **5.4 Credit Risk Monitoring**

To meet the objectives of this policy and ensure suitability of offerings, credit risk monitoring must be conducted by CRD Staff independent of vendor representations. The following due-diligence shall be performed:

1. In-house credit analysis shall be conducted on all financial institutions and investment counter-parties.
2. Credit reports and analysis, published by DBRS, S&P, Fitch or Moody's, will be obtained from financial institutions, investment dealers and rating institutions and reviewed.
3. Credit reports and analysis are recognized as opinions and not a guarantee for safety of principal.
4. When placing investments in individual marketable securities and more than one credit rating is available, the average of two or more available credit ratings shall be used.

### **5.5 Consolidated Basis**

All funds covered by this policy will be managed on a consolidated basis to ensure the best possible return by providing economies of scale.

**5.6 Program Requirements**

The Program shall abide by the following reporting requirements:

1. The Chief Financial Officer must report to the Finance Committee annually. The report must identify investment holdings and any deviations from this policy; and
2. An appropriate portfolio performance benchmark will be set and reported in the annual investment performance report.

**6. POLICY REVIEW**

<b>Review Date</b>	<b>Description:</b>
March 2026, unless legislative change or new MFA finance product	To ensure ongoing relevance, this policy shall be reviewed the earlier of: <ol style="list-style-type: none"><li>1. If a change in the relevant legislation governing the investment activities of local governments occurs;</li><li>2. If the Municipal Finance Authority of British Columbia establishes a new pooled fund investment product; or</li><li>3. Every five calendar years.</li></ol>

**7. RELATED POLICY, PROCEDURE AND GUIDELINES**

- Conflict of Interest Policy

**Appendix A**  
**Dominion Bond Rating Service (DBRS) Credit Quality Ratings**

Commercial Paper & Short-Term Debt	Bond & Long-term Debt	Bond & Long-term Debt	Description	CRD/CRHD/CRHC Investment Policy
R-1 (high)	AAA	Investment Grade  ↑	Superior	Permissible
R-1 (high)	AA (high)			
R-1 (middle)	AA			
R-1 (middle)	AA (low)			
R-1 (low)	A (high)			
R-1 (low)	A			
R-1 (low)	A (low)			
R-2 (high)	BBB (high)	Speculative Grade	Adequate	Not Permissible
R-2 (middle)	BBB			
R-2 (low) / R-3	BBB (low)			
R-4	BB (high)			
R-4	BB			
R-4	BB (low)			
R-4	B (high)			
R-5	B			
R-5	B (low)			
R-5	CCC			
R-5	CCC			
R-5	CCC			
R-5	CC			
R-5	C			
D	D			

## Appendix B Portfolio Diversification Constraints

**Exposure constraints target protection of principal and return and set a maximum allowable share of the total portfolio that can be invested.**

Due to market fluctuations and / or the timing of investment deposit transfers, maximum percentages in Appendix C may be exceeded at a point in time. Securities need not be liquidated to rebalance the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

The portfolio diversification constraints are found in Table 1 below:

Table 1: **Portfolio Diversification Constraints**

Investment Type	MAXIMUM of Total Reserves	MAXIMUM by Institution/product/ pooled fund
<b><u>Short-Term (&lt; 2 year holding period)</u></b>		
Canadian Banks (Schedule 1) Deposits and/or GIC's	65%	35%
MFA Pooled Fund Products	50%	50%
Credit Unions (Rated/Insured) Deposits and/or GIC's	35%	20%
<b><u>Long-Term (&gt; 2 year holding period)</u></b>		
Canadian Banks (Schedule 1) Deposits and/or GIC's	65%	35%
MFA Pooled Fund Products	60%	30%
Credit Unions (Rated/Insured) Deposits and/or GIC's	35%	20%
Internal Projects (5+ years)	30%	-
Federal Bonds	20%	10%
Municipal Finance Authority of BC Bonds	20%	20%
Provincial Bonds	15%	15%
Municipal, Regional District or Greater Board Bonds	15%	15%

