



Notice of Meeting and Meeting Agenda Capital Region Housing Corporation Board

Wednesday, October 13, 2021

1:00 PM

6th Floor Boardroom
625 Fisgard Street
Victoria, BC

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 THE AGENDA

3. ADOPTION OF MINUTES

3.1. [21-727](#) Minutes of the September 8, 2021 Capital Region Housing Corporation Board

Recommendation: That the minutes of the Capital Region Housing Corporation Board meeting of September 8, 2021 be adopted as circulated.

Attachments: [Minutes: September 8, 2021](#)

4. REPORT OF THE CHAIR

5. PRESENTATIONS/DELEGATIONS

Due to limited seating capacity, 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.

5.1. Presentations

5.2. Delegations

6. CONSENT AGENDA

6.1. [21-670](#) Mortgage Renewal - Cairns Park

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

- 1) That the resolution required by BC Housing Management Commission to renew the mortgage for Cairns Park for a term not to exceed the expiry of the existing operating agreement be approved; and
- 2) That the Chief Administrative Officer and Chief Financial Officer be authorized to sign any documents related to the mortgage renewal.

Attachments: [Staff Report: Mortgage Renewal - Cairns Park](#)
[Appendix A: Resolution of Directors](#)

6.2. [21-716](#) Capital Region Housing Corporation Operational Update No. 3, 2021

Recommendation: The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:
That the Capital Region Housing Corporation Operational Update No. 3, 2021 report be received for information.

Attachments: [Staff Report: CRHC Operational Update No 3, 2021](#)
[Appendix A: RHFP Rent-up Information](#)

**6.3. [21-709](#) Capital Region Housing Corporation Major Capital Plan Status Report
Third Quarter, 2021**

Recommendation: The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:
That the Capital Region Housing Corporation Major Capital Plan Status Report Third Quarter, 2021 be received for information.

Attachments: [Staff Report: CRHC Major Capital Plan Status Report Q3, 2021](#)

7. ADMINISTRATION REPORTS

8. REPORTS OF COMMITTEES

9. NOTICE(S) OF MOTION

10. NEW BUSINESS

11. MOTION TO CLOSE THE MEETING

11.1. [21-749](#) Motion to Close the Meeting

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

12. RISE AND REPORT

13. ADJOURNMENT

Meeting Minutes

Capital Region Housing Corporation Board

Wednesday, September 8, 2021

1:00 PM

6th Floor Boardroom
625 Fisgard Street
Victoria, BC

PRESENT:

L. Helps (Chair), D. Screech (Vice-Chair) (1:03 pm), D. Blackwell, P. Brent (for D. Howe), S. Brice, B. Desjardins (EP), H. Gartshore (for G. Orr), F. Haynes, M. Hicks, G. Holman, B. Isitt (1:02 pm), J. Loveday, R. Martin, C. McNeil-Smith; R. Mersereau (EP), K. Murdoch (EP)(1:04 pm), C. Plant, J. Ranns, L. Seaton, M. Tait, N. Taylor, K. Williams (EP), R. Windsor, G. Young

Staff: R. Lapham, Chief Administrative Officer; N. Chan, Chief Financial Officer; L. Hutcheson, General Manager, Parks and Environmental Services; K. Lorette, General Manager, Planning and Protective Services; K. Morley, General Manager, Corporate Services; T. Robbins, General Manager, Integrated Water Services; C. Gilpin, Manager Arts and Culture; M. Lagoa, Deputy Corporate Officer; S. Orr, Senior Committee Clerk (Recorder)

EP - Electronic Participation

Regrets: D. Howe, G. Orr

The meeting was called to order at 1:00 pm.

1. TERRITORIAL ACKNOWLEDGEMENT

The Capital Regional District Board Chair provided the Territorial Acknowledgement.

