



Notice of Meeting and Meeting Agenda Capital Region Housing Corporation Board

Wednesday, December 14, 2022

1:05 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. [22-666](#) Minutes of the October 12, 2022 and November 16, 2022 Capital Region Housing Corporation Board meetings

Recommendation: 1. That the minutes of the Capital Region Housing Corporation Board meeting of October 12, 2022 be adopted as circulated.
2. That the minutes of the Special Session of Capital Region Housing Corporation Board meeting of November 16, 2022 be adopted as circulated.

Attachments: [Minutes - October 12, 2022](#)
[Minutes - November 16, 2022](#)

4. REPORT OF THE CHAIR

5. PRESENTATIONS/DELEGATIONS

The public are welcome to attend CRD Board meetings in-person.

Delegations will have the option to participate electronically. Please complete the online application at www.crd.bc.ca/address no later than 4:30 pm two days before the meeting and staff will respond with details.

Alternatively, you may email your comments on an agenda item to the CRD Board at crdboard@crd.bc.ca.

6. CONSENT AGENDA

7. ADMINISTRATION REPORTS

7.1. [22-649](#) 2023 Administration & Development Services Budgets

- Recommendation:**
1. That the Capital Region Housing Corporation 2023 Administration Budget be approved;
 2. That the Capital Region Housing Corporation 2023 Development Services Budget be approved; and
 3. That the Development Services Stabilization Reserve be established and transfer the 2022 Development Services surplus.

Attachments: [Staff Report: 2023 Administration & Development Services Budgets](#)
[Appendix A: Administration Budget](#)
[Appendix B: Development Services Budget](#)

7.2. [22-650](#) 2023 Portfolio Operating Budgets

- Recommendation:**
1. That the 2023 Operating Budget for the Umbrella Operating Agreement be approved;
 2. That the 2023 Operating Budget for the No Operating Agreement be approved;
 3. That the 2023 Operating Budget for the Independent Living BC Agreement be approved;
 4. That the 2023 Operating Budget for the Regional Housing First Program Agreement be approved;
 5. That the 2023 Operating Budget for the Investment in Housing Innovation be approved;
 6. That the 2023 Operating Budget for the Community Housing Fund (CHF) be approved; and
 7. That any 2022 operating surplus/(deficits) to be transferred to/(from) the individual Portfolio Stabilization Reserves be approved.

Attachments: [Staff Report: 2023 Portfolio Operating Budgets](#)
[Appendix A: UOA Operating Budget Summary](#)
[Appendix B: NOA Operating Budget Summary](#)
[Appendix C: ILBC Operating Budget Summary](#)
[Appendix D: RHFP Operating Budget Summary](#)
[Appendix E: IHI Operating Budget Summary](#)
[Appendix F: CHF Operating Budget Summary](#)
[Appendix G: Expiring Properties](#)

7.3. [22-651](#) 2023 Five Year Updated Routine Capital Plans (2020-2024)

- Recommendation:**
1. a) That the Capital Region Housing Corporation Umbrella Operating Agreement (UOA) Updated Five Year Routine Capital Plan 2020-2024 be approved; and
 - b) That staff be authorized to implement the UOA 2023 Routine Capital Plan.
 2. a) That the Independent Living BC (ILBC) Updated Five Year Routine Capital Plan 2020-2024 be approved; and
 - b) That staff be authorized to implement the ILBC 2023 Routine Capital Plan.
 3. a) That the No Operating Agreement (NOA) Updated Five Year Routine Capital Plan 2020-2024 be approved; and
 - b) That staff be authorized to implement the NOA 2023 Routine Capital Plan.
 4. a) That the Investment in Housing Innovation (IHI) Updated Five Year Routine Capital Plan 2020-2024 be approved; and
 - b) That staff be authorized to implement the IHI 2023 Routine Capital Plan.
 5. a) That the Regional Housing First Program (RHFP) Updated Five Year Routine Capital Plan 2020-2024 be approved; and
 - b) That staff be authorized to implement the RHFP 2023 Routine Capital Plan.
 6. a) That the Community Housing Fund (CHF) Five Year Routine Capital Plan 2020-2024 be approved; and
 - b) That staff be authorized to implement the CHF 2023 Routine Capital Plan.

Attachments: [Staff Report: 2023 Five Year Updated Routine Capital Plans \(2020-2024\)](#)
[Appendix A: Five Year Updated Routine Capital Plans](#)

7.4. [22-652](#) Major Capital Plan (2023-2027)

- Recommendation:**
1. That the Major Capital Plan (2023-2027) be approved;
 2. That the Chief Administrative Officer, or their duly authorized delegate, be authorized to apply for, negotiate and accept the terms to receive funds for up to six development projects through the Regional Housing First Program, Regional Housing Trust Fund, Canada Mortgage and Housing Commission (CMHC), BC Housing Management Commission, Federation of Canadian Municipalities, City of Victoria and the District of Saanich, and other funding programs as necessary and as they become available; and
 3. That the draft Resolution of the Board of Directors, attached as Appendix B and required by CMHC be approved.

Attachments: [Staff Report: Major Capital Plan \(2023-2027\)](#)
[Appendix A: Major Capital Plan \(2023-2027\)](#)
[Appendix B: Draft Board Resolution–CMHC Fund Contrib'n Agmt](#)

8. REPORTS OF COMMITTEES

9. NOTICE(S) OF MOTION

10. NEW BUSINESS

11. ADJOURNMENT

Meeting Minutes

Capital Region Housing Corporation Board

Wednesday, October 12, 2022

1:00 PM

6th Floor Boardroom
625 Fisgard Street
Victoria, BC

PRESENT:

Directors: J. Loveday (Chair), D. Screech (Vice Chair), J. Bateman (EP) (for M. Tait), D. Blackwell, R. Mersereau, P. Brent, S. Brice, B. Desjardins (EP), L. Helps, M. Hicks, G. Holman, B. Isitt (EP), R. Martin, C. McNeil-Smith, K. Murdoch, G. Orr, C. Plant, J. Ranns (1:04 pm), L. Seaton, N. Taylor, K. Williams, 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; D. Elliot, Senior Manager, Housing; M. Barnes, Senior Manager, Health & Capital Planning Strategies; M. Lagoa, Deputy Corporate Officer; S. Orr, Senior Committee Clerk (Recorder)

EP - Electronic Participation

Regrets: Directors F. Haynes, M. Tait

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

1. TERRITORIAL ACKNOWLEDGEMENT

Director Mersereau provided a Territorial Acknowledgement.

2. APPROVAL OF THE AGENDA

MOVED by Director Mersereau, **SECONDED** by Director Martin,
That the agenda for the October 12, 2022 Session of the Capital Region Housing Corporation Board be approved.
CARRIED

3. ADOPTION OF MINUTES

- 3.1. [22-571](#) Minutes of the August 10, 2022 Capital Region Housing Corporation Board Meeting

MOVED by Director Mersereau, **SECONDED** by Director Martin,
That the minutes of the Capital Region Housing Corporation Board meeting of August 10, 2022 be adopted as circulated.
CARRIED

4. REPORT OF THE CHAIR

Over the last four years the Capital Region Housing Corporation Board has ambitiously expanded the portfolio of affordable housing across the region. The milestone that is directly in front of us now is the final funds from the Regional Housing First Program being disbursed. I want to acknowledge and celebrate the success of the program which proves what the region can do when we work together proactively and collaboratively to deliver safe and adequate affordable housing. I hope that the next Board will take as a more ambitious approach to delivering the housing we need across the region. This version of the Board has planted the seeds for what that next program can look like in terms of both development and acquisition strategy to purchase older housing stock and deliver complex care, rural and remote housing as well as continuing to capitalize on the funding available from upper levels of government and finding new and innovative approaches to getting housing built. It has been an honour to serve as Chair of the Capital Region Housing Corporation Board for the last year and thank you to the CRD Board for the opportunity, as well thanks to CRD staff for all their incredible work, and to the Tenant Advisory Committee for giving their time, experience and expertise to helping us deliver housing even better.

5. PRESENTATIONS/DELEGATIONS

There were no presentations or delegations.

6. CONSENT AGENDA

Item 6.4. was removed from the consent agenda and moved to be considered under Administration Reports as Item 7.1.

**MOVED by Director Plant, SECONDED by Director Mersereau,
That consent agenda items 6.1. through 6.3. be approved.
CARRIED**

- 6.1. [22-575](#) Major Capital Plan Status Report - Third Quarter 2022

 This Informational Report was received for information.
- 6.2. [22-576](#) Capital Region Housing Corporation Operational Update, Third Quarter, 2022

 This Informational Report was received for information.
- 6.3. [22-574](#) Capital Region Housing Corporation Applicant Eligibility Policy Amendment

 This Informational Report was received for information.

7. ADMINISTRATION REPORTS

7.1. [22-543](#) Capital Region Housing Corporation Financial Plan Amendment

Discussion ensued regarding the vehicle type.

MOVED by Director Plant, **SECONDED** by Alternate Director Brent,
That the Capital Region Housing Corporation Routine Capital Plan Amendment
be approved as attached.
CARRIED

8. REPORTS OF COMMITTEES

There were no Reports of Committees.

9. NOTICE(S) OF MOTION

There were no Notice(s) of Motion.

10. NEW BUSINESS

There was no new business.

11. ADJOURNMENT

MOVED by Director Plant, **SECONDED** by Director Blackwell,
That the October 12, 2022 Capital Region Housing Corporation Board meeting be
adjourned at 1:06 pm.
CARRIED

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER

Meeting Minutes

Capital Region Housing Corporation Board

Wednesday, November 16, 2022

1:10 PM

6th Floor Boardroom
625 Fisgard Street
Victoria, BC

Special Meeting - Inaugural

PRESENT:

DIRECTORS: Z. de Vries (Chair), M. Tait (Vice Chair), M. Alto, K. Armour (for B. Desjardins), P. Brent, S. Brice, J. Brownoff, J. Caradonna, C. Coleman, S. Goodmanson, G. Holman, P. Jones, D. Kobayashi, M. Little, C. McNeil-Smith, K. Murdoch, D. Murdock, C. Plant, L. Szpak, D. Thompson, S. Tobias, A. Wickheim, K. Williams, R. Windsor

STAFF: T. Robbins, 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; I. Jesney, Acting General Manager, Integrated Water Services; M. Lagoa, Deputy Corporate Officer; S. Orr, Senior Committee Clerk (Recorder)

Guest: R. Bortolin; Stewart McDannold Stuart, Barristers & Solicitors

Regrets: Director B. Desjardins

1. CALL TO ORDER

The Chief Administrative Officer called the meeting to order at 1:43 pm.

2. TERRITORIAL ACKNOWLEDGEMENT

The Chief Administrative Officer provided a Territorial Acknowledgement in the preceding Capital Regional District Board meeting.

3. ELECTION OF THE CHAIR OF THE HOUSING CORPORATION BOARD

The Chief Administrative Officer called for nominations for the position of Chair of the Capital Region Housing Corporation Board for 2023.

Director Tait nominated Director de Vries. Director de Vries accepted the nomination.

The Chief Administrative Officer called for nominations a second time.

Director Murdoch nominated Director Tait. Director Tait declined the nomination.

The Chief Administrative Officer called for nominations a third and final time.

Director Kobayashi nominated Director Alto. Director Alto declined the nomination.

Hearing no further nominations, the Chief Administrative Officer declared Director de Vries Chair of the Capital Region Housing Corporation Board for 2023 by acclamation.

4. ELECTION OF THE VICE CHAIR OF THE HOUSING CORPORATION BOARD

Chair de Vries called for nominations of Vice Chair of the Capital Region Housing Corporation Board for 2023.

Director Thompson nominated Director Caradonna. Director Caradonna accepted the nomination.

Chair de Vries called for nominations a second time.

Alternate Director Armour nominated Director Alto. Director Alto declined the nomination.

Director Szpak nominated Director Tait. Director Tait accepted the nomination.

Chair de Vries called for nominations a third and final time.

Hearing no further nominations, Chair de Vries invited each nominee to address the Board.

Ballots were distributed by K. Morley and M. Lagoa, and collected by M. Lagoa.

The ballots were counted by K. Morley, M. Lagoa, and R. Bortolin, Solicitor.

Chair de Vries declared Director Tait Vice Chair of the Capital Region Housing Corporation Board.