## Policy Revision Concordance Table

2021 CRD Investment Policy (Amendment #2) compared to 2017 CRD Investment Policy

Revision / Addition	Description	2021 draft CRD IP	2017 current CRD IP
Revision	Policy descriptive table updated to current policy format standard.	Policy descriptive table	Policy descriptive table
Addition	Adds that the IP covers all 3 legal entities: CRD, CRHD & CRHC.  Adds to the purpose of the policy by explicitly acknowledging that corporate plan priorities are key considerations in CRD investment management.	Section 1	Section 1
Addition	Added to the scope of the policy by explicitly acknowledging that this policy does not apply to trust funds and similar objective- and statute-specific investment activity.	Section 2	Section 2
Revision	Sub-sections under section 3 “PRINCIPLES” were edited for minor language improvements.	Section 3.1 & 3.2	Section 3.1 & 3.2
Revision	Removed: “Where SRI and green investments are within 5% of maximum available yields, SRI or green facilities will be exercised.”	Section 3.3	Section 3.3
Revision	Adds “and responsible investing objectives.” to the Return on Objectives section.	Section 3.4	Section 3.4
Revision	Renames section 4 from “Standard of Care” to “INVESTMENT PARAMETERS”	Section 4	Section 4
Revision	Former sections ‘Prudence’, ‘Ethics and Conflict of Interest’ and ‘Delegation of Authority’ moved from section 4 of 2017 policy to section 5 in 2021 Investment Policy.	Section 5	Section 4
Addition	Section 4.1 of the 2021 Investment Policy “Safety of Principal” and 4.2 “Liquidity” were added.  These sections describe the considerations involved to administer these investment parameters.	Section 4.1 & 4.2	N/A (New)

Revision / Addition	Description	2021 draft CRD IP	2017 current CRD IP
Addition	<p>Section 4.4 of the 2021 Investment Policy “Return on Investment” is added describing the considerations involved in this investment parameter, including investment monitoring through performance benchmarks.</p> <p>This section notes that CRHC is excluded from holding lower return products.</p>	Section 4.4	N/A (New)
Revision	<p>Updated the short- and long-term debt and bond rating grades to align with the Dominion Bond Rating Service (DBRS) ratings nomenclature for consistency.</p> <p>Appendix A provides the DBRS ratings scale.</p>	Section 4.5(1)	Sections 6.1
Revision	<p>The 2021 Investment Policy adds Appendix B, which provides a table describing the portfolio diversification constraints.</p> <p>The 2017 Investment Policy limited portfolio diversification constraints to 20% per financial institution and 10% in any one security issue.</p> <p>The new table is intended to provide improved risk management and compliance administration.</p> <p>Also, updated the short- and long-term debt and bond rating grades to align with the DBRS ratings nomenclature for consistency.</p>	Section 4.5(2)	Sections 6.4 & 6.5
Addition	Adds that internal CRD projects (5+ years in investment term) may be an investment opportunity via inter-service borrowing; and these opportunities may be socially responsible initiatives.	Section 4.5 (3)	N/A (New)
Revision	The “Standard of Care” section 4 from the 2017 Investment Policy is relocated to section 5 of the 2021 Investment Policy.	Section 5	Section 4
Revision	<p>Section 5.2 of the 2021 Investment Policy adds the reference to the CRD “Conflict of Interest Policy”, in order to elevate the visibility of this policy in administering the investment portfolio.</p> <p>Section 5.3 of the 2021 Investment Policy is edited for minor language improvements.</p> <p>Section 5.4 of the 2021 Investment Policy re-locates and expands upon the credit risk monitoring section to facilitate administration of this activity. Formerly this</p>	<p>Section 5.2 (Conflict of Interest)</p> <p>&amp;</p> <p>5.3 (Delegation of Authority)</p> <p>&amp;</p> <p>5.4 (Credit Risk Monitoring)</p>	<p>Section 4.2 (Conflict of Interest)</p> <p>&amp;</p> <p>4.3 (Delegation of Authority)</p> <p>&amp;</p> <p>5 (Credit Risk Monitoring)</p>

