



Notice of Meeting and Meeting Agenda Hospitals and Housing Committee

Wednesday, June 3, 2026

1:30 PM

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

K. Murdoch (Chair), J. Caradonna (Vice Chair), M. Alto, P. Brent, S. Brice, Z. de Vries,
S. Goodmanson, G. Holman, P. Jones, C. McNeil-Smith (Board Chair, ex officio)

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

1. Territorial Acknowledgement

2. Approval of Agenda

3. Adoption of Minutes

3.1. [26-0643](#) Minutes of the Hospitals and Housing Committee Meeting of May 6, 2026

Recommendation: That the minutes of the Hospitals and Housing Committee meeting of May 6, 2026 be adopted as circulated.

Attachments: [Minutes: May 6, 2026](#)

4. Chair's Remarks

5. Presentations/Delegations

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

Delegations will have the option to participate electronically. Please complete the online application at www.crd.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. Committee Business

6.1. [26-0607](#) Capital Region Housing Corporation Quarter 1 Update, 2026

Recommendation: There is no recommendation. This report is for information only.

Attachments: [Staff Report: CRHC Quarter 1 Update, 2026](#)
[Appendix A: Major Capital Plan Expenditure Summary](#)
[Appendix B: Capital Project Profiles](#)
[Appendix C: Consolidated Operating Results](#)
[Appendix D: Unit Vacancy Snapshot](#)
[Appendix E: Routine Capital Plan Expenditure Summary](#)

6.2. [26-0608](#) Capital Regional Hospital District Capital Contribution Funding Model

Recommendation: The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:
That the Capital Regional Hospital District maintains the current capital contribution funding model as follows:
* Maintain a 30% contribution for major capital projects;
* Maintain a 40% contribution for minor capital projects; and
* Maintain current annual allocations for medical equipment.

Attachments: [Staff Report: CRHD Capital Contribution Funding Model](#)
[Appendix A: May 25, 2026 letter from Island Health](#)

6.3. [26-0666](#) Harbour Lane Mortgage Renewal

Recommendation: The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:
1. That the resolution required by BC Housing Management Commission to renew the mortgage for Harbour Lane through the Tendered Lending Program for a term not to exceed 10 years as required be approved; and
2. That Edward Robbins, Chief Administrative Officer or Nelson Chan, Chief Financial Officer, or their duly authorized delegates, together or with any one officer or director of the Borrower for and on behalf of the Borrower be authorized to sign any documents related to the mortgage renewal.

Attachments: [Staff Report: Harbour Lane Mortgage Renewal](#)
[Appendix A: Resolution of Directors](#)

7. Notice(s) of Motion**7.1.** [26-0561](#) Motion with Notice: Rent Supplements Programs Advocacy Letter
(Director Caradonna)

Recommendation: That the Hospitals and Housing Committee recommends to the Capital Regional District Board:
That the Board Chair write an advocacy letter to the Ministers of Finance and Housing and Municipal Affairs requesting continued financial support for rent supplements programs in the province.

7.2. [26-0604](#) Motion with Notice: Pender Island Health Clinic Capital Funding
(Director Brent)

Recommendation: The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:
That the Capital Regional Hospital District Board allocate \$100,000 in capital funding to the Pender Island Health Clinic in 2026.

8. New Business

9. Adjournment

The next meeting is August 5, 2026.

Meeting Minutes

Hospitals and Housing Committee

Wednesday, May 6, 2026

1:30 PM

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

PRESENT

Directors: K. Murdoch (Chair), J. Caradonna (Vice Chair), P. Brent (EP), Z. de Vries, S. Goodmanson, G. Holman (EP), P. Jones, S. Kim (for M. Alto) (EP); C. McNeil-Smith (Board Chair, ex officio)

Staff: T. Robbins, Chief Administrative Officer, N. Chan, Chief Financial Officer/General Manager, Finance and Technology; K. Lorette, General Manager, Housing, Planning and Protective Services; M. Barnes, Senior Manager, Health and Capital Planning Strategies; D. Elliot, Senior Manager, Regional Housing; J. Proctor, Manager, Housing Planning Policy and Programs; M. Lagoa, Deputy Corporate Officer/Senior Manager, Legislative Services; M. Mikle, Deputy Corporate Officer/Manager, Legislative Services; J. Ives, Committee Clerk (Recorder)

EP - Electronic Participation

Regrets: Directors Alto, Brice

Guests: L. Lee, Lead Audit Engagement Partner, KPMG; C. Rice-Gural, Senior Manager, Audit, KPMG; J. O'Quinn, Associate Executive Director, Aboriginal Coalition to End Homelessness

The meeting was called to order at 1:30 pm.

1. Territorial Acknowledgement

Chair Murdoch provided a Territorial Acknowledgement.

2. Approval of Agenda

MOVED by Director Caradonna, **SECONDED** by Director Goodmanson,
That the agenda for the Hospitals and Housing Committee meeting of May 6, 2026
be approved.

CARRIED

3. Adoption of Minutes

3.1. [26-0458](#) Minutes of the Hospitals and Housing Committee meeting of April 1, 2026

MOVED by Director Caradonna, **SECONDED** by Director Goodmanson,
That the minutes of the Hospitals and Housing Committee meeting of April 1, 2026
be adopted as circulated.

CARRIED

4. Chair's Remarks

Chair Murdoch acknowledged with sadness the passing of Director Szpak and remarked that she would be greatly missed. He highlighted her thoughtfulness, passion and care, and commended the dedication she showed her community and the region over many years.

5. Presentations/Delegations

5.1. Presentations

5.1.1. [26-0381](#) Julia O'Quinn, Associate Executive Director, Aboriginal Coalition to End Homelessness; Re: Annual Update

J. O'Quinn presented Item 5.1.1. for information.

Discussion ensued regarding the impact of cutbacks to the Supported Rent Supplement Program and other rent supplement funding streams.

5.1.2. [26-0313](#) Presentation: Lenora Lee, Lead Audit Engagement Partner, KPMG; Re: Capital Region Housing Corporation and Capital Regional Hospital District 2025 Audit Findings Report and Statement of Financial Information

L. Lee presented Item 5.1.2. for information.

Discussion ensued regarding:

- the evaluation of management discretion from a risk and audit standpoint
- confirmation that all examples were consistent with best practice

5.2. Delegations

6. Committee Business

6.1. [26-0314](#) Capital Region Housing Corporation 2025 Audit Findings Report and Audited Financial Statements

N. Chan spoke to Item 6.1.

Discussion ensued regarding:

- how Capital Region Housing Corporation (CRHC) revenue is growing on an annual basis
- yearly revenue is comprised of tenant rents and Government funding
- how charts provide a snapshot of known CRHC liabilities
- how assets depreciate, require maintenance and liabilities grow over time

MOVED by Director Caradonna, SECONDED by Director Goodmanson, The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:

That the Capital Region Housing Corporation 2025 Audited Financial Statements be approved.