**MOVED by Director McNeil-Smith, SECONDED by Director Thompson,
That the ballots be destroyed.
CARRIED**

5. INAUGURAL ADDRESS OF THE CHAIR

First, I would like to congratulate each of you on your successful elections in your respective communities. I have a deep respect for each of you because of your commitment and dedication to serve your communities not in spite of the challenges they face, but because of them. I think we all bring different skills, insights, and experience that will be valuable to our collective efforts as a board. I have given it a lot of thought to how I can best contribute to our shared goals and serve the region in my capacity as a CRD Director. I landed on Capital Region Housing Corporation Board Chair because it aligns my policy and governance strengths. These past four years in Saanich I have proven myself on the housing file; four years on the Regional Housing Trust Fund Commission, I've chaired Saanich's Planning, Transportation, and Economic Development Advisory Committee, The Mayor's Standing Committee on Housing Affordability and Supply, and chaired Saanich's Housing Strategy Taskforce which developed an award winning Housing Strategy. Housing is a top priority. I think that even before strategic planning I can safely say that housing is a top priority of the 2022-2026 CRD Board. As a wholly-owned subsidiary of the CRD, the CRHC will undoubtedly play a critical role in meeting our strategic objectives on homelessness, housing affordability and addressing core housing need across the region in a variety of contexts. Speaking with many of you these past few weeks I know housing is a high priority for you and that there is a desire to be bold and to meet this housing challenge with the urgency because of the opportunity it represents. Housing is also the priority of Premier Eby, I think this alignment of priorities provides an expanded opportunity especially for complex care, homelessness and workforce housing and other challenges that we face. As much as there is opportunity, there are challenges: homelessness, rural and remote communities, preserving and protecting existing affordable housing, supporting a healthy workforce and supporting the next generation's future in our communities. I will serve you as chair beyond the board table as a leader and a conduit, a connector and relationship builder. I will be proactive in communication with you and I will work closely with staff as we collectively develop a new housing program. For the success of this new housing program, particularly for complex care, we need a stronger relationship with Island Health; this will be a priority for me. The white paper and its policy planks such as acquisition, rural and remote housings, continue to expanding the stock of new housing, complex care-aligning to move on complex care with the Province. We are off to a great start but I don't think it goes far enough, I think we have the opportunity to do more on homelessness as well as workforce housing, and ensuring that we meet the needs of people who have made their lives here and cannot be accommodated by the market; I believe this is one of our special responsibilities. The Regional Housing First Program was bold and innovative. I look forward to our work together as we steward the largest affordable housing portfolio in the region and as we move forward in the creation of a new, bold, and effective housing program.

6. ADJOURNMENT

MOVED by Director Tait, **SECONDED** by Director Thompson,
That the November 16, 2022 Capital Region Housing Corporation Board meeting
be adjourned at 2:04 pm.
CARRIED

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER

**REPORT TO CAPITAL REGION HOUSING CORPORATION
MEETING OF WEDNESDAY, DECEMBER 14, 2022**

SUBJECT 2023 Administration & Development Services Budgets

ISSUE SUMMARY

To provide the Capital Region Housing Corporation (CRHC) Board a review of estimated revenues and expenditures for the 2022 operating year and to present the 2023 Administration and Development Services Budgets.

BACKGROUND

The CRHC's fiscal year is January 1 to December 31. Final budget approval by the Board must be completed by December 31, 2022.

Administration Budget

The Administration Budget includes costs to the CRHC associated with overall corporate management such as salaries and benefits, Capital Regional District (CRD) corporate allocations, Regional Housing service delivery allocations, consultants, legal fees and office operating costs. The Administration budget is primarily funded by property management fees charged to the 50 CRHC buildings. In the Administration Budget, the management fees are represented as revenue; and, in the building operating budgets, the management fees are represented as expenditures. Other sources of revenue include property management fees from other housing societies, operating interest income and transfers from the Corporation Stabilization Reserve (CSR).

The CSR was originally created through surplus development fees received throughout its 1983-2008 affordable housing development projects. The use of the CSR is at the discretion of the CRHC Board. Annually, the Administrative Budget transfers any operating surplus/(deficits) to the CSR. For 2023, staff are recommending the creation of a new Development Services Reserve to separate surplus for the purpose of stabilizing core operations from surplus to be used for development feasibility and administration.

Development Services Budget

The CRHC Board approved the *CRHC Portfolio Renewal, Redevelopment and Development Strategy* in August 2016. The Development Services Budget is required to implement the strategy and includes costs to CRHC associated with the development, redevelopment and renewal of existing housing stock.

During the pre-development phase of a potential capital project, the cost for feasibility studies, preparation of grant applications and the salaries and overhead for Development Services has been recovered through the CSR, if required. With the growth of the Development Services team, staff are proposing the creation of a Development Services Stabilization Reserve. Once a project is approved, required staff salaries will be recovered through approved capital projects. Development costs from the projects are captured in the Major Capital Plan.

ALTERNATIVES

Alternative 1

1. That the Capital Region Housing Corporation 2023 Administration Budget be approved;
2. That the Capital Region Housing Corporation 2023 Development Services Budget be approved; and

3. That the Development Services Stabilization Reserve be established and transfer the 2022 Development Services surplus.

Alternative 2

That the 2023 Administration and Development Services Budget report be referred to staff for revisions based on Capital Region Housing Corporation Board direction.

IMPLICATIONS

Administration Budget (Appendix A)

Table 1: Summary of 2022 estimated revenue/expenditures and 2023 proposed budget

Administration Budget (Appendix A)					
	2022 Approved Budget	2022 Estimates	2022 Variance \$	2023 Proposed Budget	2022-2023 Budget Change \$
Total Revenue	3,005,317	2,989,423	(15,894)	3,448,574	443,258
Total Expenditures	(3,005,317)	(2,919,705)	85,611	(3,448,574)	443,258
Operating Surplus/(Deficit)	-	69,718	69,718	-	-

At the end of 2022, there is estimated to be a net favourable operating surplus of \$70 thousand (K) in the Administrative Operating budget, due to one-time staffing vacancies.

Staff are proposing 2023 Administration Budget expenditures of \$3.4 million (M). This represents a proposed total expenditure increase of \$443K or 15% over 2022. Of the increase, \$385K is due to forecasted cost escalation in CUPE/Exempt salaries and the addition of five full time employees (FTEs) in support of property management services related to the increase of housing stock including 2782 Spencer in Langford and Prosser in Central Saanich and to support the deployment of a fourth operating portfolio. The other \$58K of this increase aligns with a term extension approved in the 2023 budget to support new building rent-up and marketing.

The CSR will have an estimated balance of \$676K at December 31, 2022, after transferring the remaining \$59K that was approved for development feasibility work to the newly created Development Services Stabilization Reserve. The forecast ending balance of the CSR at the end of 2023 remains at \$676K as staff are proposing a balanced 2023 Administrative Operating budget.

Explanations for budget line variances +/-10% and \$10K can be found in the Appendix A notes.

Development Services Budget (Appendix B)

Table 2: Summary of 2022 estimated revenue/expenditures and 2023 proposed budget

Development Services Budget (Appendix B)					
	2022 Budget	2022 Estimates	2022 Variance \$	2023 Proposed Budget	2022-2023 Budget Change \$
Total Revenue	569,800	469,800	(100,000)	838,851	269,051
Total Expenditures	(566,273)	(434,990)	131,283	(777,818)	211,545
Operating Surplus/(Deficit)	3,527	34,810	31,283	61,033	57,506

In 2022, there was a \$35K positive variance due to timing of consultant feasibility work. Revenues were less than expected due to a deferral of activity to 2023 for Prosser handover and rezoning at Campus View.

Staff are proposing 2023 Development Services Budget expenditures of \$778K. This represents an expenditure increase of \$212K or 37% over 2022 and is driven and funded by approved capital projects. Funding required for the project management staff has been included in the Major Capital Plan proposed for approval.

Explanations for budget line variances +/-10% and \$10K can be found in the Appendix B notes.

CONCLUSION

The Administration Budget includes costs to CRHC associated with overall corporate management. In 2023, there is a proposed increase of \$443K. Staff are proposing a 2023 Budget of \$3.4M in expenditures to fund overall corporate management.

In 2023, there is a proposed increase to the Development Services Budget of \$212K and are proposing \$778K in expenditures in 2023 to fund costs associated with advancing the Major Capital Plan.

RECOMMENDATION

1. That the Capital Region Housing Corporation 2023 Administration Budget be approved;
2. That the Capital Region Housing Corporation 2023 Development Services Budget be approved; and
3. That the Development Services Stabilization Reserve be established and transfer the 2022 Development Services surplus.

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
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENTS:

Appendix A: Administration Budget
Appendix B: Development Services Budget

**CAPITAL REGION HOUSING CORPORATION
2023 ADMINISTRATION BUDGET**

APPENDIX A

	2022 Board Amended	2022 Estimated Actuals	2022 Budget \$ Variance	2022 Budget % Variance	2023 CRHC Proposed	2023 Budget \$ Change	2024 Forecast Estimate	2025 Forecast Estimate	2026 Forecast Estimate	2027 Forecast Estimate
REVENUE										
Property Management Fees	2,930,317	2,914,423	(15,894)	-0.5%	3,373,574	(4) 443,257	3,597,383	3,893,797	3,973,173	4,284,177
Interest Income	75,000	75,000	-	0.0%	75,000	-	75,000	75,000	75,000	75,000
TOTAL REVENUE	3,005,317	2,989,423	(15,894)	-0.5%	3,448,574	443,258	3,672,383	3,968,797	4,048,173	4,359,177
EXPENDITURES										
Salaries & Benefits - CRHC Administration Staff	1,984,972	1,637,500	(1) 347,472	17.5%	2,370,120	(5) 385,148	2,523,938	2,727,656	2,782,209	2,995,955
Training (includes related travel costs)	12,000	9,000	3,000	25.0%	12,000	-	12,779	13,810	14,086	15,169
CRD Allocations	834,545	834,545	-	0.0%	856,742	22,196	912,343	985,982	1,005,702	1,082,966
Consultants/Legal/Audit	32,000	41,500	(9,500)	-29.7%	34,600	2,600	36,846	39,819	40,616	43,736
Tenant Engagement Program	20,000	18,500	1,500	7.5%	20,000	-	21,298	23,017	23,477	25,281
Office Operating Costs	91,799	68,660	(2) 23,139	25.2%	95,112	3,313	101,285	109,460	111,649	120,227
Transfer to Equipment Replacement Reserve	10,000	10,000	-	0.0%	10,000	-	10,649	11,509	11,739	12,641
Capital Equipment - new computers/furniture		-	-	N/A		-	-	-	-	-
Capital Purchases - New office equipment	20,000	300,000	(3) (280,000)	-1400.0%	50,000	(6) 30,000	53,245	57,543	58,693	63,203
TOTAL EXPENDITURES	3,005,317	2,919,705	85,611	2.8%	3,448,574	443,257	3,672,383	3,968,797	4,048,173	4,359,177
TOTAL ADMINISTRATION Surplus/(Deficit)	-	69,718	69,718	-	-	-	-	-	-	-
Beginning Balance Corporation Stabilization Reserve		664,933			675,851		675,851	675,851	675,851	675,851
Estimated Surplus/(Deficit)		69,718			-		-	-	-	-
2022 Transfer (to) Development Services		(58,800)								
Ending Balance Corporation Stabilization Reserve		675,851			675,851		675,851	675,851	675,851	675,851
Total number of units in operation across all CRHC portfolios	1,893				1,931		2,016	2,136	2,136	2,255

Notes (for variances +/- 10% and \$10,000)

- (1) 2022 Salary variance due to staff vacancies.
- (2) 2022 Office Operating Costs lower than budgeted mainly due to office supplies.
- (3) 2022 Office equipment includes furniture and fixtures in reconfigured and expanded CRHC head office space to support portfolio growth.
- (4) 2023 Property Management Fees increase due to annualization of 2782 Spencer and one new building in 2023 (Prosser Road.)
- (5) 2023 Salary increase due to 5.0 new FTEs:
- J15 Property Manager, Maintenance
- J15 Property Manager, Tenant Engagement
- J15 Property Manager, Tenant Admin Coordinator
- J12 Tenant Services Assist
- J12 Property Assist
- (6) 2023 Equipment purchases include 5 new workstations for the 5 new FTEs.

**CAPITAL REGION HOUSING CORPORATION
2023 DEVELOPMENT SERVICES BUDGET**

APPENDIX B

	2022 Board Approved	2022 Estimated Actuals	2022 Budget \$ Variance	2022 Budget % Variance	2023 CRHC Proposed	2023 Budget \$ Change	2023 Budget % Change		
REVENUE									
Project Management Fees	511,000	411,000	(1)	(100,000)	-19.6%	838,851	(4)	327,851	64.2%
Transfer from Corporation Stablization Reserve	58,800	58,800	-	0.0%	-	(58,800)	-100.0%		
TOTAL REVENUE	569,800	469,800	(100,000)	-17.6%	838,851	269,051	47.2%		
EXPENDITURES									
Salaries & Benefits	484,673	415,190	(2)	69,483	14.3%	640,933	(5)	156,260	32.2%
CRD allocations						55,785	(6)	55,785	100.0%
Travel - local	1,500	500		1,000	66.7%	1,500	-	0.0%	
Telephone	3,600	-		3,600	100.0%	3,600	-	0.0%	
Miscellaneous	9,700	5,300		4,400	45.4%	12,500	2,800	28.9%	
Capital Equipment	8,000	2,000		6,000	75.0%	13,500	5,500	68.8%	
Consultants	58,800	12,000	(3)	46,800	79.6%	50,000	(8,800)	-15.0%	
TOTAL EXPENDITURES	566,273	434,990	131,283	23.2%	777,818	211,545	37.4%		
TOTAL DEVELOPMENT SERVICES Surplus/(Deficit)	3,527	34,810	31,283		61,033				
Development Services Stabilization Reserve (7)									
Opening balance		-			34,810				
Estimated surplus/(deficit)		34,810			61,033				
Ending balance		34,810			95,843				

Notes:

- (1) 2022 PM fee variance due to 2 projects deferred/delayed.
- (2) 2022 Salary variance due to vacancies.
- (3) 2022 Consultant expenses delayed to 2023
- (4) 2023 PM fees based on 3 projects underway and 1 that has received preliminary approval.
- (5) 2023 Salary budget includes 1 new FTE which was approved as a 2020 IBC contingent on project approval.
- (6) CRD allocations split from CRHC Administration budget starting in 2023 comprising of:
 - Standard overhead allocation
 - Building occupancy allocation
 - HR allocation
- (7) 2022 surplus used to create a new operating reserve for Development Services in support of future activities.