2. APPROVAL OF THE AGENDA

MOVED by Director Plant, **SECONDED** by Director Taylor,
That the agenda for the September 8, 2021 Capital Region Housing Corporation Board meeting be approved.
CARRIED

3. ADOPTION OF MINUTES

3.1. [21-622](#) Minutes of the July 14, 2021 Capital Region Housing Corporation Board

MOVED by Director Blackwell, **SECONDED** by Director Plant,
That the minutes of the Capital Region Housing Corporation Board meeting of July 14, 2021 be adopted as circulated.
CARRIED

4. REPORT OF THE CHAIR

The Chair thanked staff for their continued work.

5. PRESENTATIONS/DELEGATIONS

There were no presentations or delegations.

6. CONSENT AGENDA

There were no consent agenda items.

7. ADMINISTRATION REPORTS

There were no administration reports.

8. REPORTS OF COMMITTEES

8.1. [21-608](#) Mortgage Renewal - Village on the Green

K. Lorette spoke to Item 8.1.

The Chair thanked the Hospitals and Housing Committee members and staff.

MOVED by Director Plant, SECONDED by Director Brice,

1. That the mortgage for Village on the Green be renewed with Vancouver City Savings Credit Union; and

2. That the Chief Administrative Officer and Chief Financial Officer be authorized to sign any documents related to the mortgage renewal.

CARRIED

9. NOTICE(S) OF MOTION

There were no notice(s) of motion.

10. NEW BUSINESS

There was no new business.

11. MOTION TO CLOSE THE MEETING

11.1. [21-647](#)

Motion to Close the Meeting

MOVED by Director Plant, **SECONDED** by Director Loveday,

1. That the meeting be closed for Land Acquisition in accordance with Section 90(1)(e) of the Community Charter.

CARRIED

MOVED by Director Plant, **SECONDED** by Director Loveday,

2. That such disclosures could reasonably be expected to harm the interests of the Regional District.

CARRIED

The Capital Region Housing Corporation Board recessed at 1:05 pm and reconvened into its closed session at 5:14 pm.

The Capital Region Housing Corporation Board rose from its closed session at 5:17 pm without report.

12. ADJOURNMENT

MOVED by Director Plant, **SECONDED** by Director Tait,

That the September 8, 2021 Capital Region Housing Corporation Board meeting be adjourned at 5:17 pm.

CARRIED

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, OCTOBER 06, 2021**

SUBJECT Mortgage Renewal – Cairns Park

ISSUE SUMMARY

BC Housing Management Commission (BCHMC) requires a resolution from the Capital Region Housing Corporation (CRHC) Board of Directors to renew the mortgage for Cairns Park.

BACKGROUND

The mortgage for Cairns Park, a 6-unit townhome complex at 9882 – 7th Street, Sidney, BC, constructed in 1996, is due for renewal on December 1, 2021. The current mortgage is held by MCAP Financial Corporation at a rate of 1.6980%.

The Cairns Park operating agreement states that at the expiry of the loan term, CRHC is required to secure the loan balance in accordance with the BCHMC requirements. BCHMC will publish tender calls to interested Canada Mortgage and Housing Corporation (CMHC)-approved lenders to secure the best interest rate and terms available in the market. BC Housing requires a Resolution of the Board, attached as Appendix A, to authorize any two officers or directors of the Borrower to execute all documents related to the mortgage renewal.

Renewal details are shown in Table 1.

Table 1 – Mortgage Details

Building	Existing mortgage interest rate	Principal at renewal	Annual Subsidy	Remaining Term	Operating Agreement & Mortgage Maturity Date
Cairns Park 6-unit townhouse	1.698%	\$291,059	\$22,315	10 years	December 1, 2031

ALTERNATIVES

Alternative 1

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

- 1) That the resolution required by BC Housing Management Commission to renew the mortgage for Cairns Park for a term not to exceed the expiry of the existing operating agreement be approved; and
- 2) That the Chief Administrative Officer and Chief Financial Officer be authorized to sign any documents related to the mortgage renewal.

