



Notice of Meeting and Meeting Agenda Capital Region Housing Corporation Board

Wednesday, October 9, 2024

1:00 PM

6th Floor Boardroom
625 Fisgard Street
Victoria, BC

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

1. TERRITORIAL ACKNOWLEDGEMENT

2. APPROVAL OF THE AGENDA

3. ADOPTION OF MINUTES

3.1. [24-950](#) Minutes of the September 11, 2024 Capital Region Housing Corporation Board Meeting

Recommendation: That the minutes of the Capital Region Housing Corporation Board meeting of September 11, 2024 be adopted as circulated.

Attachments: [Minutes - Sept. 11, 2024](#)

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

6.1. [24-895](#) Capital Region Housing Corporation Capital Plan Status Report, Third Quarter 2024

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

Attachments: [Staff Report: CRHC Capital Plan Status Report-Third Quarter 2024](#)

6.2. [24-896](#) Capital Region Housing Corporation Operational Update, Third Quarter 2024

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

Attachments: [Staff Report: CRHC Operational Update, Third Quarter 2024](#)
[Appendix A: Applicant Waiting List Details](#)

7. ADMINISTRATION REPORTS

8. REPORTS OF COMMITTEES

9. NOTICE(S) OF MOTION

10. NEW BUSINESS

11. MOTION TO CLOSE

11.1. **24-976** Motion to Close the Meeting

Recommendation: That the meeting be closed for intergovernmental negotiations in accordance with Section 90(2)(b) of the Community Charter. [1 Item]

12. RISE AND REPORT

13. ADJOURNMENT

Meeting Minutes

Capital Region Housing Corporation Board

Wednesday, September 11, 2024

1:00 PM

6th Floor Boardroom
625 Fisgard Street
Victoria, BC

PRESENT

DIRECTORS: Z. de Vries (Chair), J. Caradonna (Vice Chair), P. Brent, S. Brice, J. Brownoff, C. Coleman, B. Desjardins, 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; A. Fraser, General Manager, Integrated Water Services; K. Lorette, General Manager, Planning and Protective Services; K. Morley, General Manager, Corporate Services; R. Smith, Acting General Manager, Parks, Recreation & Environmental Services; D. Elliott, Senior Manager, Regional Housing; M. Lagoa, Deputy Corporate Officer; S. Orr, Senior Committee Clerk (Recorder)

Guest: D. Bracewell, Contractor Senior Project Director

Regrets: Directors M. Alto, M. Tait

The meeting was called to order at 1:03 pm.

1. TERRITORIAL ACKNOWLEDGEMENT

Vice Chair Caradonna provided the Territorial Acknowledgment.

2. APPROVAL OF THE AGENDA

MOVED by Director Plant, **SECONDED** by Director McNeil-Smith,
That the agenda for the September 11, 2024 Session of the Capital Region
Housing Corporation Board be approved.
CARRIED

3. ADOPTION OF MINUTES

3.1. [24-829](#) Minutes of the July 10, 2024 Capital Region Housing Corporation Board Meeting

MOVED by Director Plant, **SECONDED** by Director McNeil-Smith,
That the minutes of the Capital Region Housing Corporation Board meeting of
July 10, 2024 be adopted as circulated.
CARRIED

4. REPORT OF THE CHAIR

There were no Chair's remarks.

5. PRESENTATIONS/DELEGATIONS

There were no presentations or delegations.

6. CONSENT AGENDA

There were no Consent Agenda items.

7. ADMINISTRATION REPORTS

There were no Administration Reports.

8. REPORTS OF COMMITTEES

- 8.1. [24-801](#) Carey Lane Building Envelope Remediation Budget Amendment and Capital Region Housing Corporation Major Capital Plan (2024-2028) Amendment

K. Lorette spoke to Item 8.1.

MOVED by Director Murdoch, SECONDED by Director Kobayashi,
1) That the Resolution of Directors in the form required by BC Housing Management Commission for the purposes of authorizing the execution of the Loan and Mortgage documents for the Carey Lane Building Envelope Remediation project (PID 012-067-032), substantially in the form attached hereto as Appendix B, be approved; and
2) That the Capital Region Housing Corporation Major Capital Plan (2024-2028) be approved as amended in Appendix C.
CARRIED

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 Murdoch, SECONDED by Director Plant,
That the September 11, 2024 Capital Region Housing Corporation Board meeting be adjourned at 1:07 pm.
CARRIED

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, OCTOBER 2, 2024**

SUBJECT **Capital Region Housing Corporation Capital Plan Status Report, Third Quarter 2024**

ISSUE SUMMARY

To provide a quarterly update to the Hospitals and Housing Committee on the Capital Region Housing Corporation (CRHC) Major Capital Plan (2024-2028) and Routine Capital Plan (2024- 2028).