Revision / Addition	Description	2021 draft CRD IP	2017 current CRD IP
	material was located in sections 5 & 6.1 of the 2017 Investment Policy.		& 6.1 (Authorized and Suitable Investments)
Addition	Adds an explicit reference to the fact that CRD investments are administered on a consolidated (i.e. pooled) basis, rather than segregated investment activity by service area. (section 6 – draft 2021 IP; new to 2017 IP)	Section 5.5	N/A (New)
Addition	Adds an explicit reference to the fact an appropriate benchmark will be set and reported in the annual investment report.	Section 5.6(b)	N/A (New)
Revision	<p>The 2021 Investment Policy section 6 removes the requirement to update the investment policy whenever the CRD business banking is tendered.</p> <p>Instead, the 2021 Investment Policy stipulates a policy review will be conducted when legislation changes, the Municipal Finance Authority of BC establishes a new pooled investment product or every five (5) calendar years.</p>	Section 6 (POLICY REVIEW)	Section 11 (Policy Review)
Addition	Section 7 of the 2021 Investment Policy lists “Related Policy, Procedure and Guidelines”.	Section 7	N/A (New)
Revision	<p>Appendix A presents an updated version of the Dominion Bond Rating Service Credit Quality Ratings.</p> <p>This view adds the Investment Policy ‘permissible investment’ constraint in the table.</p>	Appendix A	Appendix 1
Addition	Appendix B presents the Investment Policy “Portfolio Diversification Constraints” table. This table will permit a more detailed approach to portfolio allocation and risk management.	Appendix B	N/A (New)





**CAPITAL REGIONAL DISTRICT**  
**LEGISLATIVE POLICY**

Section	<b>Finance</b>	
Subsection	Policies	
Title	<b>INVESTMENT POLICY</b>	

**1. Purpose**

The purpose of the investment policy of the Capital Regional District (CRD) is to provide the framework for investment portfolio management. It is the policy of the CRD to invest CRD funds in a manner that will provide the optimal blend of investment security and return while meeting the short and long term cash flow demands and comply with the statutory requirement of the *Local Government Act*.

**2. Scope**

The investment policy applies to all cash operating funds, capital funds and reserve funds.

**3. Objectives**

The investment of funds must reflect a conservative management philosophy based on four fundamental objectives, in the following order of priority:

**3.1 Safety of Principal**

Investments shall be made to ensure preservation of capital within the portfolio. Preservation of capital is accomplished through placement of funds with creditworthy institutions and through portfolio diversification. Diversification is required to minimize potential losses on individual securities and to maximize the yield from a blend of financial products.

**3.2 Liquidity**

The investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated operating requirements.

**3.3 Responsible Investing**

Where possible, socially responsible investing (SRI) and green investing criteria will be applied to the selection of investments. The CRD investment program will consider SRI products that adhere to statutory requirements and meet the objectives laid out in this policy. Organizations that adopt a socially responsible investment platform are preferred. Where SRI and green investments are within 5% of maximum available yields, SRI or green facilities will be exercised.

**3.4 Return on Investment**

The investment portfolio shall be designed with the objective of maximizing returns subject to the risk constraints and liquidity requirements of the CRD.

## **4. Standard of Care**

### **4.1 Prudence**

Investments shall be made with judgement and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs. Investments will not be made for speculation. Foremost will be consideration for the safety of capital. Staff must be aware of reasonably foreseeable risks, trends and fluctuations in the market, and be able to recognize unreasonable risks whilst ensuring the liquidity of the investment portfolio.

### **4.2 Ethics and Conflict of Interest**

Staff responsible for investing shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions.

### **4.3 Delegation of Authority**

Authority to manage the CRD investment program is granted to the Chief Financial Officer and is derived from Section 237 of the *Local Government Act* as follows:

Section 237: One of the officer positions established under section 234 must be assigned the responsibility of financial administration, which includes the following powers, duties and functions investing funds, until required, in investments referred to in section 183 of the *Community Charter* (investment of municipal funds).

## **5. Credit Risk Monitoring**

In addition to in-house monitoring, the CRD make use of the credit analysis available through its financial institutions, brokers, and credit rating institutions. This includes, but is not limited to the Dominion Bond Rating Service (DBRS), Standard & Poor's (S&P), and Moody's. It must be recognized that the use of any credit analysis is an assessment and not a guarantee for safety of principal.

## **6. Authorized and Suitable Investments**

Money held by the Capital Regional District may be invested or reinvested according to section 183 of the Community Charter subject to the following conditions:

### **6.1 Investments in securities of a chartered bank or savings institution or any province must:**

- i) Have a DBRS rating of R-1 (low) or higher for Short term debt and a rating of A- for Long term debt or Bonds or comparable ratings of another rating organization, indicating equal or superior credit quality (see Appendix 1 of the policy).