CARRIED

6.2. [26-0315](#) Capital Regional Hospital District 2025 Audit Findings Report and Audited Financial Statements

N. Chan spoke to Item 6.2.

**MOVED by Director Caradonna, SECONDED by Director Goodmanson, The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:
That the Capital Regional Hospital District 2025 Audited Financial Statements be approved.
CARRIED**

7. Notice(s) of Motion

7.1. **26-0560** Rent Supplements Programs Advocacy Letter (Director Caradonna)

Director Caradonna provided the following Notice of Motion for consideration at the next meeting of the Hospitals and Housing Committee:

"The Hospitals and Housing Committee recommends to the Capital Regional District Board:
That the Board Chair write an advocacy letter to the Ministers of Finance and Housing and Municipal Affairs requesting continued financial support for rent supplements programs in the province."

8. New Business

There was no new business.

9. Adjournment

**MOVED by Director Caradonna, SECONDED by Director Goodmanson, That the Hospitals and Housing Committee meeting of May 6, 2026 be adjourned at 2:11 pm.
CARRIED**

Chair

Recorder

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, JUNE 3, 2026**

SUBJECT **Capital Region Housing Corporation Quarter 1 Update, 2026**

ISSUE SUMMARY

To provide the Capital Region Housing Corporation (CRHC) Board with an update for the first quarter (Q1) 2026.

BACKGROUND

In November 2025, the CRHC Board approved the 2026 – 2030 Major Capital Plan (MCP), which included \$131.8 million (M) in planned expenditures in 2026 and anticipates total project costs of \$780.5M included in the full five-year plan. Including Caledonia, the MCP expects to deliver more than 1,300 rental homes, which will increase the CRHC to more than 3,300 rental homes in operation by 2030. In 2026, the delivery of the MCP is supported primarily through receipt of grant funds, which accounts for 84% of costs, and mortgage debt, which accounts for 16%.

Alongside the MCP, the CRHC Board approved the 2026 Financial Plan projecting total revenue of \$33.1M and a budgeted surplus of \$180 thousand (K) or a net margin of approximately 0.5% total revenue. The operations of the CRHC are supported primarily through tenant rents, which accounts for 83% of revenue, and subsidy from BC Housing, which makes up 14%. Included within the CRHC 2026 Financial Plan was approval of \$2.6M in expenditure under the 2026 Routine Capital Plan (RCP) which included a five-year total expenditure of \$14.6M. The staff report also identified estimated total repair costs over CRHC's aging assets of \$79.1M from 2026 - 2030 and a funding gap of approximately \$64.5M over five years.

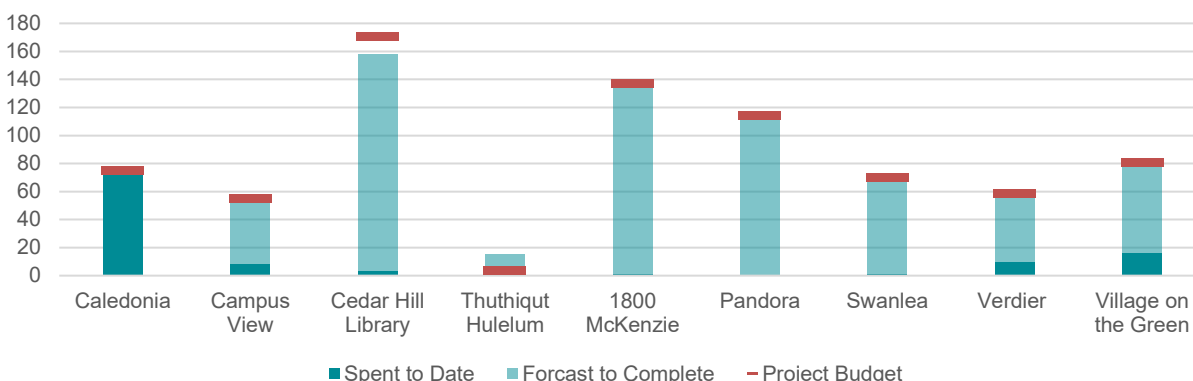
The CRHC 2026 Financial Plan noted that the overall financial performance of the CRHC was under pressure due to a softening rental market, high turnovers, increased competition, and average days vacant that were higher than target. Staff identified the considerable pressure facing the Regional Housing First Program (RHFP) that was projecting a 2026 deficit of (\$526K) which is at risk of increasing to an accumulated Stabilization Reserve deficit of (\$4.9M) by 2030.

Major Capital Plan Expenditure Summary

The CRHC enters 2026 with nine named projects on the MCP with funding commitments in place for 98.5% of the homes on the MCP. In total, six projects have secured Final Project Approval (FPA) from BC Housing with 1800 McKenzie and Swanlea anticipating FPA in Q2/Q3 2026.

In October 2024, the CRHC Board directed staff to add Thuthiqut Hulelum' on Galiano Island to the CRHC's MCP, however there are no CRHC funds available to support the project. To advance ongoing site preparation works the Capital Regional District (CRD) had committed \$3.9M and has approximately \$2.7M remaining. These funds will enable staff to proceed with site preparation works with the intention of better positioning this project for any future funding that may be available from the provincial government. All nine projects, their approved total budget, funds spent to date, and the forecast cost to complete is shown below in Chart 1.

Chart 1: Major Capital Plan (2026 – 2030) Total Expenditure Snapshot (\$M)



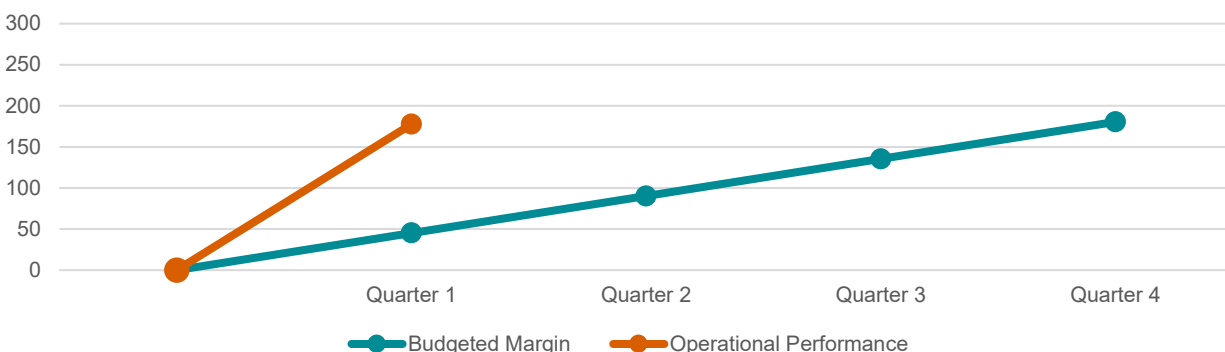
As shown on the MCP Expenditure Summary, attached as Appendix A, the CRHC is reporting total expenditure of \$9.4M in Q1 with the largest expenditure in support of Verdier (\$3.0M), Village on the Green (\$2.6M), and Campus View (\$2.4M). It should be noted that the Cedar Hill project was projected to cost a total of \$171.0M when the CRHC Board approved the 2026-2030 MCP. However, following project tender, the estimated cost has decreased to a total of \$157.8M or approximately 7.7% between the Class B cost estimate and project tender. Staff will revise the project budget when the MCP is updated in December 2026.