**REPORT TO CAPITAL REGION HOUSING CORPORATION
MEETING OF WEDNESDAY, DECEMBER 14, 2022**

SUBJECT 2023 Portfolio Operating Budgets

ISSUE SUMMARY

To provide the Capital Region Housing Corporation (CRHC) Board a review of estimated operating revenues and expenditures for 2022, and to present the proposed operating budgets for 2023.

BACKGROUND¹

The CRHC currently consists of a total of 50 properties across six operating portfolios, including:

- The Umbrella Operating Agreement (UOA) portfolio includes 38 buildings totalling 1,071 units across six municipalities. This agreement was initially signed in 2015 and was renewed in 2019 until December 31, 2024. The portfolio is made up of various operating agreements for Canada Mortgage and Housing Corporation (CMHC), BC Housing and Homes BC properties under one agreement to achieve administrative efficiencies and cost effectiveness. The portfolio receives a fixed operating subsidy from BC Housing, which enables a combination of Rent-Geared-to-Income (RGI) and Affordable Rental Units (ARU). The proposed 2023 UOA Operating Budget is attached as Appendix A.
- The No Operating Agreement (NOA) portfolio consists of five buildings totalling 123 units in three municipalities. The NOA was established as properties came to the end of their operating agreements and were no longer receiving a subsidy through BC Housing. Through the NOA, the CRHC can benefit from additional flexibility as the properties are no longer limited by an agreement. However, as the properties within the NOA receive no subsidy, they are dependent on rent revenues to ensure viability. The proposed 2023 NOA Operating Budget is attached as Appendix B.
- The Independent Living BC (ILBC) portfolio consists of one building containing 21 units in the City of Victoria. This building is an accredited Assisted Living building for seniors and persons with disabilities and is operated by a third-party in partnership with Island Health. This building receives a subsidy and is dependent on the third-party operator to provide hospitality services and for Island Health to manage tenant intake and to provide the health care services as may be required. The proposed 2023 ILBC Operating Budget is attached as Appendix C.
- The Regional Housing First Program (RHFP) portfolio consists of four properties totalling 534 units in two municipalities. These buildings were funded through the RHFP and consist of 20% Shelter-Rate Units (SRU) and 80% ARU. The SRU are for individuals experiencing or at-imminent-risk of homelessness but can live independently. These units receive no subsidy and are therefore fully dependent on the rental revenues from the ARU to ensure ongoing viability. The proposed 2023 RHFP Operating Budget is attached as Appendix D.

¹ Please note that all building and unit numbers in the Background reflect 2022 totals. The portfolio budgets attached to this report include all buildings and units being operationalized in 2023.

- The Investment in Housing Innovation (IHI) portfolio consists of one property totalling 73 units in Saanich. This building includes a partnership with the Independent Living Housing Society where a total of five units are provided to this society for use by their clients. The IHI portfolio receives no operating subsidy and therefore is dependent on tenant rent contributions to support operations. The proposed 2023 IHI Operating Budget is attached as Appendix E.
- The Community Housing Fund (CHF) portfolio consists of one building totalling 58 units in Langford. This portfolio has a BC Housing prescribed rental structure that includes 20% RGI Deep Subsidy, 50% RGI and 30% Affordable Market. To support the RGI Deep Subsidy and RGI units, this portfolio received an operating subsidy and relies on the tenant rent revenues from the 30% Affordable Market to help support overall building viability. The proposed 2023 CHF Operating Budget is attached as Appendix F.

Each separate portfolio budget includes the 2022 estimated surplus/deficit, the proposed 2023 budget totals and forecasts for years 2024 through 2027. As these budgets enable expenditures for 2023, they are required to be approved by the CRHC Board by December 31, 2022.

ALTERNATIVES

Alternative 1

1. That the 2023 Operating Budget for the Umbrella Operating Agreement be approved;
2. That the 2023 Operating Budget for the No Operating Agreement be approved;
3. That the 2023 Operating Budget for the Independent Living BC Agreement be approved;
4. That the 2023 Operating Budget for the Regional Housing First Program Agreement be approved;
5. That the 2023 Operating Budget for the Investment in Housing Innovation be approved;
6. That the 2023 Operating Budget for the Community Housing Fund (CHF) be approved; and
7. That any 2022 operating surplus/(deficits) to be transferred to/(from) the individual Portfolio Stabilization Reserves be approved.

Alternative 2

That the 2023 Portfolio Operating Budgets report be referred to staff for additional information based on Capital Region Housing Corporation Board direction.

IMPLICATIONS

UOA Portfolio

2022 Outcomes

The approved 2022 UOA budget estimated a balanced operating result. Staff are forecasting a 2022 surplus of \$600 thousand (K). The favourable variance represents an increase in rental income and a drop in insurance due to Caledonia and a portion of Michigan Square being removed from this portfolio for redevelopment, offset by some cost pressures in utilities. The 2022 actual surplus will be transferred to the UOA operating reserve. See Appendix A for detailed variance explanations.

Table 1: UOA Summary 2022 Estimated Revenue/Expenditures & 2023 Proposed Budget

Umbrella Operating Agreement (Appendix A)			
	2022 Budget	2022 Estimates	2023 Proposed
Total Revenue	12,716,418	13,002,177	13,030,284
Total Expenditures	(12,520,664)	(12,402,358)	(13,052,804)
Operating Surplus/(Deficit)	195,754	599,819	(22,520)

2023 Budget Drivers

The 2023 UOA budget will see a small decline in subsidy revenue which corresponds to a decline in mortgage payments as mortgages continue to mature. Please see Appendix G for an overview of the upcoming mortgage expiries. Insurance premiums continue to rise, and the contribution to the replacement reserve is aligned to budgeted expenditures of the 5-year Routine Capital Plan. Staff are proposing a 2023 budget showing a small deficit of \$22.5K which will be funded by the UOA Portfolio Stabilization Reserve.

Insurance premiums

Insurance premiums have a budgeted increase of 25K over the 2022 budget year. CRHC procures its insurance from Marsh Canada through a partnership with British Columbia Non-Profit Housing Association (BCNPHA). This approach enables CRHC to access a special insurance pool of non-profit housing societies which offers preferred insurance rates. In 2019/20 staff undertook a market scan exploring the opportunity for CRHC to access more competitive rates with another insurer and the determination was made that remaining with Marsh was considerably more affordable than market alternatives.

Replacement Reserve Contribution

Staff are recommending a funding strategy to ensure there is sufficient revenue available for the proposed 2020-2024 UOA Routine Capital Plan of \$11 million (M) total or \$2.2M per year. Staff are recommending a contribution to the Replacement Reserve of \$173 per unit per month in the UOA in order to effectively fund the Routine Capital Plan work planned within the portfolio.

NOA Portfolio

2022 Outcomes

The approved 2022 NOA budget estimated an operating surplus of \$125K. Staff are forecasting a 2022 surplus of \$145K, which results in an anticipated positive variance of \$20K. The anticipated surplus will be transferred into the NOA Stabilization Reserve.

Table 2: NOA Summary 2022 Estimated Revenue/Expenditures & 2023 Proposed Budget

No Operating Agreement (Appendix B)			
	2022 Budget	2022 Estimates	2023 Proposed
Total Revenue	1,683,290	1,668,380	1,684,250
Total Expenditures	(1,558,549)	(1,523,322)	(1,638,586)
Operating Surplus/(Deficit)	124,741	145,058	45,664

2023 Budget Drivers

The main cost pressures impacting the NOA Operating budget are insurance premiums, maintenance, management fees, and mortgage payments. In 2023, the increase in insurance premium is based on known rate changes in July 2022 and estimated increases anticipated to

take effect in July 2023. Increased maintenance is anticipated in the portfolio and cost estimates are based on detailed diligence and scheduling. Management fee increases are detailed in the 2022 Administration and Development Services Budget staff report and is the result of the addition of five full time equivalents (FTE) and increased staffing costs.

Replacement Reserve Contribution

The funding strategy ensures there is sufficient revenue available for the proposed 2020-2024 NOA Routine Updated Capital Plan of \$2M total. For 2020-2024, a replacement reserve contribution of \$173/month per unit (or \$255K annual contribution) will be transferred from the NOA operating budgets to the Replacement Reserve to fund proposed works in the Routine Capital Plan.

ILBC Portfolio

Parry Place is under the ILBC operating program with BC Housing. It has a five-year fixed budget that was renewed for 2020-2024, with an allowance for an increase in annual budget expense based on the Consumer Price Index (CPI), excluding the mortgage.

2022 Outcomes

The approved 2022 ILBC budget estimated a very small operational surplus of 6K. Staff are forecasting a 2022 deficit of \$35K for an anticipated variance of \$41K. The deficit is due to a high vacancy rate and a new contract with Bayshore Home Health to ensure overnight first aid services are available to residents. The ILBC agreement requires Island Health to be responsible for the placement of tenants. Through active consultation with BC Housing, Island Health and Beacon Community Services, CRHC continues to work to decrease the vacancy rate at Parry Place.

Table 3: ILBC Summary 2022 Estimated Revenue/Expenditures & 2023 Proposed Budget
Independent Living BC Agreement (Appendix C)

	2022 Mandated	2022 Estimates	2023 Proposed
Total Revenue	691,795	657,584	729,881
Total Expenditures	(685,970)	(692,262)	(868,056)
Operating Surplus/(Deficit)	5,825	(34,678)	(138,175)

2023 Budget Drivers

Due to pressures on the health system and the care needs of existing residents at Parry Place, Island Health is no longer in the building providing services overnight. This has required CRHC to hire Bayshore Home Health to provide overnight first aid as required of Owners under the *Community Care and Assisted Living Act* costing an estimated \$144k per year.

RHFP Portfolio

In total, the portfolio now consists of four properties and 534 units of mixed income, non-subsidized rental housing. These properties are owned by the CRD and operated by CRHC under long-term leases. Under the Operating Agreements, RHFP properties pool their accumulated surplus/(deficits) and Capital Replacement Reserves. This is similar to how the UOA and NOA portfolios manage surpluses and deficits.

2022 Outcomes

West Park which opened in November 2020, experienced a slower than anticipated rent-up. Staff adjusted the marketing plan to align rent levels with the other buildings in this portfolio and occupancy stabilized. Staff are forecasting a 2022 surplus of \$445K for an anticipated variance of \$96K.

Table 4: RHFP Summary 2021 Estimated Revenue/Expenditures & 2022 Proposed Budget

Regional Housing First Program (Appendix D)			
	2022 Approved Budget	2022 Estimates	2023 Proposed
Total Revenue	8,556,418	8,241,050	9,217,057
Total Expenditures	(8,207,453)	(7,796,216)	(9,114,395)
Operating Surplus/(Deficit)	348,965	444,834	102,662

2023 Budget Drivers

Key budget drivers going into 2023 include projected increases in gas, landscaping, maintenance, management fees, mortgage payments and water charges due primarily to the addition of 51 units. This building on Prosser, located in Central Saanich, is anticipated to come online in Q2/Q3 2023 and is driving increases in cost in key areas across the portfolio. However, these additional costs are offset by anticipated increases in revenue as the building rents up. In Q4, a 53 unit building will be added in James Bay, the two months of operations account for a very small percentage of the increases.

IHI Portfolio

2022 Outcomes

Staff are anticipating a surplus of \$131K for a negative variance of \$17K from budget. This is due to slightly lower than anticipated rent revenue and slightly higher costs for maintenance items.

Table 5: IHI Summary 2022 Estimated Revenue/Expenditures & 2023 Proposed Budget

Investment In Housing Innovation Agreement (Appendix E)			
	2022 Budget	2022 Estimates	2023 Proposed
Total Revenue	857,510	850,640	857,570
Total Expenditures	(709,454)	(719,360)	(750,967)
Operating Surplus/(Deficit)	148,056	131,280	106,603

2023 Budget Drivers

The proposed 2023 Operating budget expenditures of \$751K increases \$41.5K from the 2022 due to anticipated increases in utilities, insurance premium and management fee.

CHF Portfolio

2022 Outcomes

2782 Spencer, a 58-unit building located in Langford opened at the end of October 2022 as planned. Initial rent up and market interest in the building is good allowing for revenue projections to be achievable. As of the writing of this report 15 units are rented.