### **6.2 Investments in credit union deposits must carry adequate insurance protection through that credit union's respective insurance corporation.**

### **6.3 Investments shall be held in the name of the CRD by approved institutions.**

### **6.4 Investments in any one security issue shall not exceed 10% of that security issue.**

**6.5** Investments with any one financial institution shall not exceed 20% of the District's maximum annual investment portfolio. Due to market fluctuations, maximum percentages may be exceeded at a point in time. Securities need not be liquidated to rebalance the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

**6.6** The percentage limits specified in items 6.4 and 6.5 do not apply to investments made in securities of Canada or provincially backed deposits.

**6.7** All investments are to follow the constraints laid out per this Investment Policy. If an investment opportunity exists that lies outside of the constraints governing this policy, the Chief Financial Officer can make a recommendation to the Finance Committee to act on the opportunity. Any such investments must comply as an eligible investment defined in the Local Government Act. A maximum investment allocation not exceeding 20% of the total portfolio will be permitted.

## **7. Investment Parameters**

### **7.1 Diversification**

The CRD will diversify its cash reserve investments by security type and institution, taking into consideration the impact on return on investment.

### **7.2 Maturity**

To the extent possible the CRD shall attempt to match its investments with anticipated cash flow requirements. However, because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio shall be continuously invested in readily available funds to meet ongoing obligations. Long term investments may be acquired if the maturity is related to a specific program, and is made to coincide as nearly as practicable with the expected use of the funds attached to that program.

## **8. Competitive Bids**

The CRD shall solicit competitive verbal quotations for the purchase and sale of securities when it is prudent to do so. This policy recognizes that, from time to time, offerings of value may require immediate action. Under such circumstances competitive bids may not be sought provided that value can be substantiated by market data information services.

## **9. Authorized Investment Dealers and Financial Institutions**

A list of approved investment dealers and financial institutions authorized to provide investment services will be maintained by the CRD. All qualified bidders for investment transactions will be members in good standing of the Investment Industry Regulatory Organization of Canada (IIROC), Mutual Fund Dealers Association (MFDA) or the B.C. Securities Commission.

## 10. Safekeeping and Custody

All security transactions entered into by the CRD shall be conducted on a delivery versus payment basis. The Chief Financial Officer must be satisfied that physical possession of the security is in possession or held by a custodial service.

## 11. Policy Review

This policy shall be reviewed periodically by the Chief Financial Officer to ensure congruence with changing activities of the CRD, market conditions, technology, evolving regulatory standards and private industry best practices. In addition, to insure periodic Finance Committee review, this policy will be reconsidered each time the CRD tenders its banking services.

## 12. Reporting

The Chief Financial Officer must report to the Finance Committee annually. The report must identify investment holdings and any deviations from policy.

Approval Date:	September 22, 2013	Approved By:	Board
1. Amendment Date:	May 10, 2017	Approved By:	Board
2. Amendment Date:		Approved By:	
3. Amendment Date:		Approved By:	
Next Review Date:		Reviewed By:	
Supersedes:	Investment Policy approved by Finance & Administration Committee, Nov 28, 2001		

## Appendix 1

### Credit Quality Ratings

	<i>Moody's</i>		<i>Standard &amp; Poor's</i>		<i>DBRS</i>		<i>Grade</i>
Highest Quality	Aaa	P-1	AAA	A-1+	AAA	R-1 (high)	Investment Grade
	Aa1	P-1	AA	A-1	AA (high)	R-1 (high)	
High Quality	Aa2	P-1	AA	A-1	AA	R-1 (middle)	
	Aa3	P-1	AA	A-1	AA (low)	R-1 (middle)	
Upper Medium Grade	A1	P-1	A	A-2	A (high)	R-1 (low)	
	A2	P-1	A	A-2	A	R-1 (low)	
	A3	P-1	A	A-2	A (low)	R-1 (low)	
Medium Grade	Baa1	P-2	BBB	A-3	BBB (high)	R-2 (high)	
	Baa2	P-2	BBB	A-3	BBB	R-2 (middle)	
	Baa3	P-3	BBB	A-3	BBB (low)	R-2 (low)	
Speculative	Ba1	NP	BB	B	BB (high)	R-3	Speculative Grade
	Ba2	NP	BB	B	BB	R-4	
	Ba3	NP	BB	B	BB (low)	R-4	
Highly Speculative	B1	NP	B	B	B (high)	R-4	
	B2	NP	B	B	B	R-5	
	B3	NP	B	B	B (low)	R-5	
Substantial Risk	Caa1	NP	CCC	C	CCC	R-5	
	Caa2	NP	CCC	C	CCC	R-5	
	Caa3	NP	CCC	C	CCC	R-5	
Extremely Speculative	Ca	NP	CC	C	CC	R-5	
Possibly in Default	C	NP	R	R	C	R-5	
Default			D	D	D	D	