Appendix B contains project update sheets for each project. Staff note several risks ranging from contractor claims, possible scheduling delay, unexpected soil conditions or contamination, design coordination complexity, hazardous material abatement, Canada Housing and Mortgage Corporation (CMHC) delays with CRHC lease approvals, community opposition, relocation of municipal service process, chance of archeological material discovery, claim processing volume, and cashflow pressures due to increased activity. Staff are actively working to mitigate the risks.

Financial Plan Consolidated Operating Results

The Consolidated Operating Results (COR), as detailed in Appendix C, show a total Q1 surplus of \$177K against a budgeted surplus of \$45K for a positive margin of \$132K. Revenue was 13% below budget, mostly due to the timing of subsidy and rent-up for Caledonia. Expenditure was 14% below budget due to decreases in salaries, which is a function of staff position vacancy due to turnover and hiring timelines, and decreases in mortgage payments, due to Caledonia’s Interest Adjustment Date (IAD). Chart 2 provides a snapshot of the performance at the end of Q1.

Chart 2: Operational Performance Snapshot (\$K)



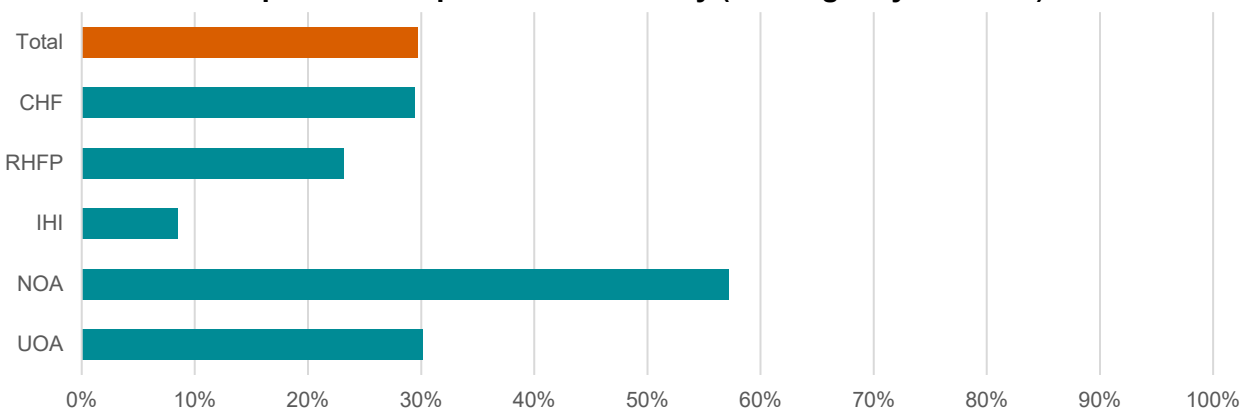
Though the overall margin exceeded expectations, this is primarily due to position vacancy and the cost savings associated with the timing of Caledonia mortgage payments. To support improved performance, staff are actively working on enhanced marketing efforts, targeted rent-up planning, and are in the process of recruitment for a staff role dedicated to revenue growth.

Staff will continue to monitor revenue and expenditure with the goal of improved revenue through Q2 and Q3. A Q1 Unit Vacancy Snapshot is attached as Appendix D.

Routine Capital Expenditure Summary

Q1 results under the RCP, as detailed in Appendix E, show a total portfolio expenditure of \$772K in the first quarter to bring the total spending to 30% of 2026 budget. Though the Umbrella Operating Agreement (UOA), No Operating Agreement (NOA) and Community Housing Fund (CHF) portfolios show higher than anticipated spending in Q1, these percentages represent dollar values of \$90K, \$48K, and \$4K respectively. Chart 3 illustrates the percentage of funds spent across the CRHC's five operational portfolios, including the CHF, RHFP, Investment in Housing Innovation (IHI), NOA and UOA.

Chart 3: Routine Capital Plan Expenditure Summary (% Budget by Portfolio)



Overspending under the NOA was driven by unplanned emergency repairs at Vergo which totalled \$54K. Staff continue to prioritize necessary repair works across all portfolios and will continue to monitor spending to ensure expenditure remains within budget through Q2, Q3, and Q4.

Operational Items of Note

Caledonia Rent-Up – As of April 24, 2026, 107 households have accepted offers equalling 68% of total units, which is approximately 8% better than forecast. Risks associated with the successful rent-up are the softening of the rental market and the commensurate decrease in market rental rates and the availability of households on the Housing Registry with specific incomes as required under the CHF. More details on the rent-up of Caledonia are included on Appendix D.

Redevelopment Activities – Ongoing rehoming efforts are underway at three CRHC properties:

- Rosewood – 45 homes; 29 households rehomed; 16 homes still occupied.
- Swanlea – 14 homes; 12 households rehomed; 2 homes still occupied.
- Willowdene – 15 homes; 3 households rehomed; 12 homes still occupied.

The CRHC continues to work with tenants to enter Tenant Relocation Plans (TRP) and support their transition into other properties where possible.

CONCLUSION

The delivery of the MCP continues as expected with Q1 spending representing approximately 7% of the total annual budget. Spending is expected to increase as the projects move into the construction phase and as capital project claims increase. On the operations side, the CRHC outperformed the budgeted margin in Q1, but as this is attributed primarily to the timing of the takeout mortgage for Caledonia and position vacancy, staff will continue to explore opportunities to increase revenue. Finally, spending under the RCP is slightly ahead of budget at 30% of the yearly total with most of the investment under the UOA and emergency repair work being the primary cause of spending overage under the NOA.

RECOMMENDATION

There is no recommendation. This report is for information only.

Submitted by:	Don Elliott, BA, MUP, Senior Manager, Regional Housing
Concurrence:	Patrick Klassen, MCIP, RPP, Acting General Manager, Housing, Planning and Protective Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer & General Manager, Finance & Technology
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENTS:

- Appendix A: Major Capital Plan Expenditure Summary
- Appendix B: Capital Project Profiles
- Appendix C: Consolidated Operating Results
- Appendix D: Unit Vacancy Snapshot
- Appendix E: Routine Capital Plan Expenditure Summary

APPENDIX A
Capital Region Housing Corporation
Major Capital Plan Expenditure Summary - Quarter 1, 2026

