



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

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Wednesday, July 3, 2024

1:30 PM

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

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

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

### 1. Territorial Acknowledgement

### 2. Approval of Agenda

### 3. Adoption of Minutes

#### 3.1. [24-688](#) Minutes of the June 5, 2024 Hospitals and Housing Committee Meeting

**Recommendation:** That the minutes of the Hospitals and Housing Committee meeting of June 5, 2024 be adopted as circulated.

**Attachments:** [Minutes - June 5, 2024](#)

### 4. Chair's Remarks

### 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](http://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](mailto:crdboard@crd.bc.ca).*

#### 5.1. [24-653](#) Presentation: Fran Hunt-Jinnouchi, Aboriginal Coalition to End Homelessness; Re: ACEH Annual Update

**Attachments:** [Presentation: Aboriginal Coalition to End Homelessness Annual Update](#)

#### 5.2. [24-654](#) Presentation: Sylvia Ceacero, Alliance to End Homelessness in the Capital Region (formerly GVCEH); Re: AEHCR Annual Update

**Attachments:** [Presentation: Alliance to End Homelessness in the Capital Region](#)

**6. Committee Business**

- 6.1.**      [24-655](#)      Capital Plan Status Report, Second Quarter 2024
- Recommendation:**    There is no recommendation. This report is for information only.
- Attachments:**        [Staff Report: Capital Plan Status Report, Second Quarter](#)
- 
- 6.2.**      [24-656](#)      Capital Region Housing Corporation Operational Update, Second Quarter 2024
- Recommendation:**    There is no recommendation. This report is for information only.
- Attachments:**        [Staff Report: CRHC Operational Update, Second Quarter 2024](#)  
[Appendix A: Applicant Waiting List Details](#)
- 
- 6.3.**      [24-657](#)      Michigan Square Redevelopment Project Budget Amendment
- Recommendation:**    The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:
- 1) That the resolutions, attached as Appendix A and Appendix B and required by BC Housing Management Commission to authorize the execution of the Loan and Mortgage documents for the Michigan Square Redevelopment project (PID 001-225-197) be approved; and
- 2) That the Chief Administrative Officer be authorized to do all things necessary to effect the project and take such steps as are required to conclude the construction, financing and operation of the Michigan Square Redevelopment project.
- Attachments:**        [Staff Report: Michigan Sq. Redvlp't Project Budget Amendment](#)  
[Appendix A: Draft Certificate Resolution of Director – CHF](#)  
[Appendix B: Draft Certificate Resolution of Director – RHFP](#)
- 
- 6.4.**      [24-489](#)      Capital Region Housing Corporation Major Capital Plan (2024-2028) Amendment.
- Recommendation:**    The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:  
That the Capital Region Housing Corporation Major Capital Plan (2024-2028) be approved as amended in Appendix A.
- Attachments:**        [Staff Report: CRHC Major Capital Plan \(2024-2028\) Amendment](#)  
[Appendix A: CRHC Major Capital Plan Amendment No. 1](#)

**6.5.**      [24-658](#)      1516 Camosun Street, 1270 and 1286 Pandora Avenue Housing Agreement Bylaw

**Recommendation:** The Hospitals and Housing Committee recommends to the Capital Regional District Board:  
1. That Bylaw No. 4620, "Resale Control and Housing Agreement Bylaw (1516 Camosun Street, 1270 and 1286 Pandora Avenue), 2024" be introduced and read for a first, second and third time; and  
2. That Bylaw No. 4620 be adopted.

**Attachments:**      [Staff Report: 1516 Camosun St, 1270/1286 Pandora Housing Agmt Bylaw](#)  
[Appendix A: Bylaw No. 4620](#)

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

**8. New Business**

**9. Adjournment**

The next meeting is September 4, 2024.

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

## Meeting Minutes

### Hospitals and Housing Committee

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Wednesday, June 5, 2024

1:30 PM

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

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#### PRESENT

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

Staff: K. Lorette, General Manager, Planning and Protective Services; M. Barnes, Senior Manager, Health and Capital Planning Strategies; D. Elliott, Senior Manager, Regional Housing; J. Proctor, Manager, Housing, Planning, Policy, and Programs, Regional Housing; K. Mah, Healthy Communities Planner, Health and Capital Planning Strategies; M. Lagoa, Deputy Corporate Officer; J. Dorman, Committee Clerk (Recorder)

EP - Electronic Participation

Guests: Dr. M. Fyfe, Island Health; R. Kirk, Island Health

Regrets: Directors M. Alto, Z. de Vries, D. Kobayashi, L. Szpak, C. Plant

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 Brice, **SECONDED** by Director McNeil-Smith,  
That the agenda for the June 5, 2024 Hospitals and Housing Committee meeting  
be approved.

**CARRIED**

#### 3. Adoption of Minutes

##### 3.1. [24-522](#) Minutes of the May 1, 2024 Hospitals and Housing Committee Meeting

**MOVED** by Director Brice, **SECONDED** by Director McNeil-Smith,  
That the minutes of the Hospitals and Housing Committee meeting of May 1, 2024  
be adopted as circulated.

**CARRIED**

#### 4. Chair's Remarks

There were no Chair's remarks.

#### 5. Presentations/Delegations

There were no delegations.

##### 5.1. Presentations

###### 5.1.1. [24-533](#) Presentation: Dr. Murray Fyfe; Island Health, Re: CRD Clean Air Bylaw Annual Update

Dr. M. Fyfe and R. Kirk presented the CRD Clean Air Bylaw Annual Update.

Discussion ensued on the following:

- statistics and health metrics related to vaping
- bylaw enforcement and patrolling
- youth engagement campaign

#### 6. Committee Business

###### 6.1. [24-515](#) Victoria General Hospital High Performance Building Automation System Controls Update - Approval of Capital Bylaw No. 427

K. Lorette spoke to Item 6.1.

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

- 1) That Capital Regional Hospital District (CRHD) funding in the amount of \$1,110,992 be approved for Victoria General Hospital High Performance Building Automation System Controls Update;
- 2) That CRHD Bylaw No. 427, "Capital Regional Hospital District Capital Bylaw No.196, 2024" be introduced and read a first, second, and third time; and
- 3) That CRHD Bylaw No. 427 be adopted.

**CARRIED**

###### 6.2. [24-516](#) Royal Jubilee Hospital Diagnostic and Treatment Building Automation System Controls Update - Approval of Capital Bylaw No. 428

K. Lorette spoke to Item 6.2.

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

- 1) That Capital Regional Hospital District (CRHD) funding in the amount of \$1,078,376 be approved for Royal Jubilee Hospital Diagnostic and Treatment Building Automation System Controls Update;
- 2) That CRHD Bylaw No. 428, "Capital Regional Hospital District Capital Bylaw No. 197, 2024" be introduced and read a first, second, and third time; and
- 3) That CRHD Bylaw No. 428 be adopted.

**CARRIED**

**6.3.**     [24-517](#)     Tenant Advisory Committee Terms of Reference Amendment, June 2024

K. Lorette spoke to Item 6.3.

Discussion ensued on the ability to have special meetings and meetings at the call of the chair.

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

**That the amended Terms of Reference for the Tenant Advisory Committee as  
presented in Appendix A be approved.**

**CARRIED**

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

There were no notice(s) of motion.

**8. New Business**

There was no new business.

**9. Adjournment**

**MOVED by Alternate Director Harper, SECONDED by Director McNeil-Smith,  
That the June 5, 2024 Hospitals and Housing Committee meeting be adjourned at  
2:11 pm.**

**CARRIED**

\_\_\_\_\_  
CHAIR

\_\_\_\_\_  
RECORDER

# ABORIGINAL COALITION TO END HOMELESSNESS

2024 Report to Hospitals and Housing Committee





# LƏK'wƏNƏN

SONGHEES ESQUIMALT





**OUR**  
**MISSION**

To *lovingly* provide culturally supportive, affordable housing and services that end Aboriginal homelessness on Vancouver Island.