POLICY AND PROCEDURES MANUAL	SUBJECT Investment Policy		
	POLICY NO. 1.10	EFFECTIVE July 25, 1991	Amendment #2 October 22, 2013

## 1. Purpose

The purpose of the investment policy of the Capital Region Housing Corporation (CRHC) is to provide the framework for investment portfolio management. It is the policy of the CRHC to invest CRHC Surplus operating and replacement reserve funds in a manner that will provide the optimal blend of investment security and return while meeting the short and long term cash flow demands and comply with the statutory requirements of the *Local Government Act*.

## 2. Scope

The investment policy applies to all cash operating funds, capital funds and reserve funds.

## 3. Objectives

The investment of funds must reflect a conservative management philosophy based on three fundamental objectives, in the following order of priority:

### 3.1 Safety of Principal

Investments shall be made to ensure preservation of capital within the portfolio. Preservation of capital is accomplished through placement of funds with creditworthy institutions and through portfolio diversification. Diversification is required to minimize potential losses on individual securities and to maximize the yield from a blend of financial products.

### 3.2 Liquidity

The investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated operating requirements.

### 3.3 Return on Investment

The investment portfolio shall be designed with the objective of maximizing market rate of return subject to the investment risk constraints and liquidity requirements of the CRHC.

## **4. Standard of Care**

### **4.1 Prudence**

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs. Investments will not be made for speculation. Foremost will be consideration for the safety of capital. Staff must be aware of reasonably foreseeable risks, trends and fluctuations in the market, and be able to recognize unreasonable risks whilst ensuring the liquidity of the investment portfolio.

### **4.2 Ethics and Conflict of Interest**

Staff responsible for investing shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions.

### **4.3 Delegation of Authority**

Authority to manage the CRHC investment program is granted to the Financial Officer and is derived from Section 199 of the *Local Government Act* as follows:

Section 199: One of the officer positions established under section 196 must be assigned the responsibility of financial administration, which includes the following powers, duties and functions investing funds, until required, in investments referred to in section 183 of the *Community Charter* (investment of municipal funds).

## **5. Credit Risk Monitoring**

In addition to in-house monitoring, the CRHC make use of the credit analysis of the Dominion Bond Rating Service. It must be recognized that the use of any credit analysis is an assessment and not a guarantee for safety of principal.

## **6. Authorized and Suitable Investments**

Money held by the Capital Regional District may be invested or reinvested according to section 183 of the *Community Charter* subject to the following conditions:

### **6.1 Investments in securities of a chartered bank or savings institution or any province must:**

- i) Have a Dominion Bond Rating Service (DBRS) rating of R-1 mid or higher for Short term debt and a rating of AA for Long-term debt or Bonds or comparable ratings of another rating organization, indicating superior credit quality (See Appendix 1 of the policy).
- ii) Be purchased directly from the chartered bank, savings institution or province or from an investment dealer who is a member of the Investment Dealers Association who will act as an agent for the institutions with the approved DBRS rating.

- 6.2** Investments in credit union deposits must be covered by the *Financial Institution Act* of the Province of British Columbia which provides unlimited deposit insurance protection on all deposits in British Columbia credit unions.
- 6.3** Investments shall be held in the name of the CRHC by approved institutions.
- 6.4** Investments in any one security issue shall not exceed 10% of that security issue.
- 6.5** Investments with any one financial institution shall not exceed 20% of the District's maximum annual investment portfolio.
- 6.6** The percentage limits specified in items 6.4 and 6.5 do not apply to investments made in securities of Canada, the Province, the Municipal Finance Authority of British Columbia (MFA) or pooled investments funds under section 16 of the *Municipal Finance Authority Act*.