Table 6: CHF Summary 2022 Estimated Revenue/Expenditures & 2023 Proposed Budget

Community Housing Fund Agreement (Appendix F)			
	2022 Budget	2022 Estimates	2023 Proposed
Total Revenue	31,500	26,810	1,340,281
Total Expenditures	(31,500)	(26,810)	(1,340,281)
Operating Surplus/(Deficit)	-	-	-

2023 Budget Drivers

As the building becomes operational late in 2022, staff are anticipating revenues of \$27K and expenditures of \$27K with no anticipated surplus/deficit. As the record of actual costs is gathered over time that will help to inform the budget going forward and future budget development. This building has subsidy attached, in line with the BC Housing pre-approved budget.

Portfolio Stabilization Reserves

Based on the 2022 estimated surpluses being contributed to the applicable portfolio stabilization reserves and capital development and renewal projects; Table 7 summarizes the estimated 2022 year end reserve balances.

Table 7: Summary of Portfolio Stabilization Reserves

Portfolio Stabilization Reserve Balances	2022 Beginning Balance	2022 Surplus/(Deficit)	2022 Approved Transfers from/(to)	2022 Ending Balance
UOA	2,914,641	599,819	37,442	3,551,902
NOA	839,558	145,058	-	984,616
ILBC Agreement	(62,637)	(34,678)	-	(97,315)
RHFP	38,150	444,834	-	482,984
IHI	289,169	131,280	-	420,449
CHF	-	-	-	-

Portfolio stabilization reserves are used to fund cyclical maintenance as well as one-time unexpected pressures.

Overall Implications

Staffing

Caretaker salaries and administrative overhead are allocated to properties based on hourly staffing requirements. The 2023 caretaker budget line has an increase due to forecasted salary rate increases and due to one new additional caretaker FTE for property management services related to 99 new units in James Bay. This position was identified in the 2023 Housing Affordability Initiative Business Case (1a-2 – CRHC Operations).

Rental Rates

Based on the BC Government announcement that 2% rent increases are permitted effective January 1, 2023, budgets have been prepared assuming this revenue increase, starting January 2023. The estimated increase in rental revenue (January-December 2023) could be up to \$200,000 across all buildings. Units which have turned over or began tenancies within 12 months prior to the increase effective date would not be eligible.

CONCLUSION

The main drivers for the 2022 and 2023 estimated surpluses/(deficits), and balanced budgets, are increased staffing; ongoing inflationary pressures from contracted services and additional costs associated with operations. Staff are recommending that any operating surpluses/(deficits) be transferred to the appropriate portfolio stabilization reserves.

RECOMMENDATION

1. That the 2023 Operating Budget for the Umbrella Operating Agreement be approved;
2. That the 2023 Operating Budget for the No Operating Agreement be approved;
3. That the 2023 Operating Budget for the Independent Living BC Agreement be approved;
4. That the 2023 Operating Budget for the Regional Housing First Program Agreement be approved;
5. That the 2023 Operating Budget for the Investment in Housing Innovation be approved;
6. That the 2023 Operating Budget for the Community Housing Fund (CHF) be approved; and
7. That any 2022 operating surplus/(deficits) to be transferred to/(from) the individual Portfolio Stabilization Reserves be approved.

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
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENTS:

Appendix A – UOA Operating Budget Summary
Appendix B – NOA Operating Budget Summary
Appendix C – ILBC Operating Budget Summary
Appendix D – RHFP Operating Budget Summary
Appendix E – IHI Operating Budget Summary
Appendix F – CHF Operating Budget Summary
Appendix G – Expiring Properties

CAPITAL REGION HOUSING CORPORATION

2023 UMBRELLA AGREEMENT OPERATING BUDGET SUMMARY

- 38 Properties: 1,071 units mixed income family/seniors housing

APPENDIX A

	2022 Board Amended	2022 Estimated Actuals	2022 Budget \$ Variance	2022 Budget % Variance	2023 CRHC Proposed	2023 Budget \$ Change	2024 Forecast Estimate	2025 Forecast Estimate	2026 Forecast Estimate	2027 Forecast Estimate
Revenue										
BCHMC Subsidy	2,705,368	2,712,627	7,259	0.3%	2,668,328	(37,040)	2,423,897	1,938,344	1,776,265	1,536,271
Tenant Rent Contribution	9,965,150	10,232,700	267,550	2.7%	10,306,910	341,760	10,513,048	10,723,309	10,937,775	11,156,531
Misc Revenue - parking and laundry	45,900	56,850	(1)	10,950	23.9%	55,046	9,146	55,597	56,153	56,714
Total Revenue	12,716,418	13,002,177	285,759	2.2%	13,030,284	313,866	12,992,542	12,717,806	12,770,754	12,750,083
Expenditures										
Audit	17,920	18,826	(906)	-5.1%	19,710	1,790	20,498	21,318	22,171	23,058
Caretaker	1,246,208	1,128,173	118,035	9.5%	1,288,396	42,188	1,327,048	1,366,859	1,407,865	1,450,101
Garbage	226,136	230,245	(4,109)	-1.8%	304,369	(4)	310,456	316,666	322,999	329,459
Gas	101,740	131,990	(2)	(30,250)	-29.7%	134,920	(5)	137,618	140,371	143,178
Hydro	241,100	238,567	2,533	1.1%	260,530	19,430	265,741	271,055	276,477	282,006
Insurance Premium	781,850	738,297	43,553	5.6%	806,585	24,735	822,717	839,171	855,954	873,073
Insurance Deductible	59,467	41,455	(3)	18,012	30.3%	-	(6)	(59,467)	-	-
Landscape Maintenance	327,356	311,069	16,287	5.0%	333,880	6,524	340,557	347,369	354,316	361,402
Land Lease	63,000	63,000	-	0.0%	63,000	-	63,000	63,000	63,000	63,000
Leblond Strata	19,146	20,942	(1,795)	-9.4%	17,939	(1,207)	18,298	18,664	19,037	19,418
Maintenance	735,979	744,180	(8,201)	-1.1%	839,021	(7)	103,043	855,802	872,918	890,376
Management Fee	1,663,093	1,663,093	0	0.0%	1,887,914	(8)	224,821	1,911,110	1,952,367	1,992,167
Mortgage Payments	3,907,519	3,899,495	8,024	0.2%	3,858,700	(48,819)	3,579,092	2,883,787	2,660,415	2,387,217
Property Taxes	4,180	4,064	116	2.8%	4,230	50	4,315	4,401	4,489	4,579
Transfer to Replacement Reserve	2,200,000	2,200,000	-	0.0%	2,200,000	0	2,200,000	2,200,000	2,200,000	2,200,000
Water	925,970	968,961	(42,991)	-4.6%	1,033,610	(9)	107,640	1,054,282	1,075,368	1,096,875
Total Expenditures	12,520,664	12,402,358	118,306	0.9%	13,052,804	532,140	12,910,534	12,373,314	12,309,319	12,201,098
Total Umbrella Agreement Surplus/(Deficit)	195,754	599,819	404,065	-	(22,520)	-	82,008	344,492	461,435	548,984
Beginning Balance UOA Stabilization Reserve		2,914,641			3,551,902		3,529,383	3,611,391	3,955,882	4,417,317
Operating Surplus/(Deficit)		599,819			(22,520)		82,008	344,492	461,435	548,984
Caledonia Operation		37,442			-					
Ending Balance UOA Stabilization Reserve		3,551,902			3,529,383		3,611,391	3,955,882	4,417,317	4,966,302
Number of units in operation in portfolio	1,142				1,071		1,071	1,071	1,071	1,071

Notes (for variances +/- 10% and \$10,000)

- (1) 2022 Other revenue variance due to increased uptake of paid parking.
(2) 2022 Gas variance due to increased rates and consumption.
(3) 2022 Insurance Deductible variance due to approval to utilize RR for large deductibles.
(4) 2023 Garbage increase due to contract rate increases.
(5) 2023 Gas budget consistent with 2022 actuals.
- (6) 2023 Insurance deductible removed from operating budget due to approval to utilize RR.
(7) 2023 Maintenance budget increase due to contract increases.
(8) 2023 Management Fee set at \$146 per unit per month required to balance Admin budget.
(9) 2023 Water increase due to increased water rates.

CAPITAL REGION HOUSING CORPORATION
2023 NO OPERATING AGREEMENT BUDGET SUMMARY

APPENDIX B

- 5 Properties: 123 units affordable rental housing

	2022 Board Amended	2022 Estimated Actuals	2022 Budget \$ Variance	2022 Budget % Variance	2023 CRHC Proposed	2023 Budget \$ Change	2024 Forecast Estimate	2025 Forecast Estimate	2026 Forecast Estimate	2027 Forecast Estimate
Revenue										
Tenant Rent Contribution	1,677,610	1,662,240	(15,370)	-0.9%	1,678,110	500	1,544,680	1,036,188	1,056,912	1,078,050
Misc Revenue - parking and laur	5,680	6,140	460	8.1%	6,140	460	5,596	3,717	3,754	3,792
Total Revenue	1,683,290	1,668,380	(14,910)	-0.9%	1,684,250	960	1,550,276	1,039,905	1,060,666	1,081,842
Expenditures										
Audit/Legal	2,060	2,150	(90)	-4.4%	2,260	200	2,121	1,451	1,509	1,569
Caretaker	136,802	120,497 (1)	16,304	11.9%	147,893 (2)	11,092	137,469	93,120	95,913	98,790
Garbage	24,200	25,338	(1,138)	-4.7%	25,692	1,492	23,649	15,864	16,181	16,505
Landscape Maintenance	42,114	41,045	1,069	2.5%	42,734	620	39,336	26,387	26,915	27,453
Hydro	5,710	5,690	20	0.4%	5,820	110	5,357	3,594	3,666	3,739
Insurance Premium	88,567	87,857	710	0.8%	95,812	7,244	88,193	59,161	60,344	61,551
Insurance Deductible	6,830	-	6,830	100%	0	(6,830)	-	-	-	-
Maintenance	76,185	71,202	4,984	6.5%	80,647	4,462	74,234	49,797	50,793	51,809
Management Fee	190,294	190,294	-	0.0%	216,820 (3)	26,526	198,070	133,075	135,787	138,690
Mortgage Payments	612,996	602,963	10,033	1.6%	641,857	28,861	641,857	520,393	520,393	520,393
Property Taxes	390	375	15	3.8%	390	0	359	241	246	251
Transfer to Replacement Reserv	254,802	254,802	-	-	254,802	-	229,943	151,224	151,224	151,224
Water	117,600	121,110	(3,510)	-3.0%	123,860	6,260	114,012	76,480	78,010	79,570
Total Expenditures	1,558,549	1,523,322	35,227	2.3%	1,638,586	80,037	1,554,601	1,130,786	1,140,981	1,151,544
Total No Agreement Surplus/(Defi	124,741	145,058	20,317	16.3%	45,664	(79,077)	(4,324)	(90,881)	(80,314)	(69,702)
Beginning Balance NOA Stabilization Reserve		839,558			984,616		1,030,280	1,025,956	935,076	854,763
Operating Surplus/(Deficit)		145,058			45,664		(4,324)	(90,881)	(80,314)	(69,702)
End Balance NOA Stabilization Reserve		984,616			1,030,280		1,025,956	935,076	854,763	785,064
Number of units in portfolio	123				123		111	73	73	73

Notes (for variances +/- 10% and \$10,000)

- (1) 2022 Caretaker variance due to staff vacancies.
(2) 2023 Caretaker increase due to reallocation across portfolios.
(3) 2023 Management Fee set at \$146 per unit per month required to balance Admin budget.