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 delivers more than 2,000 affordable, attractive, inclusive, and sustainable homes across more than 50 unique properties.

Since the quarter two report, the CRHC has completed 97 new homes and currently has 180 under construction. With the recent Building BC: Community Housing Fund (CHF) announcement, which includes funding for four new CRHC development projects, the total number of homes in development and pre-construction with provisional funding allocations now exceeds 1,000. In addition to this major capital work, three routine capital projects have been completed throughout the first three quarters of 2024 and four additional routine capital projects are currently underway and scheduled for completion in Q4 2024 under the Routine Capital Plan (2024-2028).

This report outlines projects that have received, or are pursuing grant funding through the following programs: Regional Housing First Program (RHFP), Regional Housing Trust Fund (RHTF), Growing Communities Fund (GCF), Community Housing Fund (CHF), Green Municipal Fund (GMF), Capital Renewal Fund (CRF), Community Works Fund (CWF), Canada Mortgage and Housing Corporation's Affordable Housing Fund (CAHF), Saanich's Affordable Housing Fund (SAHF) and Victoria Housing Reserve Fund (VHRF).

IMPLICATIONS

Michigan Square (RHFP, RHTF, VHRF & CHF)

The Michigan Square Redevelopment is a project in Victoria's James Bay neighbourhood that received its Occupancy Permit in August 2024. The redevelopment offers 97 new affordable rental homes across two four-storey wood frame apartment buildings. Tenants began occupying the building in mid-August 2024.

The project budget of \$35.4 million (M), with a total of \$11.9M awarded through grants and equity contributions remains unchanged from the approved Major Capital Plan (2024-2028). Project costs will be finalized by the end of 2024 as construction crews complete deficiency work and contracts are closed out. CRHC staff remain committed to applying all budget surpluses against borrowing costs to reduce rents where possible, while also ensuring the completed project will have sufficient revenue to support mortgages and operating costs.

Caledonia (CHF, RHTF & VHRF)

Caledonia is a redevelopment in Victoria's Fernwood neighbourhood that will increase the number of homes onsite from 26 to 158, including 14 three-bedroom homes and eight four-bedroom homes. The final buildout will include five new multi-family residential buildings, consisting of two apartment buildings and three townhouse blocks.

All five building envelopes are watertight and the townhouse block that sits on top of the parkade is nearing completion. Finishing work continues on the two apartment buildings and rough-in work is underway on the two standalone townhouse blocks. The project remains on track to receive its Occupancy Permit in June 2025.

Due to the increased borrowing rates outlined in the Capital Status Report, First Quarter 2024, CRHC staff are forecasting upward pressure on the overall cost of borrowing. Currently, the total interim construction financing costs are within budget, however staff will continue to monitor ongoing budget pressures and will provide further detail through the update of the Major Capital Plan (2025-2029) which will be considered by the CRHC Board in November 2024. Despite the forecasted borrowing cost increase, the project budget of \$71.0M, with a total of \$20.6M awarded through grants and an equity contribution remains unchanged from the approved Major Capital Plan (2024-2028).

Carey Lane Building Envelope Remediation (CRF)

Carey Lane, an existing 22-unit townhouse complex is currently undergoing a full building envelope remediation (BER) as well as upgrades to the ventilation, heating, and cooling systems. As outlined in the Carey Lane Building Envelope Remediation Budget Amendment and Capital Region Housing Corporation Major Capital Plan (2024-2028) Amendment Report, unforeseen structural conditions have been discovered onsite which are beyond the planned scope of the remediation project. The cost of the repairs is approximately \$3.4M and the total budget increase including additional soft costs and contingency is \$4.5M.

In August 2024, BC Housing Management Commission (BCHMC) approved the revised budget and increased the value of the forgivable mortgage. In September 2024, the CRHC Board approved the amendment to the *Major Capital Plan (2024-2028)* which revised the project budget from \$6.0M to \$10.5M including a \$9.9M forgivable mortgage through BCHMC's CRF in addition to the previously approved \$600 thousand (K) equity contribution funded through the CRHC Portfolio Stabilization Reserve.

Onsite, the construction crew is continuing with door and window replacements, while mechanical upgrades and structural repairs are ongoing. With the additional project scope, completion is targeted for Q3 2025.

Pandora (CHF)

The Pandora project is a partnership between the City of Victoria, BCHMC and the CRHC to build non-market rental homes and create new community space in Victoria's North Park neighbourhood. Once complete, the CRHC will lease an air-space parcel and operate approximately 158 affordable rental homes.

Over the last quarter, preconstruction work has progressed significantly. The project team has revised and resubmitted the Building Permit Drawings in response to comments from the City of Victoria, onboarded the construction management team, and are advancing a Class B estimate which will be finalized ahead of the of Major Capital Plan (2025-2029). CRHC staff continue to

anticipate upward pressure on development costs as estimates are updated and refined based on the Building Permit Drawings and the anticipated construction means and methods. The preliminary budget for the affordable housing component of this project remains unchanged at \$83.4M, which includes \$25.0M in grant funding.

161 Drake Road (CWF)

161 Drake Road is a 5.5-acre property on Salt Spring Island that is owned by the CRD. In early 2022, lease discussions between the CRD and BCHMC were initiated and in April 2023 the lease was registered. The lease facilitates BCHMC's ability to develop permanent supportive housing on the property.

It is important to note that unlike the other projects noted in this report, this is not a CRHC undertaking as the lands are owned by the CRD and leased to BCHMC. Therefore, current project updates are provided through [BCHMC](#).

Campus View (RHFP, RHTF, GMF, SAHF)

Campus View is an existing 12-unit CRHC townhouse complex located in the Gordon Head neighbourhood of Saanich. This site was identified as a priority redevelopment which will see the number of homes increase to 119, including 23 net-new three-bedroom homes. The 50% Working Drawings are now complete, and a Class B estimate update is currently underway through the Hired Cost Consultant. Once the estimate update is complete, staff will be able to make the formal Provisional Project Approval (PPA) application to BCHMC which is targeted for November 2024.

The project budget of \$55.6M, with a total of \$11.6M in secured grant funding and an additional \$5.0M identified through potential funding sources, remains unchanged from the approved Major Capital Plan (2024-2028). Though this project maintains an equity gap of approximately \$6.8M which staff are actively working to close, this project is proceeding on schedule.

Village on the Green (RHFP, RHTF, GCF)

Village on the Green, a CRHC owned complex located in Victoria's Fernwood neighbourhood, was identified as a property with significant redevelopment potential. The original design proposal aimed to increase the number of homes from 38 to 140, including 15 net-new three-bedroom homes.

In July 2024, staff were successful in receiving an accepted offer, contingent on securing additional project funding to acquire the adjoining parcel that is currently being used as a commercial parking lot. With this strategic acquisition, the two parcels would be consolidated to enable the final buildout to increase from 140 homes to 160 homes. As proposed, the revised development scheme has been designed to achieve the maximum density allowable under the City of Victoria's Rapid Deployment of Affordable Housing program.

The project budget for the original development scheme of \$64.8M, including a total of \$20.8M in secured grant funding, an additional \$5.0M identified through potential funding sources and an equity gap of approximately \$3.6M, remains unchanged from the approved Major Capital Plan (2024-2028). In advance of the Major Cap Plan (2025-2029), staff will update the project budget to reflect the costs of the expanded development.

Verdier (RHFP)

Located in Brentwood Bay Village, 1183 Verdier Avenue is an existing commercial property, consisting of a four-unit strip mall that is nearing the end of its useful life. The CRD has an accepted conditional offer to purchase the property through the RHFP. Once acquired by the

CRD, the property will be leased to the CRHC for the purpose of developing up to 110 new affordable rental homes, including approximately 2,000 square feet of commercial space.

The project budget of \$69.1M, including the cost of land, is based on a Class D estimate that was carried out in October 2023 and includes \$17.4M in grant funding through the CHF, \$5.1M through the RHFP and \$5.6M identified through other potential funding sources. Staff continue to work with the District of Central Saanich to advance Rezoning and Development Permit approvals while progressing the design documents with the consultant team. It is anticipated that the Rezoning and Development Permit will be finalized in Q4 2024.