Capital Expenditure	Total Project Budget	2026 Budget	Quarter 1 Expenditure	Quarter 2 Expenditure	Quarter 3 Expenditure	Quarter 4 Expenditure	Total Actuals	% of 2026 Budget
Caledonia - CHF	\$75,004,723	\$1,100,000	\$331,324				\$331,324	30%
Pandora - CHF	\$114,325,710	\$200,000	\$915				\$915	0%
Campus View Redevelopment - RHFP	\$55,300,000	\$20,284,834	\$2,358,408				\$2,358,408	12%
Village on the Green Redevelopment - RHFP	\$81,000,000	\$34,160,875	\$2,604,325				\$2,604,325	8%
Cedar Hill Library & HSG Redevelopment -	\$170,940,244	\$24,450,000	\$442,405				\$442,405	2%
Verdier / Brentwood - CHF	\$58,260,000	\$27,850,096	\$3,024,229				\$3,024,229	11%
1800 McKenzie Redevelopment - CHF	\$137,355,817	\$5,376,929	\$430,942				\$430,942	8%
Swanlea - CHF	\$69,915,398	\$15,351,453	\$204,430				\$204,430	1%
Thuthiqt Hulelum	\$15,365,370	\$0					-	
New Redevelopment Projects	\$3,000,000	\$3,000,000					-	0%
Total CRHC Capital	\$780,467,262	\$131,774,186	\$9,396,977	\$0	\$0	\$0	\$9,396,977	

Project Update



Caledonia Redevelopment

Capital Region Housing Corporation

| Project Update as of Q1 2026



Project Details

- Address: 1211 Gladstone Avenue, Victoria
- Est. Cost: \$75.0 million
- Number of Homes Pre-Redevelopment: 20
- Homes Once Complete: 158 across five buildings: 14 studio, 45 one-bd, 77 two-bd, 14 three-bd, 8 four-bd
- Primary Funding Program: Community Housing Fund (CHF)
- Construction Start/Occupancy: Q1 2022/Q4 2025

Capital Highlights

- The project received the Occupancy Permit from the City of Victoria on November 20, 2025.
- The take-out mortgage was registered with an effective date of April 1, 2026.
- The final value of the take-out mortgage is \$53.6 million, with an interest rate of 3.834% on a 10-year term.

Operational Highlights

- Tenanting commenced in January 2026.
- Rent up is ahead of the planned target of 15% new tenancies per month.
- Through Q1, 52% of units have accepted offers and another 9 units have had outstanding offers.

Project Update



Campus View Redevelopment

Capital Region Housing Corporation

| Project Update as of Q1 2026



Project Details

- Address: 2249 McCoy Road, Saanich
- Est. Cost: \$55.3 million
- Number of Homes Pre-Redevelopment: 12
- Homes Once Complete: 119 total: 17 studio, 55 one-bd, 12 two-bd, 35 three-bd
- Primary Funding Program: Regional Housing First Program (RHFP) and BC Builds
- Construction Start/Occupancy: Q3 2025/Q1 2028

Capital Highlights

- The Building Permit was issued in October 2025.
- Demolition of the existing buildings was completed in December 2025.
- Construction is underway and progressing on schedule, with bulk excavation and piling activities complete.
- Concrete work for the substructure is underway and wood framing of the superstructure is scheduled to begin in May 2026.

Operational Highlights

- All eligible Campus View residents have been reallocated to other CRHC properties.
- Housing operations at Campus View ceased on July 16, 2025.
- Current tenants who meet eligibility requirements will be given right of first refusal to move back into the redevelopment when completed.

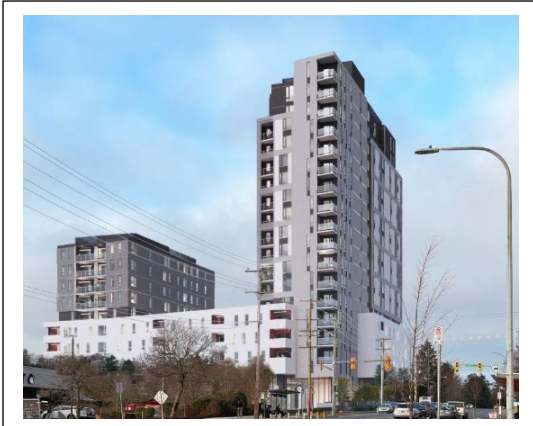
Project Update



Cedar Hill Library and Affordable Housing

Capital Region Housing Corporation

| Project Update as of Q1 2026



Project Details

- Address: 3950 Cedar Hill Road, Saanich
- Est. Cost: \$157.8 million
- Number of Homes Pre-Redevelopment: 0
- Homes Once Complete: 210 total: 26 studio, 83 one-bd, 70 two-bd, 31 three-bd
- Primary Funding Program: CHF
- Construction Start/Occupancy: Q1 2026/Q2 2030

Capital Highlights

- Final Project Approval (FPA) was secured from BC Housing and the CRHC Board in February and March 2026.
- Demolition was completed in March 2026.
- Financing and lease documents received in late-April 2026, with registration anticipated in May 2026.
- Excavation, piling and shoring are scheduled to begin in May 2026.

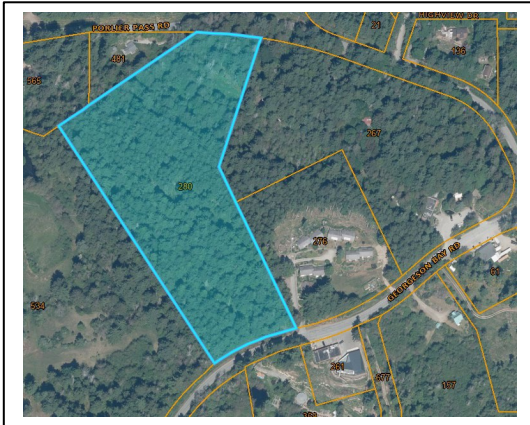
Operational Highlights

- No operational details at this time.
- CRHC will operate the affordable housing units, once complete.

Thuthiqut Hulelum' (Forest Homes) New Development

Capital Region Housing Corporation

| Project Update as of Q1 2026



Project Details

- Address: 280 Georgeson Bay Road, Galiano Island
- Est. Cost: \$3.6 million (civil works and site servicing phase)
- Number of Homes Pre-Redevelopment: 0
- Homes Once Complete: 20 total: 2 studio, 10 one-bd, 4 two-bd, 4 three-bd
- Primary Funding Program: Growing Communities Fund (GCF) and Community Works Fund (CWF)
- Construction Start/Occupancy: Q3 2026/Q4 2026

Capital Highlights

- At the direction of the CRD Board, staff submitted a CHF application in July 2025.
- In February 2026, BC Housing confirmed that the 2025 CHF would not proceed due to provincial budget reductions.
- Staff are currently advancing the project with scope limited to civil works and site servicing using the remaining GCF and CWF allocations, as well as the \$302,000 in accrued interest from the grant funding.
- The consultants and Construction Management team will be re-engaged in April 2026 to further define the scope of work, amend contracts and execute this phase of the project by Q4 2026.

Operational Highlights

- CRHC has no operating presence on Galiano Island and is unable to scale operations to include the islands.
- Operations of the property will be facilitated through a Property Manager.