**2016** | **NON-PROFIT & REGISTERED CHARITY**

**2018** | **HOUSING PROVIDER**





# SUMMARY OF DELIVERABLES



## COMPLETE

- 2.1 – Open House of Courage**
- 2.4 – Develop 5-Year Housing Strategy**
- 2.6 – 3-Year Gender-Based Violence Project with the Victoria Police Department**
- 2.7 – Peer Support Program Phase II**

## CONTINUING

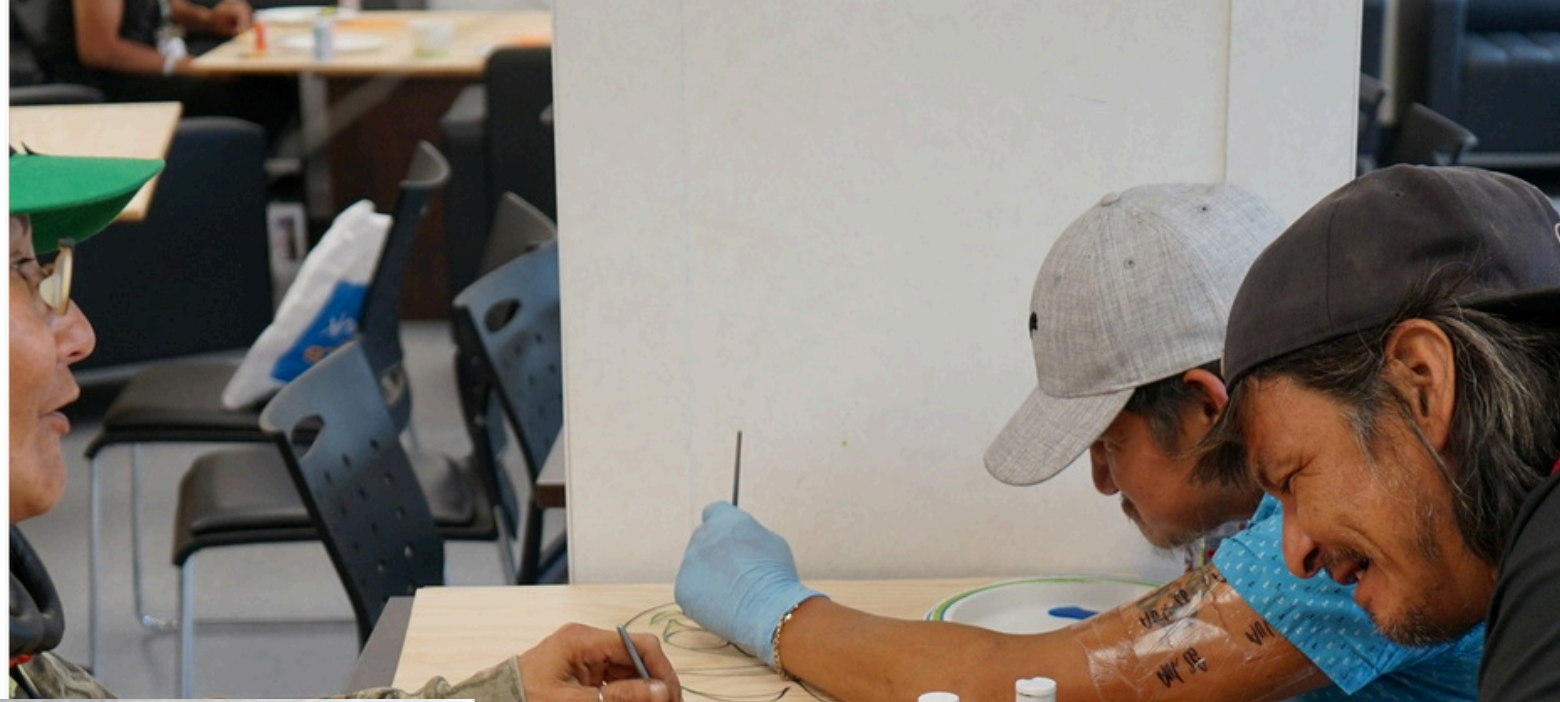
- 2.2 – Culturally Supportive Recovery Model**
- 2.3 – Collaborative Response Network engagements in response to the Indigenous Systems Improvement Map (ISIM) project.**
- 2.5 – Family Reunification Program Expansion**
- 2.9 – Decolonized Harm Reduction Framework**
- 2.10 – Lobby for core funding**
- 2.11 – AEHCR Collaborations**
- 2.12 – Community Tables**
- 2.13 – CA and HIFIS**



2.1



# OPEN HOUSE OF COURAGE KWUM KWUM LELUM





- 1 YOUTH PREVENTION
- 2 FAMILY (RE)UNIFICATION
- 3 ISLAND-WIDE EXPANSION
- 4 HOUSING & SERVICE TRANSITIONS

2.4



# 5-YEAR HOUSING STRATEGY



**Wellness House**



**Youth Therapeutic Care Home**



**Sacred Cradle House - XEXE PAHLATSIS LELUM**



2.6



# GENDER-BASED VIOLENCE & RELATIONSHIP BUILDING

# CREATING Change

ELDER  
Marianne  
Thomas

"We do our best  
when we walk  
together"

TEACHING



Creating Change Gathering



Safe Communities Award Recipient -MSSG

INFLUENCE

VOICE of  
WOMEN & G

SHARE learnings  
and OUTCOMES

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OFFICER to  
BRIDGE the WAY

COMPENSATE  
and SUPPORT  
ACCORDINGLY

TRAINING IN  
GENDER-BASED  
VIOLENCE

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- Recognizing
- Safe interven
- Resource

CHALLENGES

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CHALLENGES  
WE ALL  
FACE

2016:

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FAMILY IDENTIFIES

POLICE as a  
BARRIER

and SHARING  
Culture



WORKING WITH  
SCHOOLS & YOUTH

EDUCATE

ONGOING  
CULTURAL  
learning and  
TRAINING

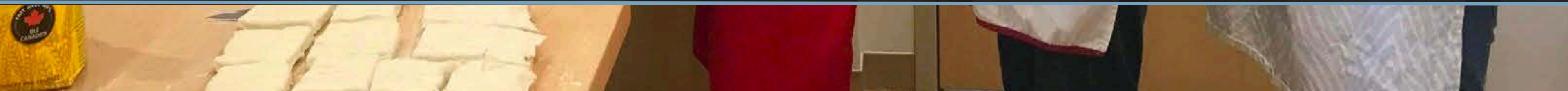
HISTORY  
and REBUILDING  
RELATIONSHIPS





# PEER SUPPORT TRAINING PHASE II

2.7





**FOODSAFE & more!**



**First Aid Training**



**Barista Training**



2.2



## CULTURALLY SUPPORTIVE RECOVERY MODEL



2.3



# COLLABORATIVE RESPONSE NETWORK & ISIM



2.5



# **FAMILY REUNIFICATION PROGRAM EXPANSION**

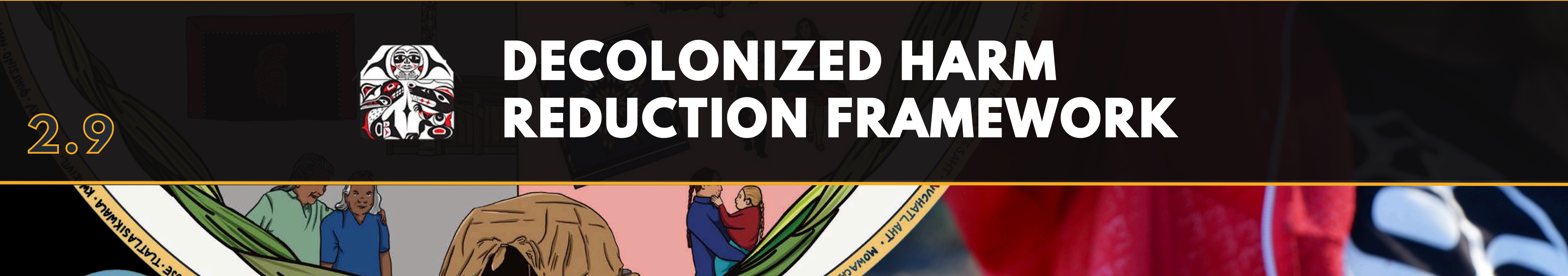




2.9



# DECOLONIZED HARM REDUCTION FRAMEWORK



nichi



BC HOUSING



LOBBY CORE FUNDING

2.10



2.11 & 2.12



## COMMUNITY TABLES & COLLABORATIONS

- Greater Victoria Coalition to End Homelessness Collaborations
- CAA Advisory & Placement
- Primary Care Networks (VNFC and Coast Salish Nations)
- Indigenous Reaching Home
- Indigenous Advisory Primary Network Committee
- Downtown Service Provider monthly meetings

2.13



## HIFIS & CAA

# ABORIGINAL COALITION TO END HOMELESSNESS

2024 Report to Hospitals and Housing Committee





ALLIANCE TO END  
**HOMELESSNESS**  
IN THE CAPITAL REGION

# Annual Update

CRD - Service Agreement Fiscal 2024

Presented by:

Sylvia Ceacero, MBA, MA, MCRM  
CEO





## Vision

A region, a province, and a country where everyone has a safe place to call home.



## Mission

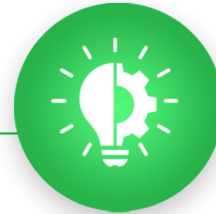
To ensure experiences of homelessness in the Capital Region by 2030 are rare, brief, and non-recurring, and that housing and supports are culturally adaptive, creative, caring, and person-centered.

## Guiding Principles



### Person-Centered

People come first. We will provide housing and supports in ways that best meet the needs of people experiencing homelessness rather than organizing based on our efficiencies or expertise.



### Adaptability & Innovation

People will be supported along their continuum of care, as needed; care and support will be individualized to people's needs, with an emphasis on integration into the community.

We embrace innovation and seek to learn from our actions and share that learning with the community.



### Community Engagement

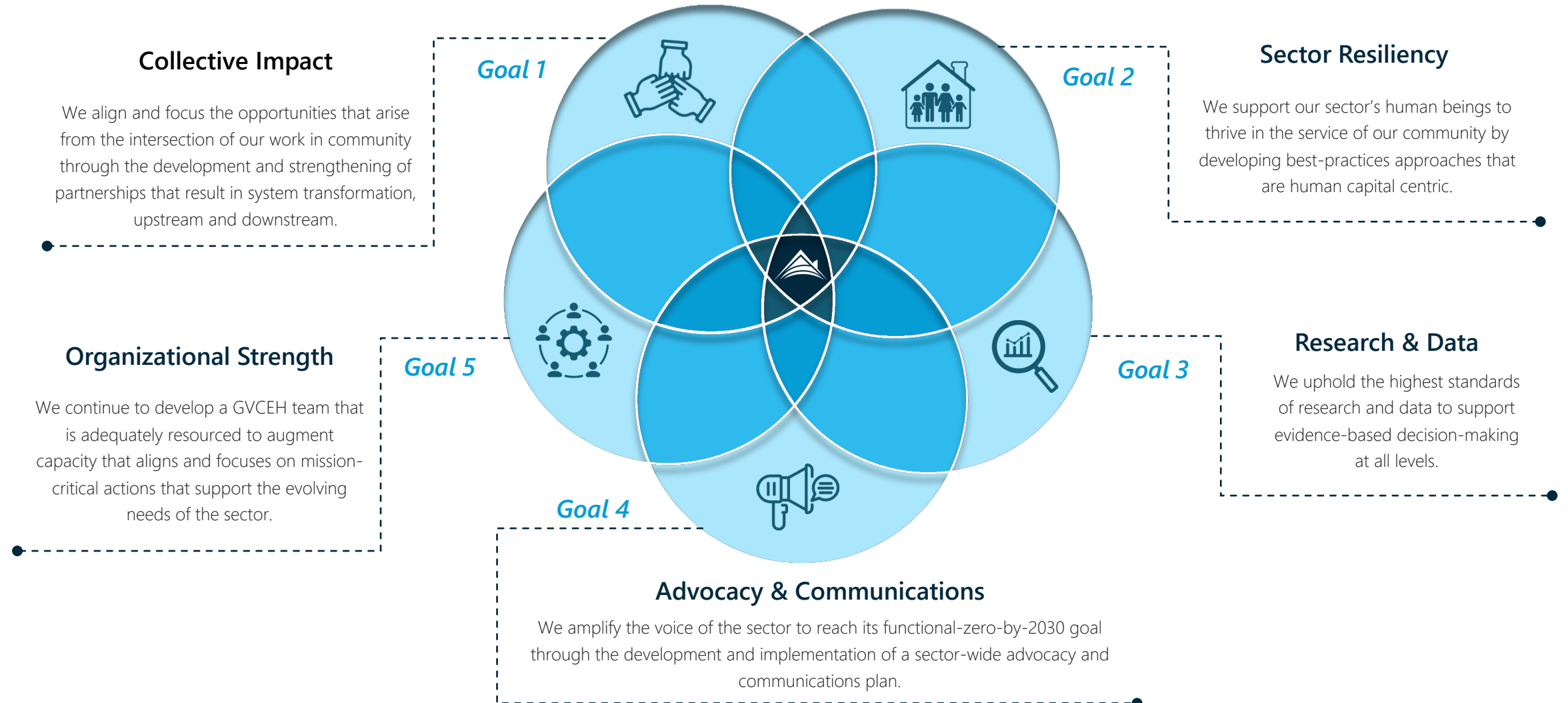
We build a broad range of support for our work and engage all community members in finding and implementing appropriate solutions.



### Prevention

Identifying, mitigating, and advocating for systemic change that addresses the root causes of homelessness will be key components of our prevention work.

# Five Strategic Goals Supporting Community Plan Outcomes



# Core Functions & Objectives



01

## Regional Planning and Coordination

Objective: (i) Develop a Regional Plan of Action on addressing and preventing homelessness. (ii) Ensure plans and initiatives developed and implemented by the Greater Victoria Coalition to End Homelessness have a region-wide focus and that housing, and services are well coordinated and integrated



02

## Ongoing Research

Objective: Conduct research in support of evidence-based strategies and policies to end homelessness, including effective practices used in other jurisdictions



03

## System Monitoring

Objective: Develop and implement a monitoring framework to ensure efforts to address homelessness are effective and are providing necessary outcomes for the region



04

## Communications and Engagement

Objective: Implement community engagement and awareness strategies to ensure the underlying contributing factors of homelessness, the extent of homelessness and region and solutions to ending homelessness are better understood by interested parties and the general public



05

## General Administration

Objective: Perform administrative functions required to support the Board and Committee activities, including overall day-to-day operations, annual action planning, and review of the long-term strategic plan as required



# Regional Planning & Coordination

*[Key Performance Indicators]*

Provide the Board of the Alliance and its Executive report on mission-driven actions

Engage with Salt Spring Island homelessness-serving sector.

Co-chair the Health and Housing Steering Committee Leadership Team to set the agenda, and coordinate the Health and Housing Steering Committee meetings, provide minutes, receive updates, invite presenters, Community Plan consultation, facilitate discussions on collaborative work

Participate in and support the Victoria Downtown Service Providers Meetings (DSP): receive / provide updates, engagement, Community Plan consultation

Continue supports for the implementation of the Sooke Homelessness Strategic Plan by actively participating in the Sooke Homelessness Coalition, including the Advisory Committee

Lead and facilitate 2025-2030 Community Plan consultation in the region

# Ongoing Research & System Monitoring

*[Key Performance Indicators]*

Continued development of the Community Data Dashboard: housing inventory

Engage with community partners to coordinate system transformation processes that result from Coordinated Access process improvement through the System Transformation Working Group

Support the 2023-2024 Point in Time Count: survey revision, meeting participation, volunteering on the day of the count

Participate in all Community Advisory Board meetings: approve investment plans, evaluate Reaching Home funding applications and support activities

Extensive support provided to the CAA Working Group

Support the initiative of the HIFIS Working Group

The Director of Research and Data Analysis attends regular meeting with the Community Planner (HIFIS project).

Work with Community-Based HIFIS Lead - attend meetings as scheduled by the Community Planner

Engage the community around CAA and HIFIS processes as requested and required



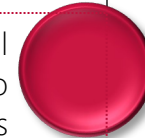
# Communications & Engagement

*[Key Performance Indicators]*

Convene and support the work of the Lived and Living Experience Council to center our collective work around the voices of lived experience



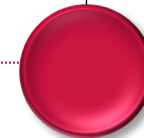
Presentations at several local and regional high schools to engage students and teachers in future prevention activities



Participate in the community-led engagement in Langford to discuss homelessness practices and solutions in the area



Provide leadership in support for the implementation of the Reaching Home program through the CAB



Attend strategic meetings as invited by funders, partners, community, governments



Hold meetings with the Mayors of Langford, Sooke, Saanich, Victoria to provide updates and discuss homelessness in the region



In collaboration with the University of Victoria, develop and implement the Fundamentals of the Homelessness Serving Sector micro-credentialing program. Now free to everyone for 3 years



# General Administration

*[Key Performance Indicators]*

Support the Alliance's Board of Directors and its Executive in their governance and oversight functions

Facilitate, chair, support, provide leadership guidance to Committees, Working Groups, Task Forces and other tables relevant to homelessness:

1. Health and Housing Steering Committee & Health and Housing Steering Committee Leadership
2. System Transformation Working Group
3. Youth Task Force
4. BC Coalition to End Youth Homelessness (also member of the Advocacy and Communications Sub-Committee)
5. Seniors Housing Working Group (also member of the Advocacy and Communications Sub-Committee)

Ensure all annual BC Societies and CRA requirements are met, including preparing and distributing an Annual Report

Ensure an Annual General Meeting is held to inform members of the Alliance's work and to meet legal compliance

Ensure to implement and maintain best practices in finance, human resources, fiscal, office management and administration



**In 2023-2024, and since its inception, the Alliance has met all deliverables in our Service Agreements with the CRD**

**The Alliance continues to create the conditions that help our partners deliver on their respective missions to collectively end homelessness**

**Together and with your continued support, we can arrive at a region where everyone has a safe place to call home and where experiences of homelessness are rare, brief and non-recurring.**

**It takes all of us!**



**THANK YOU!**

**REPORT TO HOSPITALS AND HOUSING COMMITTEE  
MEETING OF WEDNESDAY, JULY 3, 2024**

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**SUBJECT**     **Capital Plan Status Report, Second 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. In addition, the CRHC currently has 277 homes under construction and with the recent Building BC: Community Housing Fund (CHF) announcement which will provide funding for four new CRHC development projects, the number of homes in development and pre-construction with provisional funding allocations has increased to over 1,000.

In addition to the major capital work, the CRHC has four additional routine capital projects under construction and three additional capital projects scheduled to commence in Quarter three (Q3) 2024 under the *Routine Capital Plan (2024-2028)*.

This report contains 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 will provide 97 new affordable rental homes. The redevelopment will see two four-storey wood frame apartment buildings constructed on top of the existing underground parkade. Both the 53-home west building and the 44-home east building are on track to receive the occupancy permit in late June 2024.

Due to the increased borrowing rates that were outlined in the *Capital Status Report, First Quarter 2024*, the original financing budget was insufficient to cover the increased borrowing costs. CRHC staff and BC Housing Management Commission (BCHMC) were able to close the equity gap of approximately \$1.2 million (M) and maintain debt servicing levels by adjusting rent levels on the near-market homes as well as adjusting the operating subsidy. This balanced approach ensures the lowest rent levels possible while also ensuring the completed project will have sufficient revenue to support mortgage costs.

To account for the additional \$1.2M required to cover increased borrowing costs, the CRHC will be required to take on additional mortgage debt. As a result, the approved *Major Capital Plan (2024-2028)* project budget of \$34.3M, with a total of \$11.9M awarded through grants and an equity contribution, must be amended to \$35.4M. Additional details and a recommendation is provided in the *Michigan Square Redevelopment Project Budget Amendment* report and will be considered by the Hospitals and Housing Committee at its July 3, 2024 meeting.

*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.

Onsite, wood framing of all five buildings is now complete with building envelope work nearing completion on the two apartment buildings and one townhouse block that sit on top of the parkade structure. Electrical and mechanical rough-in work and drywall installation are underway within the buildings and the project remains on track to receive the occupancy permit in June 2025. 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 CRHC townhouse complex is currently undergoing a full building envelope remediation (BER) as well as upgrades to the ventilation, heating, and cooling systems. Since work commenced onsite in November 2023, several unforeseen structural conditions have been discovered onsite which are beyond the planned scope of the remediation project. CRHC staff, BCHMC, consultants and the contractor are working to determine the extent of repairs that can be carried out with the remaining project contingency; however, the original budget will be insufficient to address all the necessary structural repairs.

At this time, the project budget of \$6.1M, including a \$5.5M forgivable mortgage through BCHMC's CRF and a \$600 thousand (K) equity contribution funded through the CRHC Portfolio Stabilization Reserve remains unchanged from the approved Major Capital Plan (2024-2028). Once the plan to correct the additional structural repairs has been confirmed, the total estimated cost increase has been identified, and the specific funding source has been identified, staff will return to the Board with a recommended budget amendment. At this time, staff do not anticipate that the CRHC will incur additional capital costs as this BER is being funded primarily through BC Housing.

*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 the North Park neighbourhood. Once complete, the CRHC will lease an air-space parcel and operate approximately 158 affordable rental homes.

Currently, CRHC staff and BCHMC are in the final stages of procuring a Construction Manager for the project. Once the contract has been awarded, a Class C estimate will be undertaken to update the preliminary budget based on the Building Permit Drawings and the anticipated construction means and methods. CRHC staff anticipate upward pressure on development costs as the estimates are updated and refined and will update the Major Capital Plan as required. The preliminary budget for the affordable housing component of this project remains unchanged and is \$83.4M, including \$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 the 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.

The CRHC's interest in this property was limited to future development opportunity and the current project is in progress with updates 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 is a high priority redevelopment which will see the number of homes increase to 119, including 23 net-new three-bedroom homes. The Development Permit was issued on May 14, 2024, and the consultant team is working to advance the design development drawings in preparation for the targeted BCHMC design review in September 2024.

The project budget of \$55.6M, with a total of \$11.6M in secured grant funding and an additional \$5.0M being pursued through the GMF remains unchanged from the approved *Major Capital Plan (2024-2028)*. However, the project maintains an equity gap of approximately \$6.8M which staff are actively working to close.

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 proposed redevelopment will see the number of homes increase from 38 homes to 140 homes, including 15 net-new three-bedroom homes. Staff applied to the VHRF earlier this quarter and continue to work with the consultant team to advance the design development drawings in preparation for the targeted BCHMC design review in August 2024.

The project budget of \$64.8M, with a total of \$18.4M in secured grant funding and an additional \$7.0M identified through potential funding sources, remains unchanged from the approved *Major Capital Plan (2024-2028)*. However, the project budget continues to carry an equity gap of approximately \$3.6M which staff are actively looking to close.

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 potential funding sources. Staff are currently working with the District of Central Saanich to advance Rezoning and Development Permit approvals while progressing the design documents with the consultant team.

Routine Capital Plan

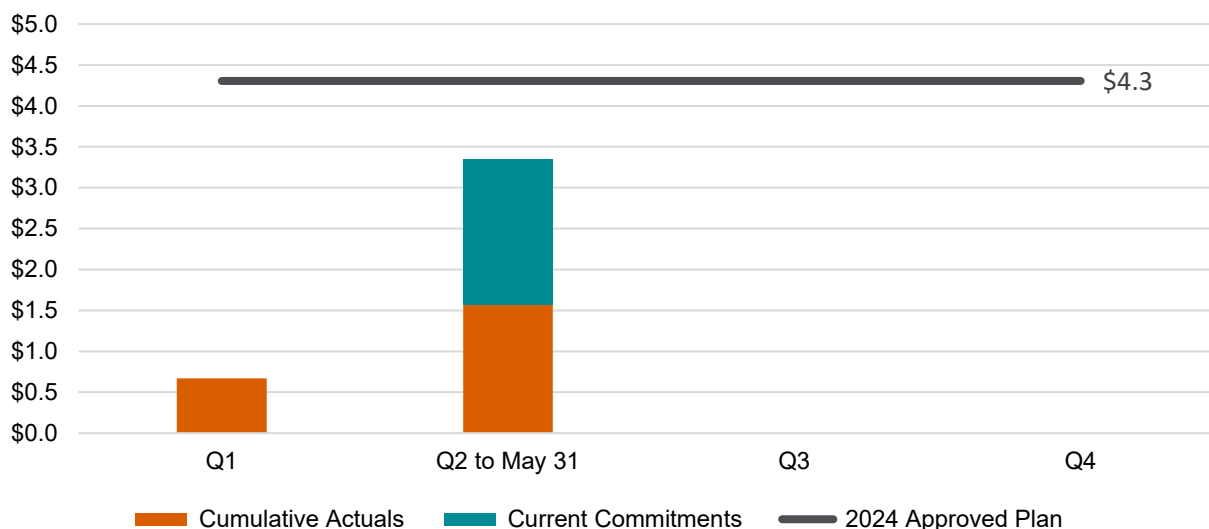
The updated Five-Year Routine Capital Plan has a budget of \$4.3M in 2024, including \$3.5M allocated to the Umbrella Operating Agreement (UOA) portfolio. The existing UOA is set to expire in 2024 and negotiations for a new agreement will be underway by Q3 2024. In anticipation of the

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 Q2 2024, CRHC staff advanced four projects in the UOA portfolio, ranging from deck and fencing replacement to portfolio wide building condition assessments. Additionally, three capital projects are in the final stages of planning and pre-construction activities with construction scheduled to commence in Q3 2024.

Staff have undertaken a significant volume of routine capital works throughout Q1 and Q2 2024 and as of May 31, 2024, \$3.3M of the forecasted \$4.3M Five-Year Routine Capital Plan budget has been spent and/or committed.

**Figure 1: Routine Capital Plan Expenditures (\$M)**



**CONCLUSION**

As part of staff’s commitment to providing 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, global inflation and increased financing costs are factors affecting all CRHC capital projects. Despite these impacts staff continue to advance this critical work and look for innovative ways to access funding and execute capital works. Committed costs under the *Routine Capital Plan (2024-2028)* are ahead of schedule to ensure 2024 targets are met.

Separately, active projects within the *Major Capital Plan (2024-2028)* are experiencing schedule delays and financing cost overages. Although a forthcoming budget amendment is required to cover increased borrowing costs on the Michigan Square Redevelopment, as of Q2 2024, all other CRHC Major Capital Projects are in alignment with the *Major Capital Plan (2024-2028)*.



**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, JULY 3, 2024**

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

**ISSUE SUMMARY**

To provide the Capital Region Housing Corporation (CRHC) Board with an operational update for the second quarter 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*

The properties that are managed by CRHC are supported by the work of approximately 66 full-time equivalencies (FTE). 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.

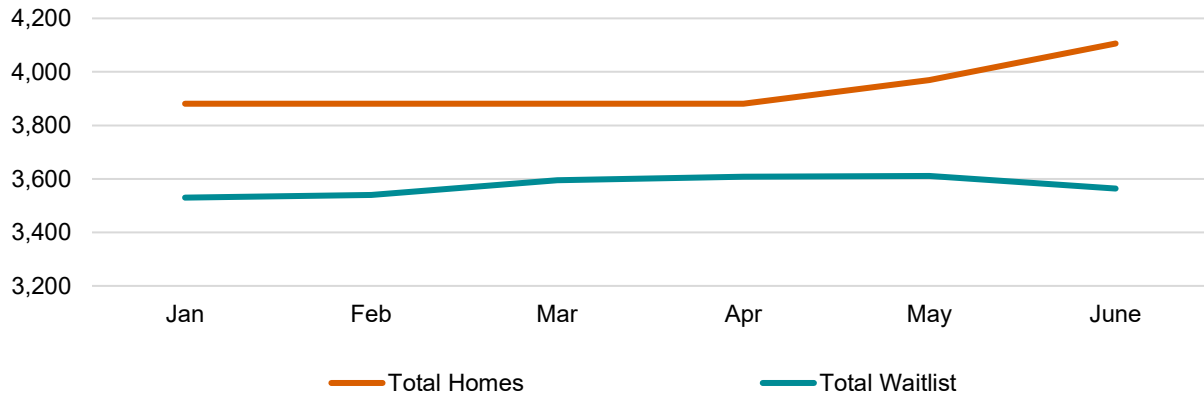
To further improve efficiencies and the level of service to our tenants, Operations is currently sourcing and evaluating Property Management software options. A Property Management program that is preferably designed for non-profit operators is a must to service the homes in operation and the anticipated growth over the next four to six years. It will further secure viable oversight, administration, and operation of the CRHC's housing.

*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 their 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 June 2024. The Applicant Waiting List Details is attached as Appendix A.

**Chart 1: BC Housing Registry Waitlist Statistics (2024)**



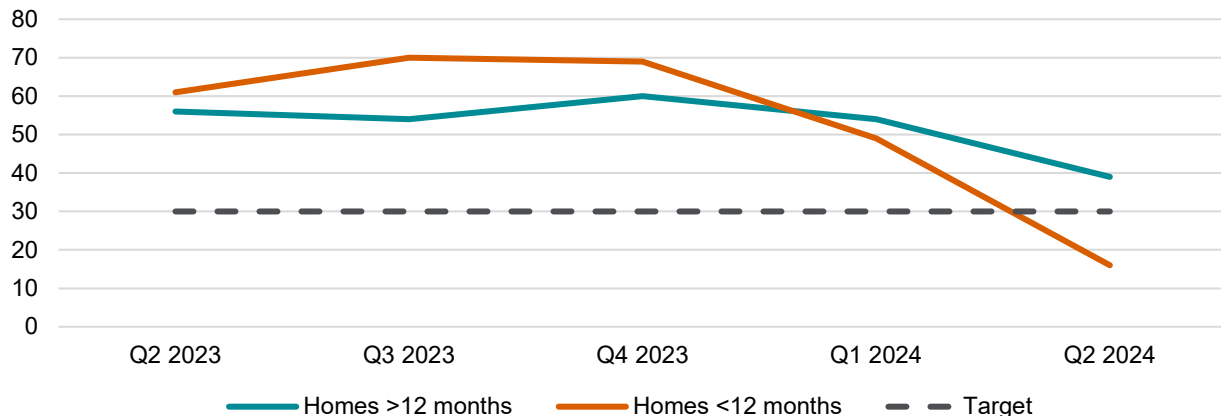
As of June 2024, the total households waiting for subsidized housing and reported on the registry waitlist are 3,564, which is 47 fewer than in May 2024 (3,611). As shown on Appendix A, the highest proportion of need in June 2024 is for Seniors (36%) followed by family (26%) and then people with disabilities (19%). The proportion of need across populations remains unchanged from Q1.

Since the beginning of 2024, there has been an increase of 5.8% (or 225 homes) in the number of subsidized homes in the capital region. The number reported in June 2024 is 4,106 (up from 3,881). Overall, the number of households waiting for subsidized housing grew through the early part of 2024, peaking in May, but then dropping in June as new subsidized homes have become operational.

**Vacancy<sup>1</sup>**

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. Therefore, 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 Vacant<sup>1</sup>**



<sup>1</sup> These figures represent a snapshot pulled from CRHC systems and are current as of May 31, 2024.

Looking first at homes occupied greater than 12 months, average days vacant were at 39 for Q2, staff is continuing the trend towards a target of 30 days for home turnovers.

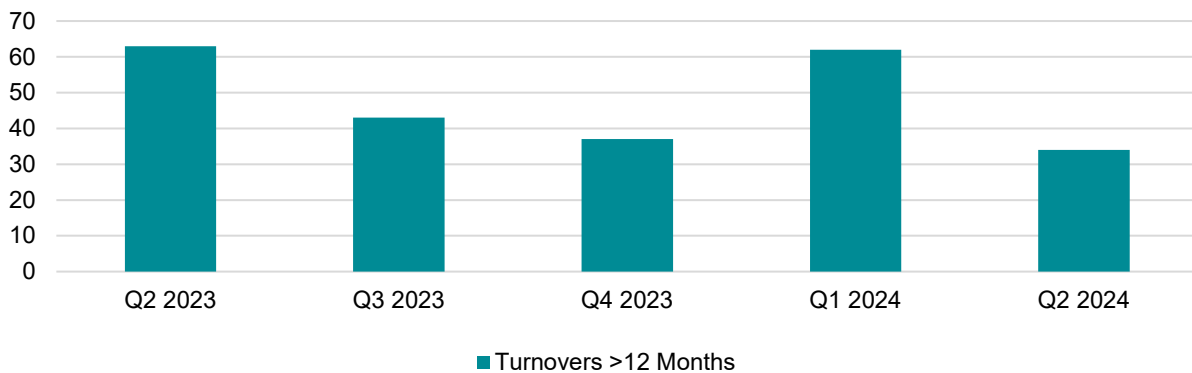
The only building that has been operational for less than 12 months is Prosser Place. Since Q1 the team has reduced the Average Days Vacant for this building down to 16.

As of May 3, 2024, there are 73 homes reported vacant across CRHC’s properties for a vacancy rate of 2.46% (Q1 = 87 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 Q2 turnover rate was 34.

**Chart 3: Turnover Rate – All Homes**



Turnover of homes significantly decreased in Q2 2024 by a total of 28 homes over the last quarter and 29 homes from this time a year ago.

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 continues to improve with considerable gains being made in reducing the average days vacant in both the established housing stock and the more recently opened housing. Operations continue to move toward the opening of 97 new homes in the spring/summer of 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

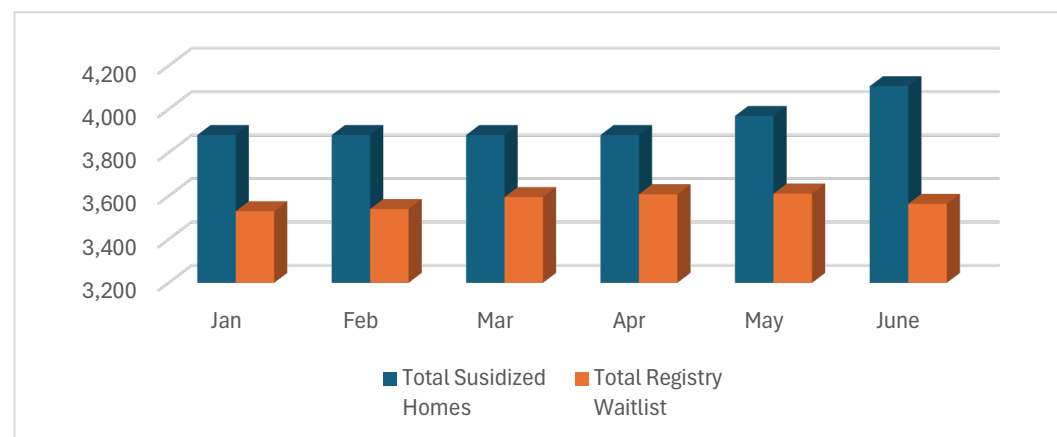
**ATTACHMENT:**

Appendix A: Applicant Waiting List Details

Jun 10, 2024 Applicant Waiting List Details

Region/Community	Housing Registry Subsidized Units	Total # of Applicants	Family	People With Disabilities	Seniors	Wheelchair Modified	Singles	Rent Supplements	Transfers	Pending Applications
<b>Capital</b>	<b>4,106</b>	<b>3,564</b>	<b>937</b>	<b>685</b>	<b>1,267</b>	<b>152</b>	<b>262</b>	<b>1</b>	<b>231</b>	<b>29</b>
Brentwood Bay	0	9	6	0	2	0	1	0	0	0
Central Saanich	0	50	17	8	19	2	2	0	1	1
Colwood	103	130	38	17	55	5	8	0	7	0
Esquimalt	290	217	53	40	85	13	15	0	10	1
Highlands	0	6	2	1	3	0	0	0	0	0
Jordan River	0	1	0	0	1	0	0	0	0	0
Langford	354	342	119	56	99	19	26	1	17	5
Metchosin	0	17	4	5	7	0	1	0	0	0
New Songhees 1A	0	29	9	5	14	1	0	0	0	0
North Saanich	24	26	6	2	12	1	4	0	1	0
Oak Bay	0	49	10	8	27	1	1	0	2	0
Pender Island	0	4	0	1	3	0	0	0	0	0
Port Renfrew	0	2	1	0	1	0	0	0	0	0
Saanich	1,289	630	176	118	210	28	36	0	58	4
Saanichton	0	31	12	2	14	1	2	0	0	0
Salt Spring Island	125	114	35	13	56	1	8	0	1	0
Saturna	0	2	0	1	1	0	0	0	0	0
Shirley	0	1	0	1	0	0	0	0	0	0
Sidney	30	65	14	12	31	1	5	0	2	0
Sooke	40	145	46	30	62	2	5	0	0	0
Victoria	1,834	1,598	358	341	536	73	142	0	130	18
View Royal	17	96	31	24	29	4	6	0	2	0
	<b>4,106</b>	<b>3,564</b>	<b>937</b>	<b>685</b>	<b>1,267</b>	<b>152</b>	<b>262</b>	<b>1</b>	<b>231</b>	<b>29</b>
			<b>26%</b>	<b>19%</b>	<b>36%</b>	<b>4%</b>	<b>7%</b>	<b>0%</b>	<b>6%</b>	<b>1%</b>

	Total Susidized Homes	Total Registry Waitlist
Jan	3,881	3,530
Feb	3,881	3,540
Mar	3,881	3,595
Apr	3,881	3,608
May	3,969	3,611
June	4,106	3,564



**REPORT TO HOSPITALS AND HOUSING COMMITTEE  
MEETING OF WEDNESDAY, JULY 3, 2024**

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**SUBJECT Michigan Square Redevelopment Project Budget Amendment**

**ISSUE SUMMARY**

BC Housing Management Commission (BCHMC) requires a resolution from the Capital Region Housing Corporation (CRHC) Board of Directors to authorize the execution of the financing and mortgage documents relating to the budget amendment on the Michigan Square Redevelopment project.

The Policy to Determine Delegation of Authority for the CRHC requires that all documents relating to mortgages valued over \$500,000 be approved by the CRHC Board.

**BACKGROUND**

In December 2021, the CRHC Board approved the Michigan Square Redevelopment Mortgage Registration and Final Budget of \$37.0 million (M) which included \$10.9M in grants, a \$1.0M equity contribution from the CRHC's Portfolio Stabilization Reserve, and land equity of \$2.8M. As outlined in the *Capital Plan Status Report, First Quarter 2024*, the project is experiencing a budget shortfall due to increased borrowing costs.

**ALTERNATIVES**

*Alternative 1*

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

- 1) That the resolutions, attached as Appendix A and Appendix B and required by BC Housing Management Commission to authorize the execution of the Loan and Mortgage documents for the Michigan Square Redevelopment project (PID 001-225-197) be approved; and
- 2) That the Chief Administrative Officer be authorized to do all things necessary to effect the project and take such steps as are required to conclude the construction, financing and operation of the Michigan Square Redevelopment project.

*Alternative 2*

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

**IMPLICATIONS**

*Financial Implications*

Of the total project budget approved in 2021, \$0.4M was allocated to interim construction financing. This figure was based on the BCHMC preferred financing rates. At the time, the interim borrowing rate was 0.80% and was forecast to escalate to 1.65% over the course of construction. At the time, the forecast take-out financing rate was 3.55%. Currently, the interim borrowing rate is 5.63% and the forecast take-out financing rate is 4.69%. At project completion, the short-term financing and interest costs accrued through construction will be converted to take-out financing in the form of a repayable mortgage.

The increased borrowing rate equates to a budget impact of approximately \$1.2M. CRHC staff and BCHMC were able to close the equity gap and maintain debt servicing levels by adjusting rent levels on the near-market homes as well as adjusting the operating subsidy. As a result, the approved Michigan Square Redevelopment project budget of \$37.0M must be amended to \$38.2M.

**Table 1: Approved Capital Budget & Recommended Updates for Building A - Regional Housing First Program (RHFP)**

Building A- RHFP (53 Units)	Project Budget Approved 2021	Proposed	Increase
Gross Capital Budget	20,392,850	21,111,921	719,071
Equity:			
Land Equity	1,536,818	1,536,818	-
CRHC Equity	1,000,000	1,000,000	-
CMHC Equity	4,500,000	4,500,000	-
Regional Housing Trust Fund	950,000	950,000	-
Victoria Housing Reserve Fund	620,000	620,000	-
Total Equity	8,606,818	8,606,818	-
Mortgage Debt Required	11,786,032	12,505,103	719,071

**Table 2: Approved Capital Budget & Recommended Updates for Building B - Community Housing Fund (CHF)**

Building B- CHF (44 Units)	Project Budget Approved 2021	Proposed	Increase
Gross Capital Budget	16,630,070	17,065,103	435,033
Equity:			
Land Equity	1,253,182	1,253,182	-
BCH- CHF Grant	4,667,960	4,667,960	-
Regional Housing Trust Fund	145,000	145,000	-
Total Equity	6,066,142	6,066,142	-
Mortgage Debt Required	10,563,928	10,998,961	435,033



**Table 3: Total Approved Capital Budget & Recommended Updates for Buildings A + B**

Buildings A+B	Project Budget Approved 2021	Proposed	Increase
Gross Capital Budget	37,022,920	38,177,024	1,154,104
Equity:			
Land Equity	2,790,000	2,790,000	-
CRHC Equity	1,000,000	1,000,000	-
CMHC Equity	4,500,000	4,500,000	-
BCH- CHF Grant	4,667,960	4,667,960	-
Regional Housing Trust Fund	1,095,000	1,095,000	-
Victoria Housing Reserve Fund	620,000	620,000	-
Total Equity	14,672,960	14,672,960	-
Mortgage Debt Required	22,349,960	23,504,064	1,154,104
Estimated Subsidy / Year	198,641	269,286	70,645

\*Legend:

Regional Housing Trust Fund (RHTF)

Victoria Housing Reserve Fund (VHRF)

Canada Mortgage and Housing Corporation (CMHC)

Despite the impacts associated with the increased cost of borrowing, construction costs are within budget with a small surplus remaining in the construction contingency budget. If any surplus remains at project completion, the balance will be applied against the borrowing cost budget to reduce rents to the extent possible.

A project budget increase of \$1.2M will necessitate an amendment to the 2024-2028 CRHC Major Capital Plan, which the Board approved on December 13, 2023. A separate report detailing this amendment will be presented to the Board for consideration.

## **CONCLUSION**

The Michigan Square Redevelopment project budget has a shortfall of approximately \$1.2M, due to increased borrowing costs that are affected by escalated interest rates over the course of construction. The equity gap was closed, and debt servicing requirements will be met through adjustments to the near-market rent levels and an increased operating subsidy. As a result, a budget amendment is required and updated resolutions are required to reflect the increased budget and mortgage values.

**RECOMMENDATION**

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

- 1) That the resolutions, attached as Appendix A and Appendix B and required by BC Housing Management Commission to authorize the execution of the Loan and Mortgage documents for the Michigan Square Redevelopment project (PID 001-225-197) be approved; and
- 2) That the Chief Administrative Officer be authorized to do all things necessary to effect the project and take such steps as are required to conclude the construction, financing and operation of the Michigan Square Redevelopment project.

Submitted by:	Don Elliott, MUP, BA, 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: Draft Certificate Resolution of Director – CHF
- Appendix B: Draft Certificate Resolution of Director – RHFP

**CAPITAL REGION HOUSING CORPORATION**  
(the "Borrower")  
CERTIFIED COPY OF  
RESOLUTION OF DIRECTORS

"WHEREAS the Borrower owns the property at 330, 332, 334 and 336 Michigan Street, Victoria BC legally described as:

**PID: 001-225-197; LOT A, OF LOTS 1864, 1871, 1872, 1873, 1874, 1875 AND 1876, VICTORIA CITY, PLAN 42136**

(the "Property") and will be constructing and operating a housing project on the Property (the "Project") under the British Columbia Housing Management Commission ("BCHMC") Building BC: Community Housing Fund; and

WHEREAS the Borrower has decided that it needs to increase the amount borrowed in order to facilitate the construction of the Project;

BE IT RESOLVED THAT:

1. The Borrower increase the amount borrowed up to a maximum amount of \$10,998,961 by way of a repayable loan secured by a mortgage, including authorization for the long-term financing from a takeout Lender, to facilitate the construction of the Project and grant to BCHMC a covenant restricting the use of the Property in accordance with the Loan Commitment Letter;
2. The Borrower execute and deliver all documents required by BCHMC or the lender of the monies, including any takeout lender, in such form and containing such terms, covenants, provisos and conditions as are satisfactory to or required by them, including without limitation a Section 219 covenant, an HPA Covenant, a mortgage, assignment of project agreements (and any assignments, modifications and assumptions thereto as approved by BCHMC), affordable housing agreement (if applicable) and operator/operating agreement; and
3. That Edward Robbins, Chief Administrative Officer, or Nelson Chan, Chief Financial Officer, or their respective duly authorized delegates, together, or either of them along 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 Property and the Project 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 PRHC, BCHMC or the lender of the monies."

I, \_\_\_\_\_, THE UNDERSIGNED, \_\_\_\_\_ 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 \_\_\_\_\_, 2024 (and sanctioned by a special resolution of the Borrower if such sanction is required), 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 \_\_\_\_\_, 2024.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Print Name:  
Title:

**CAPITAL REGION HOUSING CORPORATION**  
(the "Borrower")  
CERTIFIED COPY OF  
RESOLUTION OF DIRECTORS

"WHEREAS the Borrower owns the property at 330, 332, 334 and 336 Michigan Street, Victoria, BC legally described as:

**PID: 001-225-197; LOT A, OF LOTS 1864, 1871, 1872, 1873, 1874, 1875 AND 1876, VICTORIA CITY, PLAN 42136**

(the "Property") and will be constructing and operating a housing project on the Property (the "Project") under the British Columbia Housing Management Commission ("BCHMC") Regional Housing First Program; and

WHEREAS the Borrower has decided that it needs to increase the amount borrowed in order to facilitate the construction of the Project;

BE IT RESOLVED THAT:

1. The Borrower increase the amount borrowed up to a maximum amount of \$12,505,103 by way of a repayable loan secured by a mortgage, including authorization for the long-term financing from a takeout Lender, to facilitate the construction of the Project and grant to BCHMC a covenant restricting the use of the Property in accordance with the Loan Commitment Letter;
2. The Borrower execute and deliver all documents required by BCHMC or the lender of the monies, including any takeout lender, in such form and containing such terms, covenants, provisos and conditions as are satisfactory to or required by them, including without limitation a Section 219 covenant, an HPA Covenant, a mortgage, assignment of project agreements (and any assignments, modifications and assumptions thereto as approved by BCHMC), affordable housing agreement (if applicable) and operator/operating agreement; and
3. That Edward Robbins, Chief Administrative Officer, or Nelson Chan, Chief Financial Officer, or their respective duly authorized delegates, together, or either of them along 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 Property and the Project 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 PRHC, BCHMC or the lender of the monies."

I, \_\_\_\_\_, THE UNDERSIGNED, \_\_\_\_\_ 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 \_\_\_\_\_, 2024 (and sanctioned by a special resolution of the Borrower if such sanction is required), 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 \_\_\_\_\_, 2024.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Print Name:  
Title:

**REPORT TO HOSPITALS AND HOUSING COMMITTEE  
MEETING OF WEDNESDAY, JULY 3, 2024**

**SUBJECT**     **Capital Region Housing Corporation Major Capital Plan (2024-2028) Amendment**

**ISSUE SUMMARY**

The 2024-2028 Capital Region Housing Corporation (CRHC) Major Capital Plan was approved by the Board on December 13, 2023. Amendments to the Plan are required to authorize revised capital expenditures.

**BACKGROUND**

On July 3, 2024, staff are requesting approval of a revised project budget for the Michigan Square Redevelopment, requiring an amendment to the 2024 budget of the five-year 2024-2028 CRHC Major Capital Plan. The impact of the proposed amendment to the 2024 budget is highlighted in the following table.

Description	Funding	2024 Approved Budget	2024 Amended Budget	Net Impact	*Contingent Approval
Michigan Square (97 units)	Repayable Mortgage	\$6,354,172	\$9,065,142	\$2,710,970	July 3, 2024 Hospitals and Housing Committee (HHC)

*\*Staff are requesting approval for a capital project budget increase of \$1.2 million for consideration at the HHC meeting on July 3, 2024.*

The proposed Capital Plan amendment incorporates this change, and is attached as Appendix A.

**ALTERNATIVES**

*Alternative 1*

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

That the Capital Region Housing Corporation Major Capital Plan (2024-2028) be approved as amended in Appendix A.

*Alternative 2*

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

**IMPLICATIONS**

*Financial Implications*

On December 8, 2021, the CRHC Board approved the Michigan Square Redevelopment Mortgage Registration and Final Project Budget of \$37.0 million. Subsequently, at the July 3, 2024 HHC meeting a separate report is requesting an amendment to increase the project budget to a total of \$38.2 million.

As a result of labour and materials shortages, 2023 expenditures were below plan by \$1.5 million and have been rephased into 2024. Increased interest rates during construction adds an additional \$1.2 million in financing costs for a net increase of \$2.7 million in 2024. When the project is completed this year, the interest accrued through construction financing will be converted to take-out financing in the form of a repayable mortgage.

As detailed in the *Michigan Square Redevelopment Project Budget Amendment* report (to be considered on July 3, 2024 by the HHC) the revised repayable mortgage debt is estimated to be \$23.5 million, an increase of \$1.2 million from the original budget of \$22.3 million. To maintain debt servicing costs, rent levels on the near-market homes as well as adjusting the operating subsidy will support the increased costs.

**CONCLUSION**

The completion of the Michigan Square Redevelopment project requires an amendment to the Board approved CRHC Major Capital Plan (2024-2028), proposing additional funds to the 2024 project budget in the amount of \$2.7 million.

**RECOMMENDATION**

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

That the Capital Region Housing Corporation Major Capital Plan (2024-2028) be approved as amended in Appendix A.

Submitted by:	Angela Linwood, CPA, CMA, Controller
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

**ATTACHMENT:**

Appendix A: CRHC Five Year Major Capital Expenditure Plan Summary - 2024-2028 Amendment No. 1

CAPITAL REGION HOUSING CORPORATION

FIVE YEAR MAJOR CAPITAL EXPENDITURE PLAN SUMMARY - 2024 to 2028 AMENDMENT No. 1

	Type	Estimate Class	Total Project Budget	Forecast	Balance	2024	2025	2026	2027	2028	TOTAL
				spent at Dec. 31, 2023	Remaining at Dec. 31, 2023						
<b>EXPENDITURE</b>											
Michigan - RHFP / CHF	B	Class A	35,406,762	27,898,486	6,354,172	9,065,142	-	-	-	-	9,065,142
Caledonia - CHF	B	Class A	70,989,386	34,410,416	36,578,970	32,000,000	4,578,970	-	-	-	36,578,970
Carey Lane - BER	B	Class A	6,050,000	1,044,767	5,005,233	5,005,233	-	-	-	-	5,005,233
Pandora - CHF	Lease	Class D	83,352,598	25,000	83,327,598	250,000	250,000	250,000	250,000	82,327,598	83,327,598
Drake Road	B	Conceptual	180,000	15,000	165,000	165,000	-	-	-	-	165,000
Campus View Redevelopment - RHFP	B	Class C	55,584,995	445,000	55,139,995	2,530,000	19,126,667	19,126,668	14,356,659	-	55,139,994
Village on the Green Redevelopment - RHFP	B	Class C	64,834,500	424,356	64,410,144	4,632,205	18,962,220	20,423,940	20,391,780	-	64,410,144
New Redevelopment Projects	B	Conceptual	65,581,159	434,937	65,146,222	3,972,428	1,953,726	26,649,031	26,649,031	5,922,007	65,146,223
			<b>381,979,400</b>	<b>64,697,962</b>	<b>316,127,334</b>	<b>57,620,008</b>	<b>44,871,583</b>	<b>66,449,639</b>	<b>61,647,470</b>	<b>88,249,605</b>	<b>318,838,304</b>
<b>SOURCE OF FUNDS (combined)</b>											
Mortgage Debt	Debt		239,341,427	30,728,442	208,612,985	40,755,143	4,046,470	34,966,616	61,397,470	63,004,153	204,169,851
Grants (Federal, Provincial, Local)	Grant		140,037,973	31,969,520	108,068,454	16,264,865	40,825,113	31,483,023	250,000	25,245,452	114,068,453
CRHC Equity	Equity		-	-	-	-	-	-	-	-	-
UOA Reserve	Res		2,600,000	2,000,000	600,000	600,000	-	-	-	-	600,000
			<b>381,979,400</b>	<b>64,697,962</b>	<b>317,281,438</b>	<b>57,620,008</b>	<b>44,871,583</b>	<b>66,449,639</b>	<b>61,647,470</b>	<b>88,249,605</b>	<b>318,838,304</b>