Routine Capital Plan

The updated Five-Year Routine Capital Plan has a budget of \$4.3M in 2024, including \$3.5M allocated to the Umbrella Operating Agreement (UOA) portfolio. The existing UOA is set to expire in Q4 2024, and staff are currently in the early stages of negotiations for a new agreement. In anticipation of the new agreement, capital spending in the UOA portfolio has been prioritized to ensure all agreed to funds are committed and obligations under the agreement are met prior to the expiration of the current UOA.

In Q3 2024, three projects were completed under the Routine Capital Plan, while CRHC staff continue to advance four large projects in the UOA portfolio, ranging from deck and fencing replacement, reroofing and the portfolio-wide building condition assessments. Staff have undertaken a significant volume of routine capital works throughout Q1, Q2 and Q3 2024 and as of August 30, 2024, \$4.1M of the forecasted \$4.3M Five-Year Routine Capital Plan budget has been spent and/or committed.

CONCLUSION

As part of staff’s commitment to provide updates to the CRHC Board, the CRHC Capital Plan Status Report provides a snapshot of issues and items that have a potential to impact the Major Capital Plan (2024-2028) and Routine Capital Plan (2024-2028). Ongoing skilled labour shortages, supply chain issues, scope creep, funding gaps, and upward cost pressures are factors affecting all CRHC capital projects. However, CRHC Major Capital Projects and Routine Capital Projects are in alignment with the Major Capital Plan (2024-2028) and Routine Capital Plan (2024-2028) as staff continue to advance this critical work and look for innovative ways to access funding and execute capital works.

RECOMMENDATION

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

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

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, OCTOBER 2, 2024**

SUBJECT **Capital Region Housing Corporation Operational Update, Third Quarter 2024**

ISSUE SUMMARY

To provide the Capital Region Housing Corporation (CRHC) Board with an operational update for the third quarter (Q3) 2024.

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 delivers more than 2,000 affordable, attractive, inclusive, and sustainable homes across more than 50 unique properties located throughout the capital region.

In April, July, and October of each year, the CRHC advances an operational update to provide the CRHC Board with an overview of corporate performance as well as a separate Capital Plan Status Report that is solely focused on the delivery of the Major and Routine Capital Plans.

These two reports form the basis of the CRHC Board's oversight of CRHC activities and lay the foundation for consideration of a 2025 CRHC budget that will be presented to the CRHC Board in November 2024.

IMPLICATION

Operations Update

Staffing continues to require attention due to planned growth, unanticipated absences, and the movement of staff into various roles within CRHC operations. Staff's focus through 2024 continues to be on maintaining existing service levels for tenants while also working to identify efficiencies and improve corporate performance.

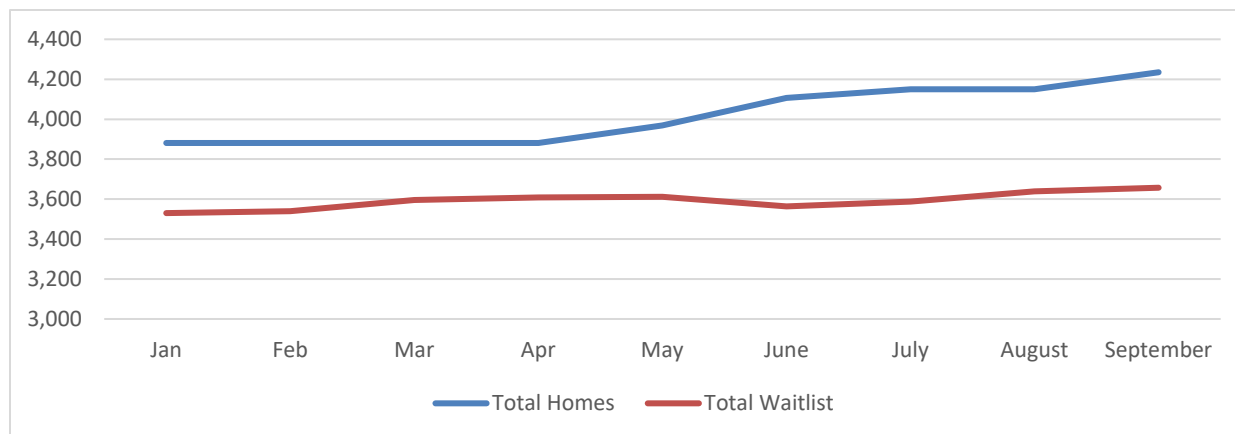
Operations has been sourcing and evaluating Property Management software options and is in advanced stages to secure a consulting contract for Process Mapping and Policy Reviews. This process will capture existing procedures and prepare for the steps required to prepare the transition to a fully digital solution.

Housing Registry Waitlist Statistics

The CRHC is required to identify tenants through the Housing Registry for all subsidized homes. The Housing Registry is an important tool as it provides a centralized database of applicant information to non-profit, and cooperative providers of affordable housing. It supports housing providers with management of applicant lists, by maintaining a current database of applicants. The Housing Registry requires applicants to renew their applications every six months to remain active.

Chart one provides an overview of the overall number of applicant households in the capital region up to September 10, 2024. The Applicant Waiting List Details is attached as Appendix A.

Chart 1: BC Housing Registry Waitlist Statistics (2024)



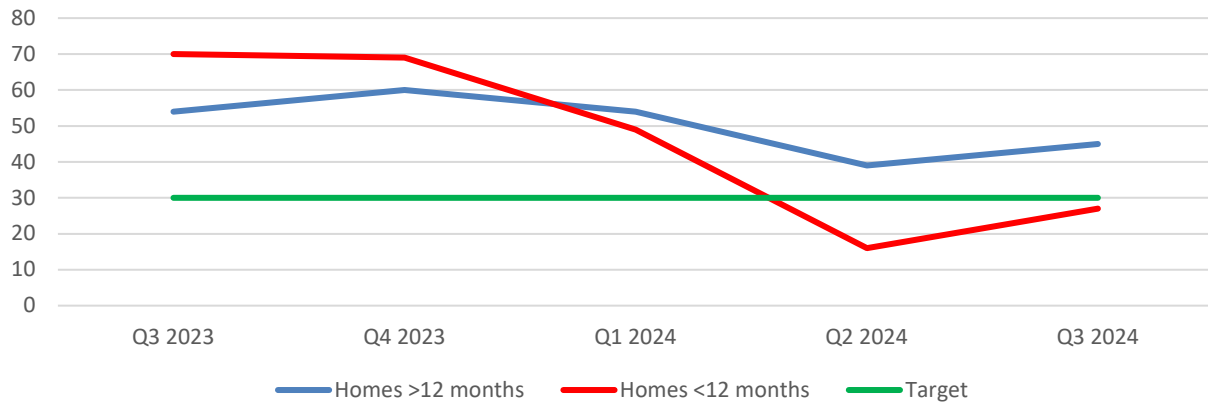
As of August 2024, the total households waiting for subsidized housing and reported on the registry waitlist are 3,657, which is 93 more than in June 2024 (3,564). As shown on Appendix A, the highest proportion of need in June 2024 (unchanged) is for Seniors (36%) followed by families (26%) and then people with disabilities (19%). The proportion of need across populations remains unchanged from Q1 and Q2.

Since the beginning of 2024, there has been an increase of 9.2% (or 354 homes) in the number of subsidized homes in the capital region. The number reported in August 2024 is 4,235 (up from 3,881). Overall, the number of households waiting for subsidized housing grew through the early part of 2024, peaking in May, then dropping slightly off in June as new subsidized homes have become operational but has been steadily increasing again in July, August and September.

Vacancy¹

Tracking ongoing vacancy across the CRHC properties is critical for two reasons. First, there is a direct correlation between vacancy and corporate performance. Too many homes vacant for too long will impact revenue and can result in the Corporation underperforming. Second, a home that is vacant or where there is a significant delay in making that home available to an eligible household may result in that household being in unaffordable or substandard housing for an extended period. The CRHC tracks vacancy data for both established properties (greater than 12 months) and for newly opened properties (less than 12 months).

Chart 2: Average Days Vacant¹



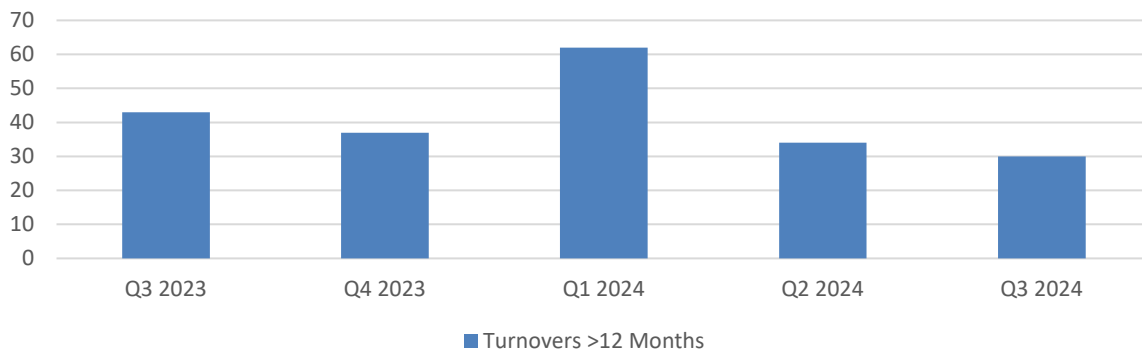
Looking first at homes occupied greater than 12 months, average days vacant were at 45 for Q3. This represents an increase of six days on average and can be attributed to staffing shortages (vacations, etc.) as well as longer wait times for contractor availability, again due to summer months/vacation.

As of August 27, 2024, there are 71 homes reported vacant across CRHC’s properties for a vacancy rate of 3.49% (Q2 = 73 homes vacant). Staff continue to focus on reducing the average days vacant of homes to a target of 30 days or less which includes time to rent-up and make necessary improvements (paint, flooring, appliances, etc.) to a home prior to a new tenant moving in.

Home Turnover

Turnover rates capture the number of homes that have been occupied at least once and then re-rented and are currently occupied. This is an important metric as it helps to identify the stability of CRHC’s communities. Instability (e.g., a high turnover rate) can impact financial performance as home turnovers can result in lost revenue while also placing operational pressure on staff who are responsible for getting the home ready for new tenants. The Q3 turnover rate was 30 compared to 32 in Q2 and 62 in Q1.

Chart 3: Turnover Rate – All Homes



¹ These figures represent a snapshot pulled from CRHC systems and are current as of August 27, 2024.

As the majority of the CRHC’s revenues are driven through tenant rents; vacancy and turnover rates are critical metrics.

CONCLUSION

CRHC has continued recruiting, interviewing, and onboarding staff as offers are accepted. Staff continue to review internal processes and procedures to find efficiencies and realignment for performance improvements. The operational performance of the CRHC is improving in the area of unit turnover rate and staff continue to focus on reducing the average days vacant. Operations continue to work to tenant the 97 new homes that were opened in August 2024, which will present a significant increase in workload due to the complexity in onboarding and tenanting up new buildings.

RECOMMENDATION

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

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

ATTACHMENT

Appendix A: Applicant Waiting List Details

Sep 10, 2024 Applicant Waiting List Details

Appendix A

Region/Community	Housing Registry Subsidized Units	Total # of Applicants	Family	People With Disabilities	Seniors	Wheelchair Modified	Singles	Rent Supplements	Transfers	Pending Applications
Capital	4,235	3,657	961	708	1,299	149	279	3	250	8
Brentwood Bay	0	9	6	0	2	0	1	0	0	0
Central Saanich	0	50	16	10	21	1	1	0	1	0
Colwood	103	126	37	17	55	6	6	0	5	0
Esquimalt	290	233	62	41	95	12	16	0	7	0
Highlands	0	6	1	1	4	0	0	0	0	0
Jordan River	0	1	0	0	1	0	0	0	0	0
Langford	354	358	125	62	106	17	24	1	20	3
Metchosin	0	16	4	4	7	0	1	0	0	0
New Songhees 1A	0	29	10	7	12	0	0	0	0	0
North Saanich	24	33	7	4	14	0	7	0	1	0
Oak Bay	0	51	9	7	31	1	1	0	2	0
Pender Island	0	4	0	1	3	0	0	0	0	0
Port Renfrew	0	2	0	0	2	0	0	0	0	0
Saanich	1,374	657	190	122	214	28	37	0	64	2
Saanichton	0	34	11	3	15	1	4	0	0	0
Salt Spring Island	125	115	36	12	55	1	10	0	1	0
Saturna	0	2	0	1	1	0	0	0	0	0
Shawnigan Lake	0	7	1	1	3	1	1	0	0	0
Shirley	0	1	0	1	0	0	0	0	0	0
Sidney	30	69	13	15	31	1	7	0	2	0
Sooke	40	156	51	31	58	3	11	0	2	0
Victoria	1,878	1,606	356	342	543	71	148	1	142	3
View Royal	17	92	26	26	26	6	4	1	3	0
	4,235	3,657	961	708	1,299	149	279	3	250	8
			26%	19%	36%	4%	8%	0%	7%	0%