Alternative 2

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

That staff be directed to review other financing options based on Capital Region Housing Corporation Board direction.

IMPLICATIONS

Financial Implications

Recent tender rates BCHMC has obtained for 10-year mortgage terms are shown in Table 2:

Table 2 – BCHMC 10-year Tender Rates

Date	Rate
January 2020	2.840%
September 2020	1.631%
January 2021	1.519%
June 2021	2.459%

If the Board approves the BCHMC tendered mortgage renewal process, CRHC will continue to benefit from the preferential interest rates available through the BCHMC tender process and continue to receive the annual rent subsidy assistance for Cairns Park until the expiry of the operating agreement.

A Board decision to not renew the mortgage under the BCHMC tender process would necessitate acquiring BCHMC's permission and securing a commitment for alternate financing through private sector lenders. Commercial lenders typical charge rates based on the current bond yield cost of funds plus 20 basis points. For comparison, rates in recent months have been in the 2.25% - 2.50% range.

The Municipal Finance Authority (MFA) is a lending option that would require the Capital Regional District (CRD) to borrow on behalf of the CRHC. Under this option, CRD's Land Banking and Housing Service borrowing capacity would be reduced by the required \$291,000 and any increase to the maximum borrowing capacity (Bylaw No. 3715) would require an alternative approval process.

An evaluation of borrowing rates and subsidy levels shows the BCHMC tendered mortgage renewals interest rate is the most cost-effective option.

Should the Board direct staff to borrow outside the BCHMC tendered mortgage renewal process, the annual rent subsidy assistance will be revised based on the lesser of the BCHMC tendered interest rate or the CRHC acquired interest rate for the remaining 10-year term.

CONCLUSION

As per the Cairns Park operating agreement, BCHMC is required to secure the loan on behalf of CRHC at expiry of the loan term. BCHMC will tender the mortgage renewal to CMHC approved lenders to secure the best interest rate and terms available in the market.

RECOMMENDATION

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

- 1) That the resolution required by BC Housing Management Commission to renew the mortgage for Cairns Park for a term not to exceed the expiry of the existing operating agreement be approved; and
- 2) That the Chief Administrative Officer and Chief Financial Officer be authorized to sign any documents related to the mortgage renewal.

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

ATTACHMENT

Appendix A – Resolution of Directors

Capital Region Housing Corporation
(the "Borrower")

CERTIFIED COPY OF RESOLUTION OF DIRECTORS

BE IT RESOLVED:

That the Borrower hereby irrevocably authorize and direct British Columbia Housing Management Commission ("BCHMC") to act on its behalf to renew the existing mortgage presently held by MCAP Financial Corporation (the "Mortgage") for the project located at 9882 Seventh Street, Sidney, BC (BCHMC file no. 13329 / 841), including but not limited to selecting, at BCHMC's sole discretion, the mortgage renewal terms and arranging mortgage renewal with the take-out lender (the "Take-out Lender") on terms and conditions that are acceptable to BCHMC.

BE IT FURTHER RESOLVED:

That any two officers or directors of the Borrower for and on behalf of the Borrower be and are hereby authorized to execute and deliver under the seal of the Borrower or otherwise, all such deeds, documents and other writings and to do such acts and things in connection with the Mortgage assignment, renewal and amendment as they, in their discretion, may consider to be necessary or desirable for giving effect to this resolution and for the purpose of fulfilling the requirements of the lender of the monies.

I, _____, THE UNDERSIGNED,
Corporate Officer of the Borrower, hereby certify the above to be a true copy of a resolution duly passed by the Directors of the Borrower at a meeting held on the 13 day of October, 2021 and that such resolution has not been rescinded, amended or modified and is now in full force and effect.

WITNESS my hand this _____ day of _____, 20____.

Witness

Signature

REPORT TO HOSPITALS AND HOUSING COMMITTEE MEETING OF WEDNESDAY, OCTOBER 06, 2021

SUBJECT Capital Region Housing Corporation Operational Update No. 3, 2021

ISSUE SUMMARY

To provide the Capital Region Housing Corporation (CRHC) Board with a quarterly update on operations, Tenant Engagement (TE), the Routine Capital Plan 2020 – 2024 and performance in the areas of turnover, vacancy and move-ins up to and including September 10, 2021. This report also includes detailed Regional Housing First Program (RHFP) rent-up information up to September 10, 2021, attached as Appendix A.

BACKGROUND

The CRHC is a wholly owned subsidiary of the Capital Regional District (CRD) with the mandate to develop and manage affordable housing to meet the needs of individuals and families residing within the capital region. In working to fulfill its mandate, the CRHC owns and operates 1,893 units of housing providing homes to more than 3,500 residents of the capital region with low to moderate incomes. In addition, CRHC manages an additional 114 units on behalf of third parties.

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. 3, 2021 report be received for information.

Alternative 2

That the Capital Region Housing Corporation Operational Update No. 3, 2021 report be referred back to staff for additional information based on Hospitals and Housing Committee direction.

DISCUSSION

Operations Update

The 2,007 units of housing across 54 properties that are currently managed by CRHC are supported by the work of approximately 44 full time equivalencies and five auxiliary staff. Staff hires continue to require attention due to a retirement and staff movement into new roles within CRHC and into other areas of Regional Housing. In the third quarter (Q3) CRHC was successful in filling two of the vacant positions remaining from the second quarter 2021 (Q2) and back filling three positions that occurred due to internal advancements. Shortage of qualified applicants is adding to the challenge with one caretaker position remaining vacant.

Tenant Engagement (TE)

The BC Restart Plan has allowed TE to shift from a virtual meet with staff to in-person. A 'meet-the-team' event took place at Viewmont Gardens which was well attended leading to lots of feedback and many good questions. This meeting gave staff a chance to connect with tenants in-person, allowing an opportunity to see the results of the seedling program and respond to questions directly. Based on the success, TE will work to replicate these events at other communities, including a larger community event at Westview planned for September.

TE were able to organize more seedling distributions which resulted in the nearly 300 plants being given to tenants free of charge. As one tenant said, “It’s hard to feed myself and having greens conveniently nearby and that I grew them myself is awesome”... “I really want to stop my pain and heal, feel better, and part of that’s having healthy food.”

In an effort to promote tenant retention and ongoing success, the TE team have been focused on tenant onboarding. This includes already existing support (such as the sign-up of new tenancies), projects in progress (tenant orientation videos), and planned future projects (in-person orientation and a welcome email and satisfaction survey). The in-person orientation is being developed and will require further testing prior to full implementation.

During the recent heat events, TE has worked on getting information out to tenants about how to manage the abnormally high temperatures. Information sheets containing resources were distributed to buildings, put on the website, available at reception and raised at the portfolio meetings so staff know what to look for among our more vulnerable tenants. Staff continue to work on other solutions for tenants, as more frequent extreme heat events are anticipated.

Housing Registry Waitlist Statistics

Table 1: BC Housing Registry Waitlist Statistics

Category	July 2021	August 2021	As at Sept. 10, 2021
Total Registry Units	3,650	3,650	3,650
Applicants			
Family	827	826	803
Seniors	988	982	990
Persons with Disabilities	548	554	557
Wheelchair Modified	122	123	130
Singles	152	153	154
Total	2,637	2,638	2,634

The Housing Registry, managed by BC Housing, helps housing providers manage applicant lists and helps to eliminate duplication among providers that may otherwise receive and process applications from many of the same households. According to BC Housing-provided data, the number of households on the registry has decreased by four from August to September 10, 2021.

Vacancy

Table 2: Vacancy Rate – Units Operating More than 12 Months

Year	Period	# Units Vacant	# Days Vacant	Average Days Vacant
2021	As of June 15	17	816	48
2021	As of September 10	18	785	43

As of September 10, there are 18 units reported vacant across housing that is owned and operated by the CRHC that has been in operation for more than 12 months. These vacancies total 785 days for an average of 43 days vacant. This figure is down slightly from the Q2, 2021 numbers as staff have worked to prioritize renting units that have been vacant longer in an effort to reduce the vacancy loss.

Table 3: Vacancy Rate – Units Operating Less Than 12 Months

Year	Period	# Units	# Unit Vacant	% Units Vacant
2021	As of March 31	402	203	51%
2021	As of June 18	402	135	34%
2021	As of September 10	402	95	24%
Difference since last report		0	(-40)	(-10%)

At the end of Q3, 2021 CRHC reported a vacancy rate of 34% in the 402 units that had been opened up at the end of the fourth quarter (Q4), 2020. Between mid-June and September 10, 2021 staff have rented another 40 units bringing the overall vacancy rate down to 24% for an overall reduction of 10% in these new units. Spencer Close has been moved to operational staff to continue with tenant selection allowing the rental team to focus on the remaining units at West Park Lane and Hockley House.

Turnover

Table 4: Q3 Turnover Rate – All Units

Year	Period	# Turnovers Operating More Than 12 Months	# Turnovers Operating Less Than 12 Months	Total
2021	March 31	39	4	43
2021	April 1-June 15	31	6	37
2021	June 16-September 10	40	11	51
	Year to Date Total	110	21	131

The higher number of turnovers in this quarter was anticipated in part due to annual seasonal movement ahead of school terms starting. The increase in vacancies allowed staff to offer temporary relocation options to the remaining tenants at Michigan Square before the November 1, 2021 construction start.

Housed

Table 5: Q3 Housed Rate

Year	Period	# Housed Operating Less Than 12 Months
2021	January 1 – March 31	60
2021	April 1 – June 18	69
2021	June 16-September 10	51
	Year to Date Total	180

RHFP Unit Turnover and Rent-Up

Turnover at Millstream Ridge continues to decrease, however the building and property are still impacted by neighbouring construction. New tenants are aware of the surroundings prior to move in which adds longevity to tenancies, reducing 2021's unit turnovers to 25% of the building, down from 48% in 2020.

As of September 10, 2021, Spencer Close is 93% rented with only accessible units remaining. As noted earlier, the building has been moved to operational staff to finish the rent up process. West Park is 77% rented and Hockley House is 59% rented, trending with the revised rent up period previously reported. Staff continue to network with societies and organizations that have clients who require fully modified units, as well as exploring how CRHC might be able to further incentivize these units to meet the financial constraints of the end user.

Staff efforts to increase the rent-up rates has brought considerable success in terms of the high numbers of inquiries being received. Staff continue to manage the volume on inquiries and have been able to keep responses prompt. Additionally, staff have maximized available resources by streamlining responsibilities and utilizing caretaker staff to show units when possible. The influx of students to the region has been considered and staff have proactively connected with student housing offices at various educational institutions within the region.

Routine Capital Plan

The updated Five-Year Routine Capital Plan budgeted for \$4 million (M) in 2021. Up to August 31, 2021, staff have spent approximately \$1.7M under this Plan. The pandemic continues to impact this work due to the available capacity of contractors as well as wait times for materials and products. Routine capital work that can be completed before year end continues to move forward. As part of the capital planning process that staff are currently engaged in, work that is not likely to be completed this fiscal year will be balanced across the remaining three years to ensure the \$11M Umbrella Operating Agreement (UOA) targets are met by the end of 2024. This realignment is done annually and currently there is good capacity in the final year to ensure we won't create excessive work in any one year. Warranty inspections and deficiency reporting continues at new buildings as they reach the end of their warranty period.

CONCLUSION

Through Q3, 2021, CRHC has been impacted by unexpected staffing changes across all levels of the Corporation, finding it more challenging to find qualified staff once the bumping of internal moves has occurred. TE activities have moved to face to face connections with the anticipation that this may change again as we move into the autumn and winter. Some new ideas involving welcomes and satisfaction surveys have come forward through the quarterly work with the Tenant Advisory Committee, which will roll out in the coming months.

Most of CRHC's housing portfolios are stable though the ongoing pandemic does impact unit turnover timelines and targets. Unit Vacancy in the newly opened buildings is coming down although slower than anticipated, but staff are working to capitalize on the increased demand to fill existing vacancies.

Work on the Routine Capital Plan slowed during the summer due to staffing changes and with training underway it is expected more work will be underway or in process ahead of Q4.

RECOMMENDATION

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

That the Capital Region Housing Corporation Operational Update No. 3, 2021 report be received for information.

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

ATTACHMENT:

Appendix A: RHFP Rent-up Information

West Park Rent-Up

Unit Mix						
Total Units	152					
Rental Type	Affordable	RHFP Shelter Rate	Affordable	RHFP Shelter Rate	Affordable	RHFP Shelter Rate
	Proposed		Pending		Rented	
September 2020	Marketing	Marketing	-	-	-	-
October 2020	Marketing	Marketing	4	1	15	22
November 2020	34	9	3	0	8	7
December 2020	28	9	4	0	3	0
January 2021	28	8	5	0	11	1
February 2021	28	8	3	0	1	4
March 2021	-	-	4	0	0	0
April 2021	-	-	4	0	5	0
May 2021	-	-	2	0	8	0
June 2021	-	-	11	0	8	0
July 2021	-	-	15	0	12	0
August 2021	-	-	10	0	12	0
Total	118	34	-	-	83	34
Total Combined	152				117	
				% Rented (Unit Type)	70%	100%
				% Rented (Total)	77%	

Financials				
Unit Type	RHFP Shelter Rate 20%	No. Units	Affordable 80%	No. Units
Studio	\$375	32	0	0
1 Bedroom	\$375	2	\$1,395	74
2 Bedroom	\$570	0	\$1,735	44
Total		34		118

Langford Median Apartment Rents	
1 Bedroom	\$1,545
2 Bedroom	\$1,955

Reference: www.zumper.com as of June 2021

Spencer Close Rent-Up

Unit Mix						
Total Units	130					
Rental Type	Affordable	RHFP Shelter Rate	Affordable	RHFP Shelter Rate	Affordable	RHFP Shelter Rate
	Proposed		Pending		Actual	
October 2020	Marketing	Marketing	3	1	0	0
November 2020	35	7	1	0	43	22
December 2020	23	7	3	0	16	3
January 2021	23	6	4	0	15	0
February 2021	23	6	3	1	9	0
March 2021	-	-	0	0	10	0
April 2021	-	-	1	0	1	0
May 2021	-	-	0	0	1	0
June 2021	-	-	0	0	1	0
July 2021	-	-	2	0	0	0
August 2021	-	-	0	0	0	0
Total	104	26	-	-	96	25
Total Combined	130				121	
				% Rented (Unit Type)	92%	96%
				% Rented (Total)	93%	

Financials				
Unit Type	RHFP Shelter Rate 20%	No. Units	Affordable 80%	No. Units
1 Bedroom	\$375	24	0	0
1 Bed + Den	0	0	\$1,275	12
2 Bedroom	\$570	2	\$1,600	27
2 Bed + Den	0	0	\$1,675	65
Total		26		104

Langford Median Apartment Rents	
1 Bedroom	\$1,545
2 Bedroom	\$1,955

Reference: www.zumper.com as of June 2021

Hockley House Rent-Up

Unit Mix						
Total Units	120					
Rental Type	Affordable	RHFP Shelter Rate	Affordable	RHFP Shelter Rate	Affordable	RHFP Shelter Rate
	Proposed		Pending		Actual	
February 2021	Marketing	Marketing	11	0	0	0
March 2021	Marketing	Marketing	12	1	8	1
April 2021	30	8	7	6	11	13
May 2021	21	8	3	0	16	6
June 2021	20	7	5	0	4	1
July 2021	20	6	13	0	10	0
Aug 2021	-	-	7	3	1	0
Sept 2021	-	-	-	-	-	-
Total	91	29	-	-	50	21
Total Combined	120				71	
				% Rented (Unit Type)	55%	72%
				% Rented (Building)	59%	

Financials				
Unit Type	RHFP Shelter Rate 20%	No. Units	Affordable 80%	No. Units
Studio	\$375	23	\$1,000	4
1 Bedroom	\$375	2	\$1,400	39
2 Bedroom	\$570	4	\$1,750	48
Total		29		91

Langford Median Apartment Rents	
1 Bedroom	\$1,545
2 Bedroom	\$1,955

Reference: www.zumper.com as of June 2021

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, OCTOBER 06, 2021**

SUBJECT **Capital Region Housing Corporation Major Capital Plan Status Report Third Quarter, 2021**

ISSUE SUMMARY

To provide a quarterly update to the Hospitals and Housing Committee on the Capital Region Housing Corporation (CRHC) Major Capital Plan (2021-2025). This report is to complement the Capital Variance Report presented quarterly to the Capital Regional District (CRD) Board by the Chief Administrative Officer (CAO).

BACKGROUND

The CRHC is a wholly owned subsidiary of the CRD with the mandate to develop and manage affordable housing to meet the needs of individuals and families residing within the capital region. In working to fulfill its mandate, the CRHC owns and operates 1,893 units of affordable housing, providing homes to more than 3,500 residents of the capital region with low to moderate incomes. In addition, CRHC currently has 109 new units under construction and 661 units in pre-construction and development. This report contains projects that will receive grant funding through the following programs; Regional Housing First Program (RHFP), Regional Housing Trust Fund (RHTF), Building BC: Community Housing Fund (CHF), Investment in Housing Initiative (IHI), and Capital Replacement Fund (CRF).

ALTERNATIVES

Alternative 1

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

That the Capital Region Housing Corporation Major Capital Plan Status Report Third Quarter, 2021 be received for information.

Alternative 2

That the Capital Region Housing Corporation Major Capital Plan Status Report Third Quarter, 2021 be referred back to staff for additional information based on Hospitals and Housing Committee direction.

IMPLICATIONS

Hockley House (RHFP)

In March 2021, CRHC acquired Hockley House, a 120 unit building, through a lease agreement under the CRD RHFP. The project was completed on time and within budget. The final mortgage amount was \$25,575,610, as anticipated.

2782 Spencer (CHF)

2782 Spencer, a 58-unit development in Langford, will be completed through a fixed price design-build contract. Foundation work is underway on site with wood framing scheduled to start in early November 2021. Construction will be completed in Q4, 2022. The project budget of \$19,883,209, remains unchanged from the final budget approval by the CRHC Board in April 2021.

Prosser (RHFP, RHTF & IHI)

Prosser, a 51-unit affordable housing development located in the District of Central Saanich, received \$3,000,000 in grant funding through the RHFP, \$3,250,000 in grant funding through IHI and \$615,000 in grant funding through the RHTF. The total project budget is \$16,981,555 and CRHC will take on mortgage debt of approximately \$10,116,555, with CRD owning the property and entering into a 60-year lease agreement with CRHC. Construction work is underway, with excavation completed and foundations progressing for the underground parkade. Construction is projected to be completed in Q3, 2022.

Michigan Square (RHFP, RHTF & CHF)

The Michigan Square project, a 97-unit redevelopment in James Bay, is in the final stages of design. Alteration and building permits are anticipated to be received in Q4, 2021. Procurement of construction contracts will close at the end of October 2021. Staff will return to the Board for final project approval in December 2021, as planned. The project budget of \$38,357,678, remains unchanged from the CRHC Major Capital Plan (2021-2025).

Caledonia (CHF)

It was reported in the CRHC Major Capital Plan (2021-2025) that construction of the Caledonia project, a 158-unit redevelopment in the Fernwood neighbourhood, would commence in May 2021. Currently, all design work has halted until the Master Agreement has been signed by all partners. Finalizing the terms of the Master Agreement and proposed land transactions have delayed the execution of the Agreement. The anticipated timeline to have the Master Agreement and subsequent land covenants signed by all parties, including the Ministry of Education is September 30, 2021. This will allow for final municipal approvals, including the Official Community Plan amendment, rezoning, and development permit to take place throughout October 2021. The adjusted timeframe for ground breaking onsite is anticipated to be Q3, 2022.

This delay has contributed to an increase in the project budget from \$59,471,636, as reported in the CRHC Major Capital Plan (2021-2025), to \$64,391,985. The primary drivers of the budget increase include escalated labour and material costs, increase in energy efficiency targets as well as offsite construction requirements that were unknown at the time of the September, 2019 Class D estimate. The updated project budget was compiled through a Class B estimate in August 2021 and reflects current market conditions with an escalation contingency to account for construction contract procurement in Q2, 2022. This budget increase will be advanced through the CRHC Major Capital Plan (2022-2026) for approval in December 2021 and will be funded through a combination of increased equity (grant funding), an operating subsidy to help service the debt and the final mortgage registered to CRHC.

Pandora (CHF)

Pandora is a partnership project between the City of Victoria, BC Housing and CRHC to build 220 new non-market rental homes and create a new community centre in the North Park neighbourhood. The CRHC would lease an air-space parcel to accommodate 170 affordable rental units that would be operated by CRHC. Design work is in the early conceptual stages with a targeted rezoning submission in Q4, 2021.

Carey Lane BER (CRF)

Carey Lane, a 22-unit townhouse complex that is owned and operated by CRHC, will undergo a full building envelope remediation (BER) throughout 2022 and 2023. Procurement of design consultants is underway. Design work and contractor procurement will take place throughout Q4, 2021 and Q1, 2022 with an anticipated construction start in Q2, 2022. The project budget of \$2,400,000, remains unchanged as reported in the CRHC Major Capital Plan (2021-2025).

Tenant notifications were provided in September 2021 and tenant engagement will continue throughout the project lifecycle.

Drake Road, Salt Spring Island

Staff continue to explore the potential to advance the Drake Road property through one of BC Housing's funding programs.

Campus View

Campus View, an existing 12-unit CRHC townhouse complex, located in the Gordon Head neighbourhood, has been identified as a possible redevelopment opportunity through the CRHC Redevelopment and Renewal Strategy. Existing tenants were notified prior to minor feasibility work that was carried out on site in Q2, 2021. As the conceptual design work progresses towards a rezoning application, staff will initiate a broader community engagement. The proposed design would see the potential number of units on site increase from 12 to approximately 104 units of affordable housing.

CONCLUSION

As part of staff's commitment to providing updates to the CRHC Board, the CRHC Major Capital Plan Status Report provides a snapshot of issues and items that have a potential to impact the Major Capital Plan. Despite the impacts from the ongoing pandemic, the majority of CRHC major capital projects are within budget, on schedule and in alignment with the Major Capital Plan (2021-2025). The only deviation from the Major Capital Plan (2021-2025) is the Caledonia Redevelopment, which can be attributed to an extremely complex land exchange, lot consolidation, municipal approval and escalated construction costs.

RECOMMENDATION

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

That the Capital Region Housing Corporation Major Capital Plan Status Report Third Quarter, 2021 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, FCPA, FCMA, Chief Financial Officer
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