CAPITAL REGION HOUSING CORPORATION

FIVE YEAR MAJOR CAPITAL EXPENDITURE PLAN SUMMARY - 2024 to 2028 AMENDMENT No. 1

		Total Project Budget	Forecast spent at Dec. 31, 2023	Balance Remaining at Dec. 31, 2023	2024	2025	2026	2027	2028	TOTAL
<b>SOURCE OF FUNDS (by project)</b>										
<b>Michigan - RHFP / CHF</b>										
Mortgage Debt	Debt	23,523,802	16,325,526	7,198,276	8,755,142	-	-	-	-	8,755,142
Grants	Grant	10,882,960	10,572,960	310,000	310,000	-	-	-	-	310,000
UOA Stabilization Reserve	Res	1,000,000	1,000,000	-	-	-	-	-	-	-
		<b>35,406,762</b>	<b>27,898,486</b>	<b>7,508,276</b>	<b>9,065,142</b>	-	-	-	-	<b>9,065,142</b>
<b>Caledonia - CHF</b>										
Mortgage Debt	Debt	50,449,386	14,402,916	36,046,470	32,000,000	4,046,470	-	-	-	36,046,470
Grants	Grant	19,540,000	19,007,500	532,500	-	532,500	-	-	-	532,500
UOA Stabilization Reserve	Res	1,000,000	1,000,000	-	-	-	-	-	-	-
		<b>70,989,386</b>	<b>34,410,416</b>	<b>36,578,970</b>	<b>32,000,000</b>	<b>4,578,970</b>	-	-	-	<b>36,578,970</b>
<b>Carey Lane - BER</b>										
UOA Stabilization Reserve	Res	600,000	-	600,000	600,000	-	-	-	-	600,000
Grants	Grant	5,450,000	1,044,767	4,405,233	4,405,233	-	-	-	-	4,405,233
		<b>6,050,000</b>	<b>1,044,767</b>	<b>5,005,233</b>	<b>5,005,233</b>	-	-	-	-	<b>5,005,233</b>
<b>Pandora - CHF</b>										
Mortgage Debt	Debt	57,082,146	-	57,082,146	-	-	-	-	57,082,146	57,082,146
Grants	Grant	26,270,452	25,000	26,245,452	250,000	250,000	250,000	250,000	25,245,452	26,245,452
		<b>83,352,598</b>	<b>25,000</b>	<b>83,327,598</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>82,327,598</b>	<b>83,327,598</b>
<b>Drake Road</b>										
Grants	Grant	180,000	15,000	165,000	165,000	-	-	-	-	165,000
		<b>180,000</b>	<b>15,000</b>	<b>165,000</b>	<b>165,000</b>	-	-	-	-	<b>165,000</b>
<b>Campus View Redevelopment - RHFP</b>										
Mortgage Debt	Debt	31,604,395	-	31,604,395	-	-	17,247,736	14,356,659	-	31,604,395
Grants	Grant	23,980,600	445,000	23,535,600	2,530,000	19,126,668	1,878,932	-	-	23,535,600
		<b>55,584,995</b>	<b>445,000</b>	<b>55,139,995</b>	<b>2,530,000</b>	<b>19,126,668</b>	<b>19,126,668</b>	<b>14,356,659</b>	-	<b>55,139,995</b>
<b>Village on the Green Redevelopment - RHFP</b>										
Mortgage Debt	Debt	35,837,379	-	35,837,379	-	-	15,445,599	20,391,780	-	35,837,379
Grants	Grant	28,997,121	424,356	28,572,765	4,632,205	18,962,220	4,978,341	-	-	28,572,765
		<b>64,834,500</b>	<b>424,356</b>	<b>64,410,144</b>	<b>4,632,205</b>	<b>18,962,220</b>	<b>20,423,940</b>	<b>20,391,780</b>	-	<b>64,410,144</b>
<b>New Redevelopment Projects</b>										
Mortgage Debt	Debt	40,844,319	-	40,844,319	-	-	2,273,281	26,649,031	5,922,007	34,844,320
Grants	Grant	24,736,840	434,937	24,301,904	3,972,428	1,953,726	24,375,750	-	-	30,301,903
		<b>65,581,159</b>	<b>434,937</b>	<b>65,146,223</b>	<b>3,972,428</b>	<b>1,953,726</b>	<b>26,649,031</b>	<b>26,649,031</b>	<b>5,922,007</b>	<b>65,146,223</b>





Making a difference...together

## REPORT TO HOSPITALS AND HOUSING COMMITTEE MEETING OF WEDNESDAY, JULY 03, 2024

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**SUBJECT**     **1516 Camosun Street, 1270 and 1286 Pandora Avenue Housing Agreement Bylaw**

### **ISSUE SUMMARY**

The Capital Regional District (CRD) Board must approve a bylaw that enables it to enter into a housing agreement with a developer in order to administer three below-market home ownership units at a housing development proposed for 1516 Camosun Street, 1270 and 1286 Pandora Avenue in the City of Victoria.

### **BACKGROUND**

The CRD currently administers the resale control agreements on several below-market home ownership units within housing developments throughout the region.

The CRD's Regional Housing Division has been in discussions with the City of Victoria and Pandora Holdings Ltd. (the Developer), regarding a proposed housing development that will include three resale price-restricted, below-market housing units as part of the project. The City of Victoria and the Developer have requested the CRD administer resales of the below-market units.

The units are part of a proposed development located at 1516 Camosun Street, 1270 and 1286 Pandora Avenue in the City of Victoria. The terms of the Housing Agreement are appended to the Bylaw (Appendix A) and require all sales of below-market units be restricted to a sale price no higher than 85% of market value, as determined by an appraisal. Initial and subsequent sales will require a qualifying annual income level set in 2023 approximately at \$70,000 to \$99,000, which can be responsive to market conditions as they relate to increases in cost of living as determined by Statistics Canada but based on BC Housing guidelines. The qualifying annual income levels are based on the recommendation of City of Victoria staff, as they align with the moderate household income targets set out in the City's [Inclusionary Housing and Community Amenity Policy](#).

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

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

## **ALTERNATIVES**

### *Alternative 1*

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

1. That Bylaw No. 4620, "Resale Control and Housing Agreement Bylaw (1516 Camosun Street, 1270 and 1286 Pandora Avenue), 2024" be introduced and read for a first, second and third time; and
2. That Bylaw No. 4620 be adopted.

### *Alternative 2*

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

## **IMPLICATIONS**

### *Financial Implications*

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

### *Social Implications*

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

### *Legal Implications*

The properties' rezoning is not yet final. Should the rezoning fail, the CRD's practice is to repeal the associated housing agreement bylaw and discharge the covenant on the Developer's request.

## **CONCLUSION**

The CRD has experience unique in the region, and the potential to enter into agreements with developers to administer the sale of affordable home ownership units aligns with the goals and objectives of the Regional Housing Affordability Strategy. The developer and CRD staff have negotiated the Agreement, which includes the terms of use and matters related to the resale of units, and the developer has executed the Agreement. The CRD has developed administrative procedures that ensure unit use conforms to the agreement terms, provides greater authority for the CRD to act when use is non-conforming and provides the CRD adequate cost recovery for the provision of the program.

**RECOMMENDATION**

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

1. That Bylaw No. 4620, “Resale Control and Housing Agreement Bylaw (1516 Camosun Street, 1270 and 1286 Pandora Avenue), 2024” be introduced and read for a first, second and third time; and
2. That Bylaw No. 4620 be adopted.

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

**ATTACHMENTS**

Appendix A: Capital Regional District Bylaw No. 4620

CAPITAL REGIONAL DISTRICT  
BYLAW NO. 4620

\*\*\*\*\*

A BYLAW TO AUTHORIZE A HOUSING AGREEMENT  
(1516 Camosun Street, 1270 and 1286 Pandora Avenue)

\*\*\*\*\*

WHEREAS:

- A. The owner of lands legally described as the Westerly ½ of Lot 5, Spring Ridge, Victoria City Plan 182, except the southerly 10 feet thereof as shown on said Plan, PID 009-283-293; the Westerly ½ of Lot 6, Spring Ridge, Victoria City Plan 182, PID 009-283-307; parcel A (DD 3968331) of Lots 5 and 6, Spring Ridge, Victoria City, Plan 182, PID 009-283-196; and Lot 7, Spring Ridge, Victoria City, Plan 182, PID 005-520-291, known as 1516 Camosun Street, 1270 and 1286 Pandora Avenue, wishes to develop such lands in the City of Victoria to provide, among a strata development of market housing, three (3) units of affordable housing;
- B. Under the *Local Government Act*, RSBC 2015, c 1, section 483, the Capital Regional District may enter into an agreement, by bylaw, to ensure the availability of the housing units to certain classes of persons identified in the agreement, the administration and management of the units, rents, leases, and sale prices that may be charged, and the rates at which these may be increased over time as specified in the agreement or as determined by a formula; and under the *Land Title Act*, RSBC 1996, c 250, section 219, it may place a covenant on property to restrict its use and alienation; and
- C. Whereas the Capital Regional District Board wishes to enter into such a housing agreement and covenant to secure the affordable housing;

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

- 1. The Capital Regional District is authorized to enter into the *Local Government Act* section 483 housing agreement and *Land Title Act* section 219 covenant attached to this Bylaw as Appendix 1 (the "Housing Agreement").
- 2. The Chair of the Capital Regional District is authorized to execute the Housing Agreement and the Corporate Officer or designate is authorized to sign and file in the Land Title Office a notice of the Housing Agreement, as required by the *Local Government Act*.
- 3. This Bylaw may be cited for all purposes as "Resale Control and Housing Agreement Bylaw (1516 Camosun Street, 1270 and 1286 Pandora Avenue), 2024".

READ A FIRST TIME THIS	day of	2024
READ A SECOND TIME THIS	day of	2024
READ A THIRD TIME THIS	day of	2024
ADOPTED THIS	day of	2024

\_\_\_\_\_  
CHAIR

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

1. Application

**Mullin DeMeo Wirk Law Corporation**  
**1626 Garnet Road**  
**Victoria BC V8P 3C8**  
**(250) 477-3327**

Fax: (250) 477-0980  
 Email: lawyers@mdlawcorp.com  
 File: 105997/PandoraHoldings/Dev\_Rezoning/JDM/sl  
 (CRD Housing Covenant)

2. Description of Land

PID/Plan Number	Legal Description
<b>009-283-293</b>	<b>THE WESTERLY 1/2 OF LOT 5, SPRING RIDGE VICTORIA CITY PLAN 182 EXCEPT THE SOUTHERLY 10 FEET THEREOF AS SHOWN ON SAID PLAN</b>
<b>009-283-307</b>	<b>THE WESTERLY 1/2 OF LOT 6 SPRING RIDGE VICTORIA CITY PLAN 182</b>
<b>009-283-196</b>	<b>PARCEL A (DD 396833I) OF LOTS 5 AND 6, SPRING RIDGE, VICTORIA CITY, PLAN 182</