Project Update



Pandora New Development

Capital Region Housing Corporation

| Project Update as of Q1 2026



Project Details

- Address: 930 Pandora Avenue, Victoria
- Est. Cost: \$114.4 million (affordable housing cost only)
- Number of Homes Pre-Redevelopment: 0
- Homes Once complete: 158 total: 34 studio, 67 one-bd, 42 two-bd, 15 three-bd
- Primary Funding Program: CHF
- Construction Start/Occupancy: Q2 2025/Q2 2029

Capital Highlights

- The CRHC will register the Air Space Parcel (ASP) Lease for the affordable housing component of the project upon completion of construction.
- The CRHC, BC Housing and City of Victoria are currently establishing the parameters of an ASP Easement Agreement, which will be finalized concurrently with the ASP Lease.
- Onsite, piles are currently being installed and excavation will commence once installation is complete.

Operational Highlights

- No operational details at this time.
- CRHC will operate the affordable housing units within the building, once complete.

Project Update



Verdier New Development

Capital Region Housing Corporation

| Project Update as of Q1 2026



Project Details

- Address: 1183 Verdier Avenue, Central Saanich
- Est. Cost: \$65.4 million
- Number of Homes Pre-Redevelopment: 0
- Homes Once Complete: 110 total: 6 studio, 37 one-bd, 56 two-bd, 11 three-bd
- Primary Funding Program: CHF and RHFP
- Construction Start/Occupancy: Q4 2025/Q1 2028

Capital Highlights

- FPA was secured from BC Housing and the CRHC Board in November and December 2025.
- The Demolition Permit was approved in December 2025 and the Building Permit was approved in March 2026.
- Demolition and hazardous materials abatement activities commenced in January 2026.
- Hazardous materials abatement is scheduled to be completed in April 2026 with demolition to commence in May 2026.
- Excavation and shoring will follow demolition and are anticipated to be completed by September 2026.

Operational Highlights

- No operational details at this time.
- CRHC will operate the affordable units within the building, once complete.

Village on the Green Redevelopment

Capital Region Housing Corporation

| Project Update as of Q1 2026



Project Details

- Address: 1132 & 1138 Johnson Street, Victoria
- Est. Cost: \$81.1 million
- Number of Homes Pre-Redevelopment: 38
- Homes Once Complete: 160 total: 45 studio, 58 one-bd, 28 two-bd, 29 three-bd
- Primary Funding Program: RHFP, GCF and BC Builds
- Construction Start/Occupancy: Q4 2025/Q1 2028

Capital Highlights

- The Building Permit was issued in November 2025.
- Demolition of the existing buildings was completed in December 2025.
- Construction is underway and progressing on schedule, with excavation nearing completion.
- Concrete work for the substructure is underway and wood framing of the superstructure is scheduled to begin in July 2026.

Operational Highlights

- All eligible Village on the Green residents have been reallocated to other CRHC properties.
- Housing operations at Village on the Green ceased on June 30, 2025.
- Current tenants will be given right of first refusal to move back into the redevelopment when completed subject to their eligibility with the terms of the RHFP.

Swanlea Redevelopment

Capital Region Housing Corporation

Project Update as of Q1 2026



Project Details

- Address: 898 Sevenoaks Road, Saanich
- Est. Cost: \$69.9 million
- Number of Homes Pre-Redevelopment: 14
- Homes Once Complete: 134 total: 12 studio, 58 one-bd, 44 two-bd, 20 three-bd
- Project Funding Program: CHF
- Construction Start/Occupancy: Q3 2026/Q1 2029

Capital Highlights

- The Development Permit was approved in March 2026 and the Building Permit is currently under review with the District of Saanich.
- Provisional Project Approval (PPA) was received from BC Housing in March 2026.
- In March 2026, \$1.58 million in Pre-Development Funding was finalized through a collateral loan with BC Housing to fund the remaining pre-construction activities leading to Final Project Approval, anticipated for Q3 2026.
- Procurement of the Construction Management firm was finalized in March 2026.
- Preliminary scheduling anticipates demolition commencing in Q3 2026, with construction activities to follow in Q4 2026.

Operational Highlights

- Operations staff have rehomed 12 out of 14 homes (2 homes still occupied).
- Current tenants will be given right of first refusal to move back into the redevelopment when completed subject to their eligibility with the terms of the CHF Program.

Project Update



1800 McKenzie Redevelopment

Capital Region Housing Corporation

Project Update as of Q1 2026



Project Details

- Address: 1821 & 1827 McKenzie Avenue, Saanich
- Est. Cost: \$137.4 million
- Number of Homes Pre-Redevelopment: 59
- Homes Once Complete: 259 total: 45 studio, 89 one-bd, 71 two-bd, 42 three-bd, 12 four-bd
- Primary Funding Program: CHF
- Construction Start/Occupancy: Q4 2026/Q2 2030

Capital Highlights

- The Development Permit application was submitted in November 2025 and it is anticipated to be approved in Q2 2026.
- The Building Permit application will be submitted in Q2 2026 following issuance of the Development Permit.
- PPA was received from BC Housing in March 2026.
- In April 2026, \$2.37 million in Pre-Development Funding was finalized through a collateral loan with BC Housing to fund the remaining pre-construction activities leading to Final Project Approval, anticipated for Q3 2026.
- Preliminary scheduling anticipates demolition commencing in Q3 2026, with construction activities to follow in Q4 2026.

Operational Highlights

- Operations staff have rehomed 29 out of 45 homes (16 homes still occupied) from Rosewood.
- Operations staff have rehomed 3 out of 15 homes (12 homes still occupied) from Willowdene.
- CRHC is working with all tenants on their Tenant Relocation Plans and successful rehoming.
- Current tenants will be given right of first refusal to move back into the redevelopment when completed subject to their eligibility with the terms of the CHF Program.

APPENDIX C
Capital Region Housing Corporation
Consolidated Operating Results - Quarter 1, 2026

	2026 Budget	Quarter 1 Budget	Quarter 1 Results	Quarter 2 Results	Quarter 3 Results	Quarter 4 Results	YTD Results	Q1 Results to Q1 Budget	
								\$	%
REVENUE									
Government Subsidies	4,734,762	1,318,004	723,678				723,678	(594,325)	55%
Tenant Rent Contribution	27,592,525	6,963,597	6,598,217				6,598,217	(365,381)	95%
Other Revenue	487,315	123,909	366,600				366,600	242,692	296%
Transfers from Operating Reserve	0	0	0				0	0	0%
Transfers from Replacement Reserve	374,144	374,144	0				0	(374,144)	0%
Interest Income	75,000	18,750	0				0	(18,750)	0%
	33,263,746	8,798,403	7,688,495	0	0	#	7,688,495	(1,109,908)	87%
EXPENDITURES									
Salaries & Benefits	6,776,971	1,700,034	1,337,524				1,337,524	(362,510)	79%
CRD Allocations	1,450,873	362,718	344,388				344,388	(18,330)	95%
Office Costs	283,081	70,867	116,028				116,028	45,161	164%
Consultants/Legal/Audit	128,500	32,125	43,823				43,823	11,698	136%
Transfers to Capital Reserves	2,015,526	507,000	507,119				507,119	119	100%
Capital Equipment	0	0	1,954				1,954	1,954	0%
Service Contracts	1,092,417	368,279	322,733				322,733	(45,546)	88%
Utilities	2,924,666	738,706	570,457				570,457	(168,248)	77%
Insurance Premium	1,955,848	493,239	495,354				495,354	2,115	100%
Maintenance	2,651,986	672,173	595,005				595,005	(77,167)	89%
Mortgage Payments	13,425,164	3,424,655	2,790,546				2,790,546	(634,109)	81%
Property Taxes	4,115	0	0				0	0	0%
Other - Discharge of Replacement Reserve	374,144	374,144	386,047				386,047	11,903	103%
TOTAL EXPENDITURES	33,083,291	8,743,940	7,510,978	0	0	#	7,510,978	(1,232,961)	86%
TOTAL SURPLUS / (DEFICIT)	180,455	54,464	177,517	0	0	#	177,517	123,053	326%