CAPITAL REGION HOUSING CORPORATION
2023 ILBC(2) AGREEMENT OPERATING BUDGET SUMMARY

APPENDIX C

- 1 Property: 21 units senior's Independent Living Housing
- Fixed 5 year Budget (2020-2024) with annual CPI increases

	2022 Mandated	2022 Actuals	2022 Variance	2022 Variance	2023 Proposed	2023 Change	2024 Estimate	2025 Estimate	2026 Estimate	2027 Estimate
Revenue										
BCHMC Subsidy	366,942	299,934 (1)	(67,008)	-18.3%	405,028 (3)	38,086	413,129	421,391	429,819	438,415
Tenant Rent Contribution	313,663	347,140 (2)	33,477	10.7%	313,663	-	316,800	319,968	323,167	326,399
Misc Revenue - parking & cable	11,190	10,510	(680)	-6.1%	11,190	-	11,302	11,415	11,529	11,644
Total Revenue	691,795	657,584	(34,211)	-4.9%	729,881	-	741,230	752,774	764,515	776,459
Expenditures										
General Costs										
Audit	500	500	0	0.0%	500	-	520	541	562	585
Cable Offset	9,000	9,692	(692)	-7.7%	9,000	-	9,180	9,364	9,551	9,742
CPI Increase	23,964	-	23,964	100.0%	38,523 (4)	14,559	40,064	41,667	43,333	45,067
Garbage	3,500	4,000	(500)	-14.3%	3,500	-	3,570	3,641	3,714	3,789
Hydro	35,700	30,660	5,040	14.1%	35,700	-	36,414	37,142	37,885	38,643
Insurance Premium	7,280	13,033	(5,753)	-79.0%	7,280	-	7,426	7,574	7,726	7,880
Memberships	500	0	500	100.0%	500	-	510	520	531	541
Mortgage Payments	221,596	221,596	-	0.0%	221,596	-	221,596	221,596	221,596	221,596
Property Taxes	65	61	4.42	6.8%	65	-	66	68	69	70
Transfer to Replacement Reserve	16,600	16,600	-	0.0%	16,600	-	16,600	16,600	16,600	16,600
Water	7,000	9,170	(2,170)	-31.0%	7,000	-	7,140	7,283	7,428	7,577
	325,705	305,311	20,394	6.3%	340,264	14,559	343,086	345,996	348,996	352,090
Manageable Costs										
Caretaker	12,850	15,338	(2,488)	-19.4%	12,850	-	13,236	13,633	14,042	14,463
Contract for Services - Hospitality	290,455	314,455	(24,000)	-8.3%	457,982	167,527	467,141	476,484	486,014	495,734
Landscape Maintenance	6,240	6,359	(119)	-1.9%	6,240	-	6,365	6,492	6,622	6,754
Maintenance	25,000	24,565	435	1.7%	25,000	-	25,500	26,010	26,530	27,061
Management Fee	25,720	26,234	(514)	-2.0%	25,720	-	26,234	26,759	27,294	27,840
	360,265	386,951	(26,686)	-7.4%	527,792	167,527	538,476	549,378	560,502	571,852
Total Expenditures	685,970	692,262	(6,292)	-0.9%	868,056	-	881,562	895,374	909,498	923,942
Total ILBC(2) Surplus/(Deficit)	5,825	(34,678)	(40,503)		(138,175)	-	(140,332)	(142,600)	(144,982)	(147,483)
Beginning Balance ILBC(2) Stabilization Reserve		(62,637)			(97,315)		(235,490)	(375,822)	(518,422)	(663,404)
BCHMC prior year adjustments		-			-		-	-	-	-
Operating Surplus/(Deficit)		(34,678)			(138,175)		(140,332)	(142,600)	(144,982)	(147,483)
End Balance ILBC(2) Stabilization Reserve		(97,315)			(235,490)		(375,822)	(518,422)	(663,404)	(810,887)
Number of units in operation in portfolio	21				21		21	21	21	21

Notes (for variances +/- 10% and \$10,000)

(1) 2022 Subsidy variance due to BC Housing adjustment.

(2) 2022 Rent revenue variance due to BC Housing economnic rent calculation.

(3) 2023 Subsidy increase due to BC Housing mandated budget.

(4) 2023 CPI increase of \$14,459 is mandated by the ILBC Operating Agreement (8.1% net of mortgage)

CAPITAL REGION HOUSING CORPORATION
2023 RHFP AGREEMENT BUDGET SUMMARY
- 5 Properties: 585 units mixed income housing

APPENDIX D

	2022 Board Amended	2022 Estimated Actuals	2022 Budget \$ Variance	2022 Budget % Variance	2023 CRHC Proposed	2023 Budget \$ Change	2024 Forecast Estimate	2025 Forecast Estimate	2026 Forecast Estimate	2027 Forecast Estimate
Revenue										
Tenant Rent Contribution	8,314,367	8,079,020	(235,347)	-3%	8,847,795	533,428	9,765,487	10,058,451	10,360,205	12,243,396
Misc Revenue - parking	118,270	162,030	(1) 43,760	37%	166,950	(7) 48,680	183,896	185,735	187,592	224,808
Transfer from capital projects	123,781	-	(123,781)	-	202,312	(8) 78,531				
Total Revenue	8,556,418	8,241,050	(315,368)	-4%	9,217,057	660,639	9,949,383	10,244,186	10,547,797	12,468,204
Expenditures										
Audit/Legal	8,940	9,736	796	9%	9,830	890	11,149	11,595	12,059	14,881
Caretaker	602,683	451,559	(2) (151,123)	-25%	669,717	(7) 67,034	752,304	774,873	798,119	975,394
Garbage	52,932	67,628	(3) 14,696	28%	95,752	(7) 42,820	106,515	108,646	110,819	134,118
Gas	106,827	108,680	1,853	2%	120,850	(7) 14,023	134,435	137,123	139,866	169,273
Landscape Maintenance	35,159	33,076	(2,083)	-6%	40,133	4,974	44,644	45,537	46,448	56,213
Hydro	115,050	85,120	(4) (29,930)	-26%	123,486	8,436	137,367	140,114	142,917	172,965
Insurance Premium	400,676	377,719	(22,957)	-6%	447,633	46,957	497,951	507,910	518,069	626,993
Insurance Deductible	29,650	-	(5) (29,650)	-100%	-	(9) (29,650)	-	-	-	-
Maintenance	239,039	249,995	10,956	5%	296,839	(7) 57,801	330,207	336,811	343,547	415,779
Management Fee	842,984	826,154	(16,830)	-2%	1,015,773	(7) 172,789	1,138,458	1,163,035	1,186,744	1,438,192
Mortgage Payments	5,052,889	4,864,010	(188,879)	-4%	5,480,066	427,177	6,178,130	6,178,130	6,178,130	7,478,125
Property Taxes	15,000	-	(15,000)		15,000	-	-	-	-	-
Transfer to Replacement Reserve	472,392	461,376	(11,016)	-2%	506,773	34,381	552,686	552,686	552,686	655,773
Water	233,233	261,163	(6) 27,929	12%	292,544	(7) 59,311	325,429	331,937	338,576	409,762
Total Expenditures	8,207,453	7,796,216	(411,238)	-5%	9,114,395	906,942	10,209,274	10,288,398	10,367,978	12,547,468
Total RHFP Agreement Surplus/(Deficit)	348,964	444,834	95,870	-	102,662	(246,302)	(259,891)	(44,211)	179,819	(79,263)
Beginning Balance RHFP Stabilization Reserve		38,150			482,984		585,646	325,755	281,544	461,363
Operating Surplus/(Deficit)		444,834			102,662		(259,891)	(44,211)	179,819	(79,263)
Transfer from Corporate Stabilization Reserve		-			-		-	-	-	-
Transfer from capital project surpluses (estimate)		-			-		-	-	-	-
End Balance RHFP Stabilization Reserve		482,984			585,646		325,755	281,544	461,363	382,100
Number of units in operation in portfolio	534				585		638	638	638	757

Notes (for variances +/- 10% and \$10,000)

- (1) 2022 Parking revenue variance due to increased uptake of paid parking.
(2) 2022 Caretaker variance due to staff vacancies.
(3) 2022 Garbage variance due to unplanned fees associated with removal.
(4) 2022 Hydro variance due to full buildings after rent-up. (Tenants pay own hydro.)
- (5) 2022 Insurance Deductible variance due to approval to utilize RR for large deductibles.
(6) 2022 Water variance due to increased rates and consumption.
(7) 2023 Various lines increase due to addition of Prosser.
(8) 2023 Transfer from capital project budget at purchase of Prosser to account for rent-up period.
(9) 2023 Insurance deductible removed from operating budget due to approval to utilize RR.

CAPITAL REGION HOUSING CORPORATION

2023 IHI AGREEMENT BUDGET SUMMARY - Westview

- 1 Property: 73 Mixed Income Housing

APPENDIX E

	2022 Board Approved	2022 Estimated Actuals	2022 Budget \$ Variance	2022 Budget % Variance	2023 CRHC Proposed	2023 Budget \$ Change	2024 Forecast Estimate	2025 Forecast Estimate	2026 Forecast Estimate	2027 Forecast Estimate
Revenue										
Tenant Rent Contribution	838,720	829,540	(9,180)	-1.1%	836,470	(2,250)	853,199	870,263	887,669	905,422
Misc Revenue - parking	18,790	21,100	2,310	12.3%	21,100	2,310	21,311	21,524	21,739	21,957
Total Revenue	857,510	850,640	(6,870)		857,570	60	874,510	891,787	909,408	927,379
Expenditures										
Audit/Legal	1,220	1,278	(58)	4.8%	1,340	120	1,394	1,449	1,507	1,568
Caretaker	100,942	88,409 (1)	12,533	-12.4%	103,876	2,933	106,992	110,202	113,508	116,913
Garbage	10,268	13,508	(3,241)	31.6%	15,195	4,927	15,499	15,809	16,125	16,448
Gas	10,020	12,810	(2,790)	27.8%	13,070	3,050	13,331	13,598	13,870	14,147
Landscape Maintenance	7,031	7,031	(0)	0.0%	7,547	516	7,698	7,852	8,009	8,169
Hydro	15,000	12,610	2,390	-15.9%	15,300	300	15,606	15,918	16,236	16,561
Insurance Premium	44,658	44,695	(37)	0.1%	49,144	4,486	50,127	51,130	52,152	53,195
Insurance Deductible	4,053	1,080	2,973		0	(4,053)	-	-	-	-
Maintenance	34,220	50,607 (2)	(16,387)	47.9%	41,571	7,351	42,403	43,251	44,116	0
Management Fee	112,939	112,939	(0)	0.0%	128,681 (3)	15,742	130,262	133,075	135,787	138,690
Mortgage Payments	280,401	280,180	221	-0.1%	280,401	0	280,401	280,401	280,401	280,401
Property Taxes	-	-	-		-	0	-	-	-	-
Transfer to Replacement I	63,072	63,072	-	0.0%	63,072	0	63,072	63,072	63,072	63,072
Water	25,630	31,140	(5,510)	21.5%	31,770	6,140	32,405	33,054	33,715	34,389
Total Expenditures	709,454	719,360	(9,906)	1.4%	750,967	41,513	759,190	768,809	778,498	743,553
Total Surplus/(Deficit)	148,056	131,280	(16,776)	-11%	106,603	(41,453)	115,320	122,978	130,910	183,826
Beginning Balance IHI Stabilization Reserv		289,169			420,449		527,052	642,372	765,350	896,260
Operating Surplus/(Deficit)		131,280			106,603		115,320	122,978	130,910	183,826
End Balance IHI Stabilization Reserve		420,449			527,052		642,372	765,350	896,260	1,080,086
Number of units in portfolio	73				73		73	73	73	73

Notes (for variances +/- 10% and \$10,000)

(1) 2022 Caretaker under budget due to staff vacancies.

(2) 2022 Maintenance variance due to unexpected maintenance costs.

(3) 2023 Management Fee set at \$146 per unit per month required to balance Admin budget.

	2022 Board Approved	2022 Estimated Actuals	2022 Budget \$ Variance	2022 Budget % Variance	(1) 2023 CRHC Proposed	2023 Budget % Change	2024 Budget Forecast	2025 Budget Forecast	2026 Budget Forecast	2027 Budget Forecast
Revenue										
Tenant Rent Contribution	18,370	20,440	2,070	11.3%	677,510	0.0%	1,094,384	2,457,946	2,482,526	2,507,351
Misc Revenue - parking	450	1,710	1,260	280.0%	22,470	0.0%	22,695	22,922	23,151	23,382
BC Housing Subsidy	-	-	-		640,301	0.0%	1,185,952	1,039,173	1,052,827	1,067,600
Transfer from capital project budget	12,680	4,660	(8,020)	-63.2%	-	0.0%	-	-	-	-
Total Revenue	31,500	26,810	(4,690)	-14.9%	1,340,281	0.0%	2,303,031	3,520,040	3,558,504	3,598,333
Expenditures										
Audit/Legal	-	1,014	(1,014)		1,060	0.0%	1,939	5,139	5,345	5,559
Caretaker	9,250	9,778	(528)	5.7%	77,822	0.0%	140,966	370,104	381,208	392,644
Garbage	1,250	1,027	223	-17.8%	7,460	0.0%	13,381	34,790	35,486	36,196
Gas	1,667	-	1,667	-100.0%	11,700	0.0%	20,987	54,567	55,659	56,772
Landscape Maintenance	833	1,350	(517)	62.0%	8,989	0.0%	16,124	41,924	42,762	43,617
Hydro	3,333	3,000	333	-10.0%	20,028	0.0%	35,926	93,409	95,277	97,182
Insurance Premium	8,333	8,333	-	0.0%	57,618	0.0%	103,354	268,721	274,096	279,577
Insurance Deductible	-	-	-		-	0.0%	-	-	-	-
Maintenance	4,333	2,308	2,025	-46.7%	28,851	0.0%	51,753	134,557	137,248	139,993
Management Fee	-	-	-		102,240	0.0%	182,010	473,964	483,626	493,963
Mortgage Payments	-	-	-		914,916	0.0%	1,541,990	1,541,990	1,541,990	1,541,990
Property Taxes	-	-	-		-	0.0%	-	-	-	-
Transfer to Replacement Reserve	-	-	-		56,706	0.0%	99,724	254,199	254,199	254,199
Water	2,500	-	2,500	-100.0%	52,891	0.0%	94,875	246,675	251,608	256,640
Total Expenditures	31,500	26,810	4,690	-14.9%	1,340,281	0.0%	2,303,031	3,520,040	3,558,504	3,598,333
Total Surplus/(Deficit)	-	-	-	0.0%	-	0.0%	-	-	-	-
Number of units in operation in portfolio	n/a				58		102	260	260	260
Beginning Balance CHF Stabilization Reserve		-			-		-	-	-	-
Operating Surplus/(Deficit)		-			-		-	-	-	-
Ending Balance CHF Stabilization Reserve		-			-		-	-	-	-

Notes (for variances +/- 10% and \$10,000)
(1) 2022 budget was based on 2 months of operations and 2023 is for a full year.