## **7. Investment Parameters**

### **7.1 Diversification**

The CRHC will diversify its cash reserve investments by security type and institution, taking into consideration the impact on return on investment.

### **7.2 Maturity**

To the extent possible the CRHC shall attempt to match its investments with anticipated cash flow requirements. However, because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio shall be continuously invested in readily available funds to meet ongoing obligations. Long term investments may be acquired if the maturity is related to a specific program, and is made to coincide as nearly as practicable with the expected use of the funds attached to that program.

## **8. Competitive Bids**

The CRHC shall solicit competitive verbal quotations for the purchase and sale of securities when it is prudent to do so. This policy recognizes that, from time to time, offerings of value may require immediate action. Under such circumstances competitive bids may not be sought provided that value can be substantiated by market data information services.

## **9. Safekeeping and Custody**

All security transactions entered into by the CRHC shall be conducted on a delivery versus payment basis. The Treasurer must be satisfied that physical possession of the security is in possession or held by a custodial service.

## **10. Policy Review**

This policy shall be reviewed periodically by the Financial Officer to ensure congruence with changing activities of the CRHC, market conditions, technology, evolving regulatory standards and private industry best practices. In addition, to insure periodic Finance and Corporate



Services Committee review, this policy will be reconsidered each time the CRD tenders its banking services.

## 11. Reporting & Monitoring

Interest income credited to the Administration Revenue shall be reported to the Board on the Quarterly Report. Housing Corporation staff, accountant and CRD Manager – Treasury will meet at least quarterly to review CRHC investments and earned interest. Interest income shall be allocated to the reserve accounts which will be reviewed annually for fairness.

### Appendix 1

#### Dominion Bond Rating Service (DBRS) ratings on credit quality

Commercial Paper and Short Term Debt	Commercial Paper and Short Term Debt	Bond and Long Term Debt	Bond and Long Term Debt
DBRS Symbol	Credit Quality	DBRS Symbol	Credit Quality
R-1 (high)	Highest	AAA	Highest
R-1 (mid)	Superior	AA	Superior
R-1 (low)	Satisfactory	A	Satisfactory
R-2 (high)	Adequate	BBB	Adequate
R-2 (mid)	Adequate	BB	Speculative
R-2 (low)	Adequate	B	Highly Speculative
R-3 (high)	Speculative	CCC	Very Highly Speculative
R-3 (mid)	Speculative	CC	Very Highly Speculative
R-3 (low)	Speculative	C	Very Highly Speculative
D	In Arrears	D	In Arrears
NR	Not Rated		

## Appendix E: Example – Responsible Investment Rate Sensitivity Analysis

Purpose: to illustrate impact on returns with a portfolio limit of 10% for responsible investment products with lower than market returns.

**EXAMPLE:** Sensitivity on return of lowest expected return (1%) on responsible investment products with limit of 10% of total investments. Assumptions: Market Rate 2%; Lower Rate 1%; Principal \$10M.

Table 1: Earnings impact of 10% @ lower rate (1%) on \$10M

Scenario	Portfolio %	Earnings	Eff Rate
100% Market Rate	100% @ 2.0%	\$200K	2.0%
90% Market Rate 10% Lower Rate	90% @ 2.0% 10% @ 1.0%	\$190k	1.9%

### CRD PORTFOLIO SENSITIVITY:

Applying the effective rate to the average CRD portfolio holdings (Average \$250M), yields (\$250K) lower interest income. Table 2 identifies the relative sensitivity of higher % invested at lower rates.