Variance: (+) Actual results are **Above** Budget; (-) Actual results are **Below** Budget

CRHC Q1 Unit Vacancy Snapshot (As of March 31)

Table 1: Unit Turnover Time*

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Move Out to "Ready"	65 Days			
Average Days Vacant	70 Days			

*From Arcori Property Management software implemented in Q1 and may change as data matures and becomes more complete.

Table 2: Vacancies by Portfolio

Portfolio	Total Homes	Vacancies	Vacancy Rate
UOA	1,012	20	1.98%
RHFP			
Shelter Rate	169	0	0%
Market	469	73	15.57%
CHF*			
Deep Subsidy	52	4	7.69%
RGI	130	0	0%
Market	78	0	0%
IHI	73	2	2.74%
NOA	82	0	0%
CRHC Total	2,065	99	4.79%

* Does not include Caledonia as it is still in the rent-up phase.

Chart 1: CRHC Total Vacancy Rate

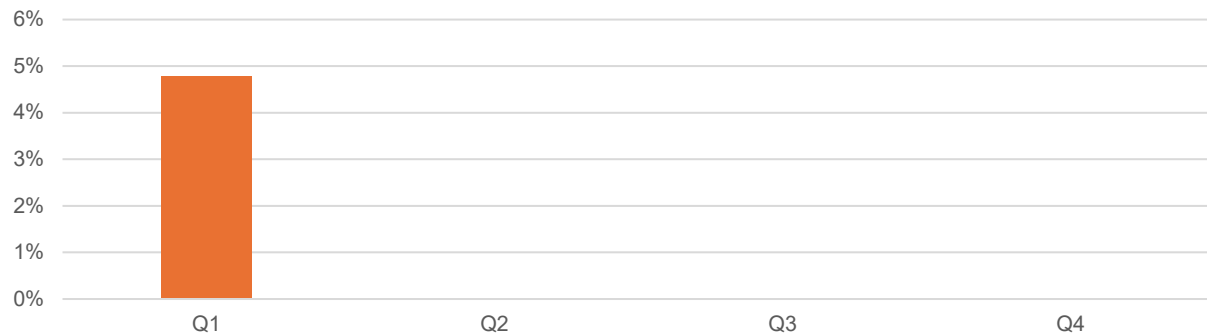
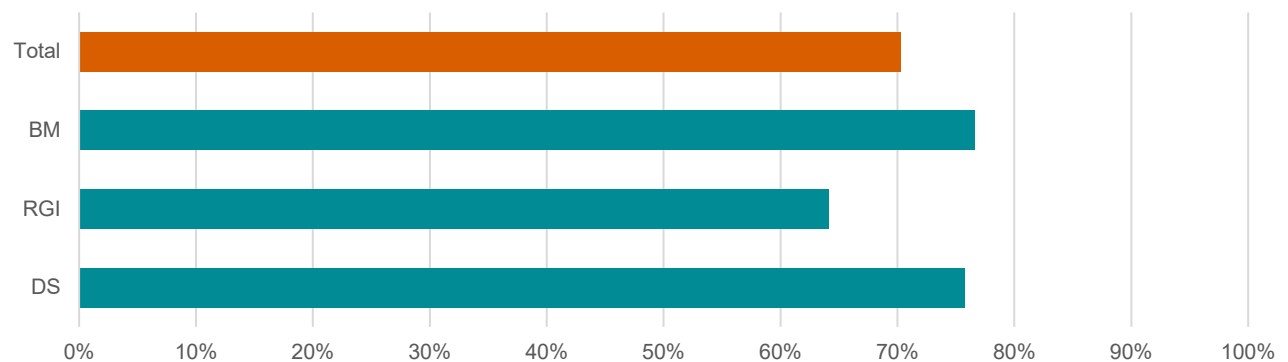


Chart 2: Caledonia Rent-Up Statistics (as of April 24)



Below Market (BM); Rent Geared to Income (RGI); Deep Subsidy (DS)

APPENDIX E

Capital Region Housing Corporation Routine Capital Plan Expenditure Summary - Quarter 1, 2026

Capital Expenditure	2026 Budget	Quarter 1 Expenditure	Quarter 2 Expenditure	Quarter 3 Expenditure	Quarter 4 Expenditure	% of 2026
UOA Routine Capital Replacement	\$1,746,800	\$526,811				30%
NOA Routine Capital Replacement	\$147,600	\$84,419				57%
IHI Routine Capital Replacement	\$63,072	\$5,342				8%
RHFP Routine Capital Replacement	\$551,232	\$127,832				23%
CHF Routine Capital Replacement	\$93,128	\$27,388				29%
Total Capital	\$2,601,832	\$771,791	\$0	\$0	\$0	30%

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, JUNE 03, 2026**

SUBJECT **Capital Regional Hospital District Capital Contribution Funding Model**

ISSUE SUMMARY

Staff to review the Capital Regional Hospital District (CRHD) capital contribution funding model.

BACKGROUND

On October 29, 2025, the CRHD Board passed the following motion:

The Capital Regional Hospital District Board ask staff to review the 30% contribution for major capital and 40% contribution for minor capital and make a recommendation on a potential lower percentage based on a Consolidated Capital Regional District Budget and evolving costs for newly-established services.

In 2007, the Board completed a comprehensive review of the CRHD funding model and established the current contribution structure. The three categories of CRHD funding are:

1. **Major Capital Projects**
Projects greater than \$2 million (M) generally cost-shared at a 30% contribution level and primarily financed through debt arranged through the Municipal Finance Authority.
2. **Minor Capital Projects**
Projects valued between \$100,000 and \$2M where the CRHD contributes 40% of project costs, up to an annual maximum of \$3.75M.
3. **Medical Equipment**
Annual contributions of \$2.925M to Island Health and \$30,000 to Mount Saint Mary Hospital for medical equipment replacement and acquisition.

The current contribution structure has remained largely unchanged since 2007. During this period, construction costs, population growth, healthcare demand, and broader CRD financial pressures have increased. Staff met with Ministry of Health and the Ministry of Infrastructure staff on February 20 and March 20, 2026, to discuss Hospital District(s) cost shares. Staff were informed that most hospital districts across British Columbia typically contribute up to 40% of eligible capital costs; however, contributions are voluntary and vary based on local circumstances and project funding arrangements. A review of major health capital projects identified in the Province's 2026/27–2028/29 Budget and Fiscal Plan indicates that Regional Hospital District contributions vary significantly between projects. Key observations indicate the historical 40% contribution model is a convention rather than a requirement and funding arrangements increasingly include provincial, foundation, and other funding sources.