CAPITAL REGION HOUSING CORPORATION

SUMMARY OF UOA MORTGAGES MATURING WITHIN CURRENT UOA TERM (2020-2024)

PROPERTY	MRTG EXP. DATE	UNITS
Camosun	01-Mar-24	8
Carey Lane	01-Aug-24	22
Colquitz	01-Nov-24	20
Gladstone	01-Jan-24	14
Parkview	01-May-24	26
Rosewood	01-Nov-23	44

SUMMARY OF UOA MORTGAGES MATURING WITHIN THE NEXT FIVE (5) YEARS

PROPERTY	MRTG EXP. DATE	UNITS
Amberlea	01-May-25	44
Arbutus View	01-Jul-25	23
Cloverhurst	01-May-25	10
Creekside	01-Apr-27	24
Greenlea	01-Mar-25	21
Hamlet	01-Oct-25	10
Springtide	01-May-25	48
Viewmont	01-Aug-26	36

**REPORT TO CAPITAL REGION HOUSING CORPORATION
MEETING OF WEDNESDAY, DECEMBER 14, 2022**

SUBJECT 2023 Five Year Updated Routine Capital Plans (2020-2024)

ISSUE SUMMARY

To provide the Capital Region Housing Corporation (CRHC) 2020-2024 updated Routine Capital Plans for the six housing portfolios for approval:

- 1) Umbrella Operating Agreement (UOA)
- 2) Independent Living BC Operating Agreement (ILBC)
- 3) No Operating Agreement (NOA)
- 4) Investment in Housing Innovation Operating Agreement (IHI)
- 5) Regional Housing First Program Operating Agreement (RHFP)
- 6) Community Housing Fund Operating Agreement (CHF)

BACKGROUND

In December 2019, the Board first approved the 2020-2024 Routine Capital Plans which addresses routine replacement for all portfolios. The update to the 2020-2024 Routine Capital Plans was approved in December 2021.

CRHC has a five-year term (2020-2024) UOA with BC Housing Management Commission (BC Housing). The UOA consists of 38 operating agreements for Canada Mortgage and Housing Corporation (CMHC), BC Housing and Homes BC properties under one agreement to achieve administrative efficiencies and cost effectiveness.

In January 2021, BC Housing approved the UOA Routine Capital Plan as contained within the 2020-2024 Capital Plan. The UOA portfolio Routine Capital Plan will see a total value of \$11 million (M) invested over the period.

Under the UOA, the *“CRHC will be free to complete work in accordance with the approved Capital Plan throughout the five year period with no further approval by BC Housing, provided that annual capital expenditures are within 10% of the approved Capital Plan.”*¹

ALTERNATIVES

Alternative 1

1. a) That the Capital Region Housing Corporation Umbrella Operating Agreement (UOA) Updated Five Year Routine Capital Plan 2020-2024 be approved; and
b) That staff be authorized to implement the UOA 2023 Routine Capital Plan.
2. a) That the Independent Living BC (ILBC) Updated Five Year Routine Capital Plan 2020-2024 be approved; and
b) That staff be authorized to implement the ILBC 2023 Routine Capital Plan.
3. a) That the No Operating Agreement (NOA) Updated Five Year Routine Capital Plan 2020-2024 be approved; and
b) That staff be authorized to implement the NOA 2023 Routine Capital Plan.

¹ BC Housing– Capital Region Housing Umbrella Agreement 2015-2019, p. 2

4. a) That the Investment in Housing Innovation (IHI) Updated Five Year Routine Capital Plan 2020-2024 be approved; and
b) That staff be authorized to implement the IHI 2023 Routine Capital Plan.
5. a) That the Regional Housing First Program (RHFP) Updated Five Year Routine Capital Plan 2020-2024 be approved; and
b) That staff be authorized to implement the RHFP 2023 Routine Capital Plan.
6. a) That the Community Housing Fund (CHF) Five Year Routine Capital Plan 2020-2024 be approved; and
b) That staff be authorized to implement the CHF 2023 Routine Capital Plan.

Alternative 2

That the Updated Five-Year Routine Capital Plans (2020-2024) report be referred back to staff for revisions based on Capital Region Housing Corporation Board direction.

IMPLICATIONS

Financial Implications

Detailed information for the 2020-2024 Routine Capital Plans and Capital Funding Strategies for the UOA, ILBC, NOA, IHI, RHFP, and CHF Portfolios can be found in Appendix A.

1. UOA (39 Properties)

2022 Outcomes

Annually staff review capital priorities and reallocate any unspent funds of the current year Routine Capital Plan into the remaining years. The approved Routine Capital Plan for 2022 was \$3.3M and the estimated actual expenditures are \$1.8M; a variance of \$1.5M or 45%. Under the terms of the UOA, any variance over 10% must be reported to BC Housing. BC Housing will be made aware of the spending shortfall and staff are in the process of submitting a letter to BC Housing outlining how the spending terms of the UOA will be met by the end of 2024 along with the approved updated Routine Capital Plan. This is consistent with the approach in previous years.

Expenditures on the UOA fell behind targets due to the ongoing impacts of the COVID-19 pandemic which resulted in staffing shortages, the limited availability of trades for undertaking the works and the additional health and safety requirements resulting in longer timeframes. Moving into 2023, it is anticipated that contractor availability and scheduling will improve to support an increase in the capacity of staff to move the routine capital works forward. Additionally, staff are looking to prioritize larger value items and will begin preparing for the works earlier in the year in an effort to advance the \$4.1M worth of works budgeted in 2023. This work includes two roof replacements that are higher budget items and are estimated to total approximately \$1.5M towards the planned 2023 total of \$4.1M.

Routine Capital Funding Strategies

The estimated December 31, 2022 balance of the UOA Replacement Reserve (RR) is \$6.4M. A RR contribution of \$173/month per unit (or \$2.2M annual contribution) has been included in the UOA Operating Budget in order to match the obligations of the Routine Capital Plan. The planned expenditure in the UOA Routine Capital Plan in 2023 is \$4.1M, which would result in approximately \$2.3M remaining in 2024.

2. ILBC (Parry Place)

2022 Outcomes

The 2022 approved plan was \$124 thousand (K); the estimated actual expenditures are \$22K. The estimated December 31, 2022 balance in the RR is \$164K.

Routine Capital Funding Strategies

The ILBC Routine Capital Plan is approved by BC Housing and funded through an annual replacement reserve contribution of \$66/month per unit. Staff have updated the Routine Capital Plan based on replacement needs identified through annual inspections of unit and building components. Based on the identified needs, the anticipated projected expenditures under the ILBC Routine Capital Plan for 2023 are \$91K.

3. NOA (5 Properties)

2022 Outcomes

The 2022 approved plan was \$376K; the estimated actual expenditures are \$173K. The estimated December 31, 2022 balance of the NOA RR is \$464K.

Routine Capital Funding Strategies

A replacement reserve contribution of \$173/month per unit has been included in the NOA operating budget in order to match the obligations of the Routine Capital Plan. The planned expenditure in the NOA in 2023 is \$383K.

4. IHI (Westview)

2022 Outcomes

The 2022 approved plan was \$65K; the estimated actual expenditures are \$57K. The anticipated balance of the RR at December 31, 2022 balance is \$112K.

Routine Capital Funding Strategies

A funding strategy is in place to ensure there are sufficient funds available for the IHI Routine Capital Plan to access in the future, as building components or equipment wear out and need to be replaced. The annual contribution has been set at the \$72/month per unit base rate to meet the anticipated replacement obligations. Staff have completed the 2020-2024 Routine Capital Plan based on identified need determined through annual inspections of unit and building components. Projected expenditures in 2023 are \$3K.

5. RHFP (4 Properties)

2022 Outcomes

As these are newly opened properties much of the work is carried out through warranty, with some minor items that are not considered warranty items being funded under the Routine Capital Plan. The 2022 approved plan was \$65K; the estimated actual expenditures are \$57K.

Routine Capital Funding Strategies

Staff are continuing to implement a funding strategy, initially proposed in 2020 to ensure there are sufficient funds available for the RHFP Routine Capital Plan to access in the future, as building components or equipment wear out and need to be replaced. An annual contribution will be transferred from the approved Operating Budgets to the RR through an annual contribution of

\$72/month per unit, pro-rated for those buildings anticipated to open partway through a year. Staff have completed the 2020-2024 Routine Capital Plan based on routine replacement needs identified through annual inspections of unit and building components, with projected expenditures for 2023 determined to be \$119K.

6. CHF (2782 Spencer)

2022 Outcomes

The first CHF-funded project opened in the fall of 2022.

Routine Capital Funding Strategies

An annual contribution will be transferred from the approved Operating Budgets to the RR through an annual contribution of \$72/month per unit, pro-rated for those buildings anticipated to open partway through a year. Staff have completed the Routine Capital Plan based on routine replacement needs identified through annual inspections of unit and building components, with projected expenditures for 2023 determined to be \$8K.

CONCLUSION

Staff are recommending the approval of the UOA, ILBC, NOA, IHI, RHFP and CHF five-year updated Routine Capital Plans:

- The UOA updated Routine Capital Plan 2020-2024 for \$11M includes 38 properties and allows CRHC increased capacity to determine spending priorities of the UOA accumulated operating surpluses. The routine capital plan projected expenditures for 2023 are \$4.1M.
- The ILBC updated Routine Capital Plan 2020-2024 proposes 2023 expenditures of \$91K.
- The NOA updated Routine Capital Plan 2020-2024 proposes 2023 expenditures of \$383K.
- The IHI updated Routine Capital Plan 2020-2024 proposes 2023 expenditures of \$3K.
- The RHFP updated Routine Capital Plan 2020-2024 proposes 2023 expenditures of \$119K.
- The CHF Routine Capital Plan 2020-2024 proposes 2023 expenditures of \$8K.

RECOMMENDATION

1. a) That the Capital Region Housing Corporation Umbrella Operating Agreement (UOA) Updated Five Year Routine Capital Plan 2020-2024 be approved; and
b) That staff be authorized to implement the UOA 2023 Routine Capital Plan.
2. a) That the Independent Living BC (ILBC) Updated Five Year Routine Capital Plan 2020-2024 be approved; and
b) That staff be authorized to implement the ILBC 2023 Routine Capital Plan.
3. a) That the No Operating Agreement (NOA) Updated Five Year Routine Capital Plan 2020-2024 be approved; and
b) That staff be authorized to implement the NOA 2023 Routine Capital Plan.
4. a) That the Investment in Housing Innovation (IHI) Updated Five Year Routine Capital Plan 2020-2024 be approved; and
b) That staff be authorized to implement the IHI 2023 Routine Capital Plan.
5. a) That the Regional Housing First Program (RHFP) Updated Five Year Routine Capital Plan 2020-2024 be approved; and
b) That staff be authorized to implement the RHFP 2023 Routine Capital Plan.
6. a) That the Community Housing Fund (CHF) Five Year Routine Capital Plan 2020-2024 be approved; and
b) That staff be authorized to implement the CHF 2023 Routine Capital Plan.

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
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENT:

Appendix A: Five Year Updated Routine Capital Plans

CAPITAL REGION HOUSING CORPORATION

APPENDIX A

FIVE YEAR ROUTINE CAPITAL EXPENDITURE PLAN SUMMARY - 2020 to 2024

		2020-2024 Total Plan	2020 Actuals	2021 Actuals	2022 Plan	2022 Estimated Actuals	2022 Unspent Variance	2023 Plan	2024 Plan	2020-2024 TOTAL
EXPENDITURE										
UOA Routine Capital Replacement	Building	11,000,000	1,491,876	1,322,277	3,289,438	1,767,676	(1,521,762)	4,121,237	2,296,934	11,000,000
ILBC Routine Capital Replacement	Building	201,957	3,287	31,370	123,693	21,578	(102,115)	91,372	54,350	201,957
NOA Routine Capital Replacement	Building	1,767,815	135,096	768,039	376,141	172,725	(203,416)	382,747	309,208	1,767,815
IHI Routine Capital Replacement	Building	77,793	3,889	4,235	4,669	52,395	47,726	3,400	13,874	77,793
RHFP Routine Capital Replacement	Building	338,742	23,385	46,394	64,683	56,803	(7,880)	118,557	93,603	338,742
CHF Routine Capital Replacement	Building	16,302	-	-	-	-	-	7,513	8,789	16,302
Vehicle Replacement Reserve	Equipment	70,000	-	-	70,000	70,000	-	-	-	70,000
		13,402,609	1,657,533	2,172,315	3,928,624	2,141,177	(1,787,447)	4,724,826	2,776,758	13,402,609
SOURCE OF FUNDS										
UOA Capital Replacement	Reserve		(1,491,876)	(1,322,277)	(3,289,438)	(1,767,676)		(4,121,237)	(2,296,934)	(11,000,000)
ILBC Capital Replacement	Reserve		(3,287)	(31,370)	(123,693)	(21,578)		(91,372)	(54,350)	(201,957)
NOA Capital Replacement	Reserve		(135,096)	(768,039)	(376,141)	(172,725)		(382,747)	(309,208)	(1,767,815)
IHI Capital Replacement	Reserve		(3,889)	(4,235)	(4,669)	(52,395)		(3,400)	(13,874)	(77,793)
RHFP Capital Replacement	Reserve		(23,385)	(46,394)	(64,683)	(56,803)		(118,557)	(93,603)	(338,742)
CHF Routine Capital Replacement	Reserve		-	-	-	-		(7,513)	(8,789)	(16,302)
Vehicle Replacement Reserve	Equipment		-	-	(70,000)	(70,000)		-	-	(70,000)
			(1,657,533)	(2,172,315)	(3,928,624)	(2,141,177)		(4,724,826)	(2,776,758)	(13,402,609)

Capital Replacement Reserve Details

UOA Replacement Reserve

Beginning Balance	4,198,677	4,727,450	5,716,363	6,274,036	4,478,280	4,198,677
Annual Operating Transfer	1,900,000	2,204,709	2,211,022	2,200,000	2,200,000	10,715,731
Annual Interest Income	120,649	106,481	114,327	125,481	89,566	556,504
Annual Capital Replacement Exp	(1,491,876)	(1,322,277)	(1,767,676)	(4,121,237)	(2,296,934)	(11,000,000)
	4,727,450	5,716,363	6,274,036	4,478,280	4,470,912	4,470,912

ILBC Replacement Reserve

Beginning Balance	101,705	117,525	139,028	164,356	92,871	101,705
Annual Operating Transfer	16,600	22,796	16,600	16,600	16,600	89,196
Grants	-	27,525	27,525	-	-	55,050
Annual Interest Income	2,507	2,552	2,781	3,287	1,857	12,984
Annual Capital Replacement Exp	(3,287)	(31,370)	(21,578)	(91,372)	(54,350)	(201,957)
	117,525	139,028	164,356	92,871	56,978	56,978

NOA Replacement Reserve

Beginning Balance	734,406	875,160	374,294	463,857	345,189	734,406
Annual Operating Transfer	254,802	254,802	254,802	254,802	254,802	1,274,010
Annual Interest Income	21,048	12,371	7,486	9,277	6,904	57,086
Annual Capital Replacement Exp	(135,096)	(768,039)	(172,725)	(382,747)	(309,208)	(1,767,815)
	875,160	374,294	463,857	345,189	297,687	297,687

IHI Replacement Reserve

Beginning Balance	-	38,665	98,864	111,518	173,421	-
Annual Operating Transfer	42,048	63,072	63,072	63,072	63,072	294,336
Annual Interest Income	506	1,362	1,977	2,230	3,468	9,544
Annual Capital Replacement Exp	(3,889)	(4,235)	(52,395)	(3,400)	(13,874)	(77,793)
	38,665	98,864	111,518	173,421	226,087	226,087

RHFP Replacement Reserve

Beginning Balance	81,612	175,649	572,115	999,146	1,407,345	81,612
Annual Operating Transfer	114,048	435,456	472,392	506,773	506,773	2,035,442
Annual Interest Income	3,374	7,404	11,442	19,983	28,147	70,350
Annual Capital Replacement Exp	(23,385)	(46,394)	(56,803)	(118,557)	(93,603)	(338,742)
	175,649	572,115	999,146	1,407,345	1,848,662	1,848,662

CHF Replacement Reserve

Beginning Balance	-	-	-	-	56,156	-
Annual Operating Transfer	-	-	-	56,706	56,706	113,412
Annual Interest Income	-	-	-	-	1,123	1,123
Annual Capital Replacement Exp	-	-	-	(550)	(5,000)	(5,550)
	-	-	-	56,156	108,985	108,985

Vehicle Replacement Reserve

Beginning Balance	92,142	94,584	96,476	28,406	28,974	92,142
Annual Interest Income	2,442	1,892	1,930	568	579	7,411
Annual Capital Replacement Exp	-	-	(70,000)	-	-	(70,000)
	94,584	96,476	28,406	28,974	29,553	29,553

**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD
MEETING OF WEDNESDAY, DECEMBER 14, 2022**

SUBJECT Major Capital Plan (2023-2027)

ISSUE SUMMARY

To request Capital Region Housing Corporation (CRHC) Board approval of the:

- Major Capital Plan (2023-2027) for development, redevelopment, and renewal projects; and
- Capital Funding Strategies.

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 1,880 units of affordable housing, providing homes to almost 4,000 residents of the capital region with low-to-moderate incomes. In addition, the CRHC currently has 306 new units under construction and 450 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), Deepening Affordability (DA), National Housing Co-Investment Fund (Co-I), Green Municipal Fund (GMF), Capital Replacement Fund (CRF), Community Works Fund (CWF) and Victoria Housing Reserve Fund (VHRF).

Development and Redevelopment

In August 2016, the CRHC Board approved the *CRHC Portfolio Renewal, Redevelopment and Development Strategy* (RRD). The goal of this strategy is to advance the Michigan Square, Caledonia, Drake Road, Campus View and Carey Lane projects. Funding was secured for Caledonia through the CHF and for Michigan Square through the RHFP, RHTF and the CHF. The Drake Road site has been identified as a suitable location for BC Housing-funded supportive housing. Additional development at this location is subject to the identification of suitable water supply. The Campus View project has secured funding through the RHFP and staff are pursuing supplementary funding through the RHTF, Co-I and the GMF. Carey Lane will receive funding through BC Housing's CRF.

In addition to the properties identified in the RRD, and in keeping with the 2019-2022 CRD Corporate Plan, staff have successfully secured CHF grants for the CRHC affordable housing component of the project at 926 Pandora. Staff also secured CHF grants for 2782 Spencer, a 58-unit affordable housing project located in Langford. In October 2022, the CRHC successfully completed 2782 Spencer and as of November 1, 2022, tenants began occupying the new building. Through the RHFP, the CRD has entered into an Agreement of Purchase and Sale to acquire the 51-unit turnkey affordable housing development on Prosser Road. The CRHC will acquire the building through a Lease Agreement with the CRD. Staff were also successful in securing a RHFP grant for the Village on the Green redevelopment that will see a significant increase to the density of this CRHC owned property.

Staff are also exploring opportunities for six additional properties with significant redevelopment potential. In 2023, staff will explore conceptual design and feasibility analysis for these potential redevelopments in preparation for future funding opportunities.

Renewal

Carey Lane, is a 22-unit townhouse complex that is owned and operated by the CRHC. Staff have secured funding through BC Housing's CRF program for a building envelope remediation and upgrades to Carey Lane's heating, cooling and ventilation systems. Construction is anticipated to start in early 2023.

Detailed information for the Major Capital Plan (2023-2027) can be found in Appendix A.

ALTERNATIVES

Alternative 1

1. That the Major Capital Plan (2023-2027) be approved;
2. That the Chief Administrative Officer, or their duly authorized delegate, be authorized to apply for, negotiate and accept the terms to receive funds for up to six development projects through the Regional Housing First Program, Regional Housing Trust Fund, Canada Mortgage and Housing Commission (CMHC), BC Housing Management Commission, Federation of Canadian Municipalities, City of Victoria and the District of Saanich, and other funding programs as necessary and as they become available; and
3. That the draft Resolution of the Board of Directors, attached as Appendix B and required by CMHC be approved.

Alternative 2

That the Major Capital Plan (2023-2027) report be referred to staff for revisions based on Capital Region Housing Corporation Board direction.

IMPLICATIONS

Prosser

Prosser, a 51-unit affordable housing development in the District of Central Saanich received funding through the RHFP, RHTF, CRD equity and the DA. Crews are currently working through the interior finishing stage of construction and the building is expected to be complete in Q1 2023. The CRHC will acquire the turnkey building through a lease agreement with the CRD. The project budget is \$18.9 million (M) with the CRHC taking on a mortgage debt of \$9.4M and the remaining \$9.5M being funded through grants and equity. As of December 31, 2022, the estimated expenditures are \$570 thousand (K). For 2023, the estimated expenditures for the value of CRHC's lease of the building are \$13.6M.

Michigan Square

Michigan Square, a 97-unit affordable housing redevelopment in Victoria's James Bay neighbourhood, received funding through the RHFP, CHF, RHTF and the VHRF. The project will increase the number of units on-site from 62 units to 106 units. The final project budget of \$34.3M was approved by the CRHC Board in December 2021 and includes a \$1.0M equity contribution from the CRHC, \$1.1M from the RHTF, \$620K from the VHRF, \$4.5M from the RHFP through the CRHC, and \$4.7M from the CHF. The CRHC will take on a mortgage debt of \$22.4M at BC Housing's preferred interest rates. BC Housing will be required to provide an annual operating subsidy to meet the debt servicing requirements. As of December 31, 2022, the estimated expenditures are \$16.4M. For 2023, the estimated expenditures are \$17.9M. Foundation upgrades to the existing parkade are nearing completion and wood framing is underway on the first building. Construction is anticipated to be complete in Q4 2023.

Caledonia

Caledonia, a 158-unit redevelopment in Victoria's Fernwood neighbourhood, received funding through the CHF. The project will increase the number of units on-site from 26 to 158 units. The final project budget that was approved by the CRHC Board in June 2022 is \$71.0M and includes \$1.0M equity contribution from the CRHC, \$1.1M from the VHRF and \$18.5M from the CHF. The CRHC will take on a mortgage debt of \$50.5M at BC Housing's preferred interest rates and BC Housing will provide an annual operating subsidy to meet the debt servicing requirements. As of December 31, 2022, the estimated expenditures are \$13.0M. For 2023, the estimated expenditures are \$23.0M. Excavation and foundation work is underway on-site while staff work to obtain the City of Victoria's final Building Permit approval.

Carey Lane

Carey Lane, an existing 22-unit townhouse complex that is owned and operated by the CRHC, will undergo a full building envelope remediation (BER) as well as upgrades to the ventilation, heating, and cooling systems. Grant funding was provisionally approved in late 2020 for the BER and in 2022 staff and BC Housing were able to identify additional funding that would see upgrades to the mechanical systems, including the addition of a cooling system. The project budget of \$3.9M includes a \$600K contribution from the CRHC's Umbrella Operating Agreement Stabilization Reserve. The remaining costs will be funded through BC Housing by way of a forgivable mortgage. The anticipated expenditures as of December 31, 2022, are \$50K. For 2023, the estimated expenditures are \$1.9M. Final design work is underway, with contractor procurement targeted for Q1 2023. Once the project has received final approval from BC Housing in Q2 2023, staff will return to the CRHC Board with a confirmed final budget.

Pandora

The Pandora project is a partnership between the City of Victoria, BC Housing and the CRHC to build non-market rental homes and create a new community centre in the North Park neighbourhood. Once completed, the CRHC would lease an air-space parcel and operate approximately 158 affordable rental units. A Development Permit Application was submitted to the City of Victoria under the Rapid Deployment of Affordable Housing intake stream in November 2022. The preliminary budget for the affordable housing component of this project is \$83.4M. The CRHC will take on an estimated mortgage debt of \$57.5M with the remaining \$25.9M funded through grants. There are no expenditures in 2022. The estimated expenditures for 2023 are \$250K.

Drake Road

In 2013, a Rezoning Application was submitted to Islands Trust to develop up to 80 units of affordable housing on the CRD owned Salt Spring Island property at 161 Drake Road. In October 2014, the North Salt Spring Water District (NSSWD) issued a district-wide moratorium halting any increase to water supply for new development. In April 2015, the Rezoning Application was paused and Islands Trust advised that the rezoning process would not move forward without either the NSSWD commitment of water connections or a reasonable alternative water source.

In 2017, staff retained the services of a hydrogeologist to locate an alternative ground water source to service future development. Between 2017 and 2019, five wells were drilled; three wells at 161 Drake Road and two on the neighbouring Phoenix School property. One of the wells located on the neighbouring property was the only well that could provide a reliable water source. Engineering reports advised that the well could provide domestic water supply for 48 people within the proposed development.

In November 2019, the CRD Board authorized the Chief Administrative Officer to negotiate with BC Housing to enter a Letter of Intent for a supportive housing development at 161 Drake Road. In January 2022, it was announced that BC Housing would provide up to 28 new permanent homes with supports, as well as a dedicated shelter and programming space at 161 Drake Road. The 28 homes with supports would utilize the ground water well that was proven in 2019.

Throughout 2022, staff continued to work towards fulfilling the original goal of providing 60-80 units of affordable housing at 161 Drake Road. In July 2022, staff applied for and were successful in receiving an \$80K grant through the CWF to advance additional water feasibility analysis for future development. In August 2022, the contracted hydrogeologist recommended that further ground water exploration should continue on the neighbouring Phoenix School property as previous drill results at 161 Drake Road were not favourable.

In November 2022, a Steering Committee meeting was held to discuss additional drilling on the neighbouring Phoenix School property. The CRHC expects that in December 2022, the School District 64 Board of Trustees will meet to discuss if the CRD can advance additional ground water drilling on the Phoenix School property. If approved, additional ground water drilling will be carried out in Q1 2023. Staff will report back to the Board with opportunities for future development.

Campus View

Campus View, an existing 12-unit CRHC owned townhouse complex located in the Gordon Head neighbourhood of Saanich, received approval for \$9.6M in grant funding from the RHFP. The proposed redevelopment would see the number of affordable units on-site increase from 12 to approximately 119. In April 2022, staff submitted a Rezoning and Development Permit Application to the District of Saanich. In October 2022, staff applied to the RHTF for a grant of \$1.4M. Pending rezoning approval in 2023, staff will submit grant funding applications to the GMF, Co-I and the District of Saanich Housing Fund. Together, these three funding opportunities could provide up to \$11.7M in additional grant funding. The total redevelopment budget is \$52.0M, and is based on the Class C estimate that was carried out in October 2022. As of December 31, 2022, the estimated expenditures are \$250K. For 2023, the estimated expenditures are \$2.5M. To receive funds through Co-I, CMHC requires a Resolution of the Board of Directors, attached as Appendix B. Though no funds are currently confirmed through Co-I, approving the draft resolution will enable staff to negotiate, enter into agreements as may be required and receive any funds through the Co-I program, should they be approved.

Village on the Green

Village on the Green, a CRHC owned and operated complex located in Victoria's Fernwood neighbourhood, was identified as a property with significant redevelopment potential. Feasibility work suggested that redevelopment could increase the number of units on-site from 38 units to approximately 151 units while meeting the guidelines set out in Victoria's Official Community Plan (OCP). Adhering to the OCP guidelines would allow the project to qualify for the City of Victoria's Rapid Deployment of Affordable Housing intake stream and bypass rezoning. Consultant procurement is currently concluding, and staff are targeting a Development Permit Application in Q2 2023. In October 2022, the project received approval for \$12.3M in grant funding from the RHFP. The conceptual redevelopment budget is \$65.0M. The anticipated expenditures are \$465K in 2023. Staff intend to pursue Co-I funding through CMHC for Village on the Green in a similar fashion to Campus View. Therefore, staff are seeking a motion to approve the draft Resolution of the Board of Directors. If funding is approved for Village on the Green through Co-I, staff would then execute the Resolution of the Board of Directors as may be required for Village on the Green.

New Redevelopment Projects

Through ongoing analysis of the CRHC's existing stock, staff have identified three additional properties with significant redevelopment potential. Staff are also pursuing partnerships for three projects on properties that are not owned by the CRHC but have significant redevelopment potential. In 2023, staff will advance further feasibility analysis and conceptual design for the six potential redevelopments of these properties. For 2023, the anticipated expenditures for this work are \$450K. Staff are requesting authorization to submit grant funding applications and receive funding from Canadian Mortgage and Housing Corporation, BC Housing Management Commission and the Federation of Canadian Municipalities for these projects. Staff will return to the Board once project costs are confirmed.

CONCLUSION

In August 2016, the Board approved the *CRHC Portfolio Renewal, Redevelopment and Development Strategy* that provided direction for advancing the Michigan Square, Caledonia, Drake Road, Campus View and Carey Lane projects. Michigan Square and Caledonia are currently under construction and will be complete in Q4 2023 and Q1 2025, respectively. Through BC Housing's lease agreement with CRD, BC Housing will advance development on the Drake Road property in 2023. Campus View is progressing through the District of Saanich's rezoning and development permit process with an anticipated approval date in late 2023. Design work for the Carey Lane building envelop remediation will continue through Q1 2023, with construction scheduled to start in Q2 2023.

In keeping with the 2019-2022 CRD Corporate Plan, in 2023, staff will also advance the Village on the Green and Pandora redevelopment projects through the City of Victoria's Rapid Deployment of Affordable Housing regulatory pathway. Prosser will be acquired through the RHFP turnkey delivery model in early 2023. Finally, in preparation for future funding opportunities, CRHC staff will carry out due diligence and feasibility analysis on three additional CRHC properties and three properties not currently owned by the CRHC.

The Major Capital Plan (2023-2027), when complete, will increase the CRHC's housing stock from 1,880 to almost 2,600 units while continuing to invest in the renewal and redevelopment of the existing CRHC portfolio.

RECOMMENDATION

1. That the Major Capital Plan (2023-2027) be approved;
2. That the Chief Administrative Officer, or their duly authorized delegate, be authorized to apply for, negotiate and accept the terms to receive funds for up to six development projects through the Regional Housing First Program, Regional Housing Trust Fund, Canada Mortgage and Housing Commission (CMHC), BC Housing Management Commission, Federation of Canadian Municipalities, City of Victoria and the District of Saanich, and other funding programs as necessary and as they become available; and
3. That the draft Resolution of the Board of Directors, attached as Appendix B and required by CMHC be approved.

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:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENTS:

Appendix A: Major Capital Plan (2023-2027)

Appendix B: Draft Resolution of the Board of Directors – CMHC Funding Contribution Agreement

CAPITAL REGION HOUSING CORPORATION

FIVE YEAR MAJOR CAPITAL EXPENDITURE PLAN SUMMARY - 2023 to 2027

		Type	Estimate Class	Total Project Budget	Forecast spent at Dec/22	Balance Remaining at Dec/22	2023	2024	2025	2026	2027	TOTAL
EXPENDITURE												
2782 Spencer - CHF	B	Class A		19,883,209	19,883,209	-	-	-	-	-	-	-
Prosser - RHFP	Lease	Class A		13,613,091	-	13,613,091	13,613,091	-	-	-	-	13,613,091
Michigan - RHFP / CHF	B	Class A		34,252,658	16,375,400	17,877,258	17,877,258	-	-	-	-	17,877,258
Caledonia - CHF	B	Class A		70,989,386	12,955,904	58,033,482	23,000,000	23,000,000	12,033,482	-	-	58,033,482
Carey Lane - BER	B	Class D		3,871,182	50,000	3,821,182	1,875,000	1,946,182	-	-	-	3,821,182
Pandora - CHF	Lease	Class D		83,352,598	-	83,352,598	250,000	250,000	250,000	250,000	82,352,598	83,352,598
Drake Road	B	Conceptual		80,000	-	80,000	80,000	-	-	-	-	80,000
Campus View Redevelopment - RHFP	B	Class C		52,014,357	250,000	51,764,357	2,500,000	16,421,452	16,421,452	16,421,452	-	51,764,357
Village on the Green Redevelopment - RHFP	B	Conceptual		64,967,643	10,000	64,957,643	465,000	3,546,252	20,315,464	20,315,464	20,315,464	64,957,643
New Redevelopment Projects	B	Conceptual		450,000	-	450,000	450,000	-	-	-	-	450,000
				343,474,124	49,524,513	293,949,611	60,110,349	45,163,886	49,020,398	36,986,916	102,668,061	293,949,611
SOURCE OF FUNDS (combined)												
Mortgage Debt	Debt			218,978,617	24,690,649	194,287,968	36,505,240	23,000,000	24,888,287	32,116,380	77,778,061	194,287,968
Grants (Federal, Provincial, Local)	Grant			120,349,255	22,833,864	97,515,391	23,005,109	20,617,634	24,132,111	4,870,536	24,890,000	97,515,391
CRHC Equity	Equity			1,546,252	-	1,546,252	-	1,546,252	-	-	-	1,546,252
UOA Reserve	Res			2,600,000	2,000,000	600,000	600,000	-	-	-	-	600,000
				343,474,124	49,524,513	293,949,611	60,110,349	45,163,886	49,020,398	36,986,916	102,668,061	293,949,611

CAPITAL REGION HOUSING CORPORATION

APPENDIX A

page 2

FIVE YEAR MAJOR CAPITAL EXPENDITURE PLAN SUMMARY - 2023 to 2027

		Total Project Budget	Forecast spent at Dec/22	Balance Remaining at Dec/22	2023	2024	2025	2026	2027	TOTAL
SOURCE OF FUNDS (by project)										
2782 Spencer - CHF										
Mortgage Debt	Debt	13,983,209	13,983,209	-	-	-	-	-	-	-
Grants	Grant	5,900,000	5,900,000	-	-	-	-	-	-	-
		19,883,209	19,883,209	-	-	-	-	-	-	-
Prosser - RHFP										
Mortgage Debt	Debt	9,427,078	-	9,427,078	9,427,078	-	-	-	-	9,427,078
Grants	Grant	4,186,013	-	4,186,013	4,186,013	-	-	-	-	4,186,013
		13,613,091	-	13,613,091	13,613,091	-	-	-	-	13,613,091
Michigan - RHFP / CHF										
Mortgage Debt	Debt	22,369,698	10,707,440	11,662,258	11,662,258	-	-	-	-	11,662,258
Grants	Grant	10,882,960	4,667,960	6,215,000	6,215,000	-	-	-	-	6,215,000
UOA Stabilization Reserve	Res	1,000,000	1,000,000	-	-	-	-	-	-	-
		34,252,658	16,375,400	17,877,258	17,877,258	-	-	-	-	17,877,258
Caledonia - CHF										
Mortgage Debt	Debt	50,449,386	-	50,449,386	15,415,904	23,000,000	12,033,482	-	-	50,449,386
Grants	Grant	19,540,000	11,955,904	7,584,096	7,584,096	-	-	-	-	7,584,096
UOA Stabilization Reserve	Res	1,000,000	1,000,000	-	-	-	-	-	-	-
		70,989,386	12,955,904	58,033,482	23,000,000	23,000,000	12,033,482	-	-	58,033,482
Carey Lane - BER										
UOA Stabilization Reserve	Res	600,000	-	600,000	600,000	-	-	-	-	600,000
Grants	Grant	3,271,182	50,000	3,221,182	1,275,000	1,946,182	-	-	-	3,221,182
		3,871,182	50,000	3,821,182	1,875,000	1,946,182	-	-	-	3,821,182
Pandora - CHF										
Mortgage Debt	Debt	57,462,598	-	57,462,598	-	-	-	-	57,462,598	57,462,598
Grants	Grant	25,890,000	-	25,890,000	250,000	250,000	250,000	250,000	24,890,000	25,890,000
		83,352,598	-	83,352,598	250,000	250,000	250,000	250,000	82,352,598	83,352,598
Drake Road										
Grants	Grant	80,000	-	80,000	80,000	-	-	-	-	80,000
		80,000	-	80,000	80,000	-	-	-	-	80,000
Campus View Redevelopment - RHFP										
Mortgage Debt	Debt	29,276,257	-	29,276,257	-	-	12,854,805	16,421,452	-	29,276,257
Grants	Grant	22,738,100	250,000	22,488,100	2,500,000	16,421,452	3,566,648	-	-	22,488,100
		52,014,357	250,000	51,764,357	2,500,000	16,421,452	16,421,452	16,421,452	-	51,764,357
Village on the Green Redevelopment - RHFP										
Mortgage Debt	Debt	36,010,391	-	36,010,391	-	-	-	15,694,927	20,315,464	36,010,391
Equity	Equity	1,546,252	-	1,546,252	-	1,546,252	-	-	-	1,546,252
Grants	Grant	27,411,000	10,000	27,401,000	465,000	2,000,000	20,315,464	4,620,536	-	27,401,000
		64,967,643	10,000	64,957,643	465,000	3,546,252	20,315,464	20,315,464	20,315,464	64,957,643

RESOLUTION OF THE BOARD OF DIRECTORS
of

(the "[Corporation]1")

WHEREAS the Directors of the Corporation are authorized from time to time to borrow money upon the credit of the Corporation and it is in the best interests of the Corporation that the Directors exercise such authority.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation approved at a meeting of the Board of Directors held on _____, the execution and delivery by the Corporation of a Loan/Contribution Agreement dated _____ ("**Agreement**") to be made between Canada Mortgage and Housing Corporation ("**CMHC**") and the Corporation providing for funding in the total principal amount of _____ (\$_____) Dollars ("**Funding Amount**") for the Project.
2. Any two directors or officers of the Board of Directors of the Corporation, or any combination thereof, are hereby authorized for and on behalf of the Corporation to execute or cause to be executed under its corporate seal or otherwise, the Agreement and such other documentation as required by the Agreement, with such alterations, additions, amendments and deletions as may be approved by such persons executing the same whose signature shall be conclusive of such authorization.
3. Such directors or officers of the Board of Directors of the Corporation, are hereby authorized for and in the name of the Corporation to execute and deliver under the corporate seal or otherwise all such other documents and to do all such other acts and things as may be necessary or desirable to give effect to this Resolution and to perform the obligations of the Corporation.

Dated the _____ day of _____, 202__.

****The signatories of the Seed Funding Agreement(s) must provide a signature sample below****

Name:
Title:

Name:
Title:

or

Dated the _____ day of _____, 202__.

Motion #

CARRIED (by electronic vote)

Abstain:

1 To be adjusted by joint solicitor depending on the nature of the Borrower.