% PORTFOLIO @ LOWER RATE		
ALLOCATION	CHANGE IN RETURN (\$)	CHANGE IN RETURN (%)
0%	0	0.00%
10%	(250,000)	-0.10%
20%	(500,000)	-0.20%
30%	(750,000)	-0.30%
40%	(1,000,000)	-0.40%
50%	(1,250,000)	-0.50%
60%	(1,500,000)	-0.60%
70%	(1,750,000)	-0.70%
80%	(2,000,000)	-0.80%
90%	(2,250,000)	-0.90%
100%	(2,500,000)	-1.00%



Making a difference...together

## Minutes of a Meeting of the Regional Housing Advisory Committee

December 10, 2020, 2:00 - 4:00 pm, Microsoft Teams

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**PRESENT:** Kerriann Coady, David Corey, Lindsay Millburn, Bruce Anderson, Bill Brown, Kelly Roth, Kathy Whitcher, Danella Parks, Leah Stohmann, Michel Turcotte, Jarret Matanowitsch, Kaye Melliship, Matthew Baldwin; Holly (City of Victoria),

### **GUESTS:**

**STAFF:** Don Elliott, John Reilly, Jerry Michael (recorder)

**REGRETS:** Sharon Hvozdzanski (Nadine Kawata attended as alternate), Jim Hartshorne, Sharon Hvozdzanski, Danielle Deni, Malcolm McNaughton

Meeting called to order at 2:02pm.

### **1. Welcome and Introductions**

Meeting was called to order at 2:02pm. Co-Chair Kerrian Coady welcomed all RHAC members. CRD staff offered a territorial acknowledgment of the Indigenous communities in the Capital Region.

Introduction of Don Elliott, new Senior Manager of Regional Housing.

### **2. Approval of Agenda**

**MOVED** by Kathy Whitcher, **SECONDED** by Kaye Melliship

That the agenda be approved as circulated.

**CARRIED**

### **3. Approval of September 24, 2020 Minutes**

**MOVED** by David Corey, **SECONDED** by Jarret Matanowitsch

That the minutes from the September 24, 2020 Regional Housing Advisory Committee meeting be approved as circulated.

**CARRIED**

### **4. Roundtable – Summary of RHAC Member Priorities**

- CRD staff led discussion on member interest areas going forward. Topics include, but are not limited to, Municipal Planning and Zoning, Municipal Approval Processes, Housing Affordability, Housing and the Environment, and Homelessness Response. Current Committee members to make recommendations on focus topics at February 2021 meeting.
- Committee members shared some of the continual impacts of the COVID-19 pandemic on housing. Effects include scarcity in some building materials increasing development costs and a fast paced residential market driven by high demand and low supply.
- Members were updated on a number of initiatives the CRD is involved in including the Rapid Housing Initiative, Regional Housing Trust Fund and Housing Needs Reports.

- Conversations are ongoing on a community Rent Bank in order to assist families and individuals in maintaining housing and tenancy in response to economic challenges.

## **5. End of year wrap up and review**

- Following the Emergency Declaration, the CRD suspended meetings of all Advisory Committees. There have been two meetings of the RHAC in 2020, one on February 13, prior to the Provincial Emergency Order, and one on September 24. This has significantly impacted the capacity of the RHAC to meet and consider matters related to housing in the region.
- The issue of municipal bonds creating an administrative and financial burden on affordable housing projects being funded by BC Housing was identified and BC Housing representative indicated there would be follow up with local municipalities to consider waiving this requirement for BC Housing funded projects.
- RHAC members received a presentation and provided feedback to CRD staff on the various definitions of housing affordability being used by various levels of government, particularly for funding program qualification purposes.

## **6. Next Meeting**      February 11, 2021 from 2:00-4:00pm

## **8. Adjournment**

**MOVED** by Danella Parks **SECONDED** by Kaye Melliship.

That the meeting be adjourned.

**CARRIED**

The meeting was adjourned at 2:58 pm.



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## **Tenant Advisory Committee**

Minutes of a Meeting of December 14, 2020

Room 652, CRD Boardroom, 625 Fisgard Street, Victoria, BC, and remotely via Webex

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**Present:** Mayor L. Helps, L. Reid, E. Syring, E. Ngongo

**Webex:** C. Simpson, N. Thompson

**Regrets:** K. Bedard

**Staff:** D. Elliott, S. Grigg, K. Lambert, C. Work (recorder)

The meeting was called to order at 3:43 p.m.

### **1. Welcome and Introductions**

Co-chairs Mayor Helps and L. Reid welcomed new Regional Housing Senior Manager Don Elliott, the committee and staff, and introductions were made.

### **2. Adoption of Minutes of September 28, 2020 Meeting**

It was moved by L. Reid, seconded by E. Ngongo, that the minutes from September 28, 2020 be adopted as circulated.