Overall, while provincial funding arrangements demonstrate increasing flexibility, discussions with Island Health indicate that existing and planned projects within the CRHD have been developed based on current contribution assumptions and may not readily accommodate further reductions. Island Health advised that the current reduction from the conventional 40% contribution expectation to 30% for major capital projects already represents a significant reduction in CRHD participation.

ALTERNATIVES

Alternative 1

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

That the Capital Regional Hospital District maintains the current capital contribution funding model as follows:

- Maintain a 30% contribution for major capital projects;
- Maintain a 40% contribution for minor capital projects; and
- Maintain current annual allocations for medical equipment.

Alternative 2

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

That the Capital Regional Hospital District staff work with Island Health and the Ministry of Health to understand the implications of reducing the major capital percentage contribution from CRHD to 25%.

Alternative 3

That this report be referred back to staff for additional information based on Hospitals and Housing Committee direction.

IMPLICATIONS

Financial Implications

In the current capital environment, increasing construction costs and infrastructure requirements mean that even relatively small contribution changes can create significant funding impacts. Across current Island Health major projects within the existing CRHD Ten-Year Capital Plan, the previous reduction from a 40% to 30% contribution model represents approximately \$98M in reduced contributions. A further reduction to 25% would create an estimated additional \$49M in funding pressure. Island Health has indicated that additional funding pressures may require reassessment of project scope, timing, viability, and funding strategies (Appendix A).

Maintaining the current contribution model supports assumptions embedded within current and planned capital projects. While reducing contribution rates could improve CRHD financial flexibility, relatively small percentage reductions may create significant funding gaps for major projects. Future impacts would vary depending on the scale and timing of approved capital projects and would require project-specific analysis.

Intergovernmental Implications

Funding arrangements for major capital projects are negotiated and variable. Changes to the CRHD contribution model would require discussions with Island Health and the Province regarding impacts on capital planning and could impact the viability of planned capital projects.

Governance/Legal Implications

The CRHD is established under provincial legislation and letters patent. Authority for establishing, restructuring, or dissolving a regional hospital district rests with the Province through the Lieutenant Governor in Council. A preliminary review of the legislative framework indicates that any restructuring—particularly dissolution—would require provincial approval and would need to address a range of complex considerations, including existing assets and liabilities, debt and long-term financial obligations, taxation authority and requisitioning, ongoing capital funding

responsibilities, and alignment with health authority capital planning. There is no clear mechanism for unilateral dissolution of a regional hospital district by its Board. As such, any consideration of structural changes would represent a significant provincial policy and governance decision requiring coordination with the Province and Island Health. Discussions with Ministry staff indicate a strong opposition to dissolution of the CRHD. While this context is important, it does not directly impact the CRHD’s ability to adjust its contribution model within the existing legislative framework.

CONCLUSION

The current reduction from a conventional 40% contribution to 30% for major capital projects already represents a significant reduction in CRHD funding participation. Information provided by Island Health indicates that additional reductions could create material funding pressures that may affect project viability, scope, timing, and overall capital planning assumptions. Maintaining the existing contribution model supports continued partnership with Island Health and the Province and provides stability for current and future healthcare infrastructure planning.

RECOMMENDATION

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

That the Capital Regional Hospital District maintains the current capital contribution funding model as follows:

- Maintain a 30% contribution for major capital projects;
- Maintain a 40% contribution for minor capital projects; and
- Maintain current annual allocations for medical equipment.

Submitted by:	Michael Barnes, MPP, Senior Manager, Health and Capital Planning Strategies
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Housing, Planning and Protective Services
Concurrence:	Angela Linwood, CMA, Acting Chief Financial Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENT

Appendix A: May 25, 2026 letter from Island Health

OUR VISION:

Excellent health and care for everyone,
everywhere, every time.



May 25, 2026

Michael Barnes, MPP
Senior Manager, Health and Capital Planning Strategies
Capital Regional Hospital District
Capital Regional District
625 Fisgard Street
Victoria, BC V8W 0E1

Sent via email: mbarnes@crd.bc.ca

Dear Michael:

Re: CRHD Cost-Share Contributions and Health Infrastructure Delivery

Thank you for your May 12, 2026, correspondence regarding Regional Hospital District cost-share contributions and potential changes to the Capital Regional Hospital District's (CRHD) funding approach.

Island Health recognizes the pressures local and regional governments face regarding supporting growing need for health infrastructure, escalating costs for this infrastructure, multiple competing priorities across sectors, and the increasingly limited capacity of tax payers to absorb tax increases.

I am responding in my capacity of being responsible for identifying, planning and advancing priority health infrastructure projects in the South Island. This letter is intended to speak to the practical implications of changes to CRHD cost-share contributions and should not be read as legal advice or as a definitive interpretation of provincial policy. Questions regarding provincial policy, legislative requirements, or Regional Hospital District cost-share expectations should be directed to the Ministry of Health and the Ministry of Infrastructure, as appropriate.

As you are aware, the current 30% CRHD contribution assumption for major capital projects is already materially lower than the historic 40% regional contribution reference point. The practical effect of this change in contribution is significant: a lower regional contribution reduces the funding available to advance priority health infrastructure in the CRD region. The move from a 40% reference point to a 30% CRHD contribution for major capital projects already has a substantive impact on Island Health's ability to deliver health care infrastructure in the CRD region. A further reduction would compound that impact.

This is particularly significant in the current capital environment. Project budgets are not carrying large margins, and costs continue to escalate across construction, equipment, infrastructure renewal, consultant fees and contingency. In that context, even relatively small percentage changes translate into material funding gaps.

Health infrastructure is integral to care delivery. Clinical buildings, electrical capacity, medical equipment, diagnostic and treatment space, infection prevention requirements, accessibility, and building renewal form the foundation required to enable the delivery of safe and effective health services. When capital funding is reduced, the impact extends beyond buildings and equipment; over time, it constrains Island Health's maintain, modernize, and expand the service capacity required to support patient care needs.

Island Health and the CRHD are critical partners in delivering health care infrastructure for the region. From Island Health's perspective, the cost-share model is not simply a financial arrangement – it is fundamental to advancing projects from planning through to approval, funding and delivery. When regional contributions are reduced, it impacts on the project scope, the project schedule, and project viability. Ultimately it delays the delivery of need infrastructure for the community requiring care.

Contribution shifts also create pressure across Island Health's broader capital plan, as provincial and health authority capital funding must be managed across a portfolio of priorities in Island Health's service area. Reduced or less predictable regional contributions in one area may affect the ability to advance priorities in other regions and can create broader uncertainty for capital planning, particularly where multiple Regional Hospital Districts are supporting major projects at the same time. The practical consequence is reduced capacity to renew, replace and expand the health infrastructure that supports care delivery in the Capital Region. Over time, which means fewer projects advancing, projects taking longer to deliver, projects being reduced in scope, or projects not proceeding at all. While the effect may not always be visible immediately as a direct service reduction, the long-term result is a lower level of health care service capacity than would otherwise be possible in the CRHD region.