**CARRIED**

### **3. Business Arising from the Minutes**

- Online Banking Update: CRD Finance department continues to work with IT department to get the online banking established. An update should be available at the next TAC meeting on February 22, 2021.

### **4. Pride of Place Discussion**

K. Lambert outlined four areas of focus: gardening, outside mess, social environment, and social gatherings.

- Social gatherings and environment: these remain difficult to address due to Covid. It is hoped that by late 2021, the social aspects can be addressed, contingent on Public Health Orders.
- Gardening: Staff partnered with the City of Victoria on a garden seedling program which benefited our current tenant gardening efforts. Tenants at Westview, Village on the Green and Castanea participated. Some communities received soil and tools as well. Information on the program and building sign-ups is included in the seasonal newsletters, highlighting the City of Victoria Covid Initiative.
- Outside Mess: Discussions of various communities occurred:
  - Some properties battle issues with the garbage and recycling areas, which may be addressed by caretaker response at site, addition of bins or increased pick

- up frequency if the space doesn't allow for more bins, as well as parental oversight of children taking garbage out.
- Other properties have issues with dumping by the garbage or accumulating in carports. It was noted that Covid has impacted access to and hours to the dump for tenants to address this on their own. In some instances, mental health impacts the timeline of clean up at individual units.
- Option of organizing a "dump day" or "declutter day" was discussed to give tenants an opportunity to clean up carports and remove some of the barriers. Include tenancy agreements and tenant handbook review. Staff will work on getting quotes to remove items collected based on estimates and report back.

## **5. Reporting Outcomes Measures**

D. Elliott acknowledged the efforts of the committee with the 2020 Outcomes and Proposed 2021 Items, including the tenant orientation pilot project, accessibility awareness, snow removal, community-building, and safety issues. In terms of reporting outcomes, he advised he would prepare a summary report for the 2020 year end reporting and proposed 2021 items, to be presented to the CRD's Hospitals and Housing Committee in early March.

## **6. TAC 2021 Membership**

The Terms of Reference (ToR) give the ability to carry forward current committee members for another two years. To fill current vacancies, two names will be selected from the applications received in the membership competition which closes December 15, 2020. Phone interviews will be conducted in early January 2021. Discussion about staggering terms, so that members will be either one year or two years, and even possibly a three year term to give members a sense of accomplishment. The ToR can be amended to change term length.

## **7. Pet Policy Update**

Pet policies were reviewed. CRHC's tenancy agreement allows specified pets as part of the agreement and inside pets (typically cats only) with written permission at townhouses and on the first and second floor of some apartment buildings. Guinea pigs have been removed from the list as they are social animals which would do better in pairs. In 2019, CRHC engaged in a pilot project to include dogs at Millstream Ridge, which was expanded to Westview in May 2020. While allowing cats and dogs gives tenants more choice, it also impacts tenancies and the Landlord responding to operational responsibilities, such as navigating the landscape contracted services relationship and costs of unmanaged clean-up of feces by tenants in gardens and lawns; ensuring quiet use and enjoyment for all tenants as it relates to noise transfer between units due to barking and larger sized dogs, on-leash requirements and keeping pets inside at all times; other ongoing operational considerations (pet abandonment, tenant and caretaker safety and health re: allergies, entering units with a dog during an emergency or after hours, and damage to units and landscaping).

Staff acknowledge having a pet policy that includes dogs can have many tenant benefits (improved mental and physical health, accessibility for non-service support animals and companionship), therefore staff continue to adjust the one cat or one dog pilot as new buildings open, to see if more positive outcomes could be achieved and allow the policy to be applied more broadly (limiting the floors that allow pets). A sample of a 'Pet Solutions Matrix' was distributed to the committee for feedback.

**8. Roundtable**

Topics included Webex and Zoom meetings, CRD welcoming feedback from tenants, and general tenant satisfaction with caretakers and improvements to buildings. General discussion that CRD sets the tone in how our property management teams operate, allowing for tenants to follow that example. Mayor Helps concluded with the hope that the committee could meet more regularly in 2021 and that a vaccine might be available soon.

**9. Next Meeting**

February 22, 2021 from 3:30 to 5:00 pm, Covid-safe Room 652 *and* remotely via Webex or Microsoft Teams (to be determined)

**10. Adjournment**

The meeting was adjourned at 5:05 p.m.