Island Health is committed to continued collaboration with the CRHD and the Province to advance priority health infrastructure for the region. As noted earlier, should there be interest in changing the current relationship between the CRHD and Island Health, next steps most likely require legal review and clarifying existing legislative expectations.

We recognize the pressures for infrastructure funding within the current environment. For Island Health, maintaining a stable and predictable cost-share framework is critical to ensure that residents of the Capital Region continue to have access to the health infrastructure and services they need.

Sincerely,

A handwritten signature in black ink, appearing to read "Jesse Tarbotton". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jesse Tarbotton, RPP
Director, Capital Planning, Real Estate & Leasing

cc: Ted Robbins, Chief Administrative Officer, Capital Regional District
Kevin Lorette, General Manager, Housing, Planning & Protective Services, Capital Regional District
Kathy MacNeil, President & CEO
James Hanson, Vice President, Community Clinical Operations and Support Programs
Bobi Plecas, Deputy Minister, Ministry of Infrastructure
Cynthia Johansen, Deputy Minister, Ministry of Health
Amy Miller, Assistant Deputy Minister, Ministry of Infrastructure
Mark Bell, Director, Ministry of Infrastructure

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, JUNE 3, 2026**

SUBJECT Harbour Lane Mortgage Renewal

ISSUE SUMMARY

BC Housing Management Commission (BCHMC) requires a Resolution from the Capital Region Housing Corporation (CRHC) Board of Directors to renew the mortgage for Harbour Lane.

BACKGROUND

The mortgage for Harbour Lane, a 28-unit family townhome complex and apartment at 515 Pendray Street in Victoria is funded through BCHMC and is part of the Umbrella Operating Agreement (UOA). The mortgage is due for renewal on October 1, 2026, and the current mortgage is held by MCAP at a rate of 2.2%.

BCHMC intends to renew the mortgage through a Tendered Lending Program and will publish tender calls to interested Canada Mortgage and Housing Corporation’s (CMHC) approved lenders to secure the best interest rate and terms available in the market. BC Housing also requires a Resolution of the Directors, attached as Appendix A, to authorize the Chief Administrative Officer or Chief Financial Officer to execute all documents related to the mortgage renewal.

Renewal details are shown in Table 1.

Table 1 – Mortgage Details

Building	Current interest rate	Estimated principal at renewal	Annual subsidy (2026)	Remaining term	Mortgage maturity date	Operating Agreement Term
Harbour Lane	2.2%	\$1,795,713	\$90,458	10 years	October 1, 2036	December 31, 2029 with 5-year automatic extension

ALTERNATIVES

Alternative 1

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

1. That the resolution required by BC Housing Management Commission to renew the mortgage for Harbour Lane through the Tendered Lending Program for a term not to exceed 10 years as required be approved; and
2. That Edward Robbins, Chief Administrative Officer or Nelson Chan, Chief Financial Officer, or their duly authorized delegates, together or with any one officer or director of the Borrower for and on behalf of the Borrower be authorized to sign any documents related to the mortgage renewal.

Alternative 2

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

IMPLICATIONS

Financial Implications

Based on the recent BCHMC tender rates used for the Caledonia take-out mortgage, which was finalized on April 1, 2026, for a 10-year term at an interest rate of 3.834%, it is anticipated that the rate for this renewal may be similar or close to this value.

If the Board approves the BCHMC tendered mortgage renewal process, CRHC will continue to benefit from the preferential interest rates available from this process.

A Board decision to not renew the mortgage under the BCHMC tender process would necessitate acquiring BCHMC’s permission and securing a commitment for alternate financing through private sector lenders. For comparison, the current posted rate for a 10-year fixed term mortgage from Vancity is 5.29% and Scotiabank is 6.80%. An evaluation of historical borrowing rates indicates that the tendered mortgage renewal interest rate is expected to be the most cost-effective option and will ensure maximum annual rent subsidy assistance.

The UOA states that the economic operating costs will be recalculated on the renewal of the mortgage to consider new payments for the loan. This language ensures that the monthly subsidy amount received from BCHMC will be adjusted to absorb the anticipated increase in debt servicing costs, which is the result of a likely higher rate on renewal.

CONCLUSION

The mortgage for Harbour Lane is due for renewal on October 1, 2026. The most cost-effective option is to renew through Tendered Lending Program for a 10-year term ending October 1, 2036, which would align with the mortgage maturity date and result in the mortgage being fully paid out at the end of the term.

RECOMMENDATION

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

1. That the resolution required by BC Housing Management Commission to renew the mortgage for Harbour Lane through the Tendered Lending Program for a term not to exceed 10 years as required be approved; and
2. That Edward Robbins, Chief Administrative Officer or Nelson Chan, Chief Financial Officer, or their duly authorized delegates, together or with any one officer or director of the Borrower for and on behalf of the Borrower be authorized to sign any documents related to the mortgage renewal.

Submitted by:	Don Elliott, MUP, Senior Manager, Regional Housing
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Housing, Planning & Protective Services
Concurrence:	Angela Linwood, CMA, Acting Chief Financial Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENT

Appendix A: Resolution of Directors

Capital Region Housing Corporation
(the "Borrower")

CERTIFIED COPY OF RESOLUTION OF DIRECTORS

BE IT RESOLVED:

That the Borrower hereby irrevocably authorize and direct British Columbia Housing Management Commission ("BCHMC") to act on its behalf to renew the existing mortgage presently held by MCAP Financial Corporation (the "Mortgage") for the project located at 515 Pendray St, Victoria, BC (BCHMC file no. 90162 / 2965), including but not limited to selecting, at BCHMC's sole discretion, the mortgage renewal terms and arranging mortgage renewal with the take-out lender (the "Take-out Lender") on terms and conditions that are acceptable to BCHMC.

BE IT FURTHER RESOLVED:

That Edward Robbins, Chief Administrative Officer, or Nelson Chan, Chief Financial Officer, or their respective duly authorized delegates, together or with any one officer or director of the Borrower for and on behalf of the Borrower be and are hereby authorized to execute and deliver under the seal of the Borrower or otherwise, all such deeds, documents and other writings and to do such acts and things in connection with the Mortgage assignment, renewal and amendment as they, in their discretion, may consider to be necessary or desirable for giving effect to this resolution and for the purpose of fulfilling the requirements of the lender of the monies.

I, Edward Robbins, Chief Administrative Officer of the Capital Region Housing Corporation, hereby certify the above to be a true copy of a resolution duly passed by the Directors of the Borrower at a meeting held on the ____ day of _____, 2026 and that such resolution has not been rescinded, amended or modified and is now in full force and effect.

WITNESS my hand this day ____ of _____, 2026.

Witness

Name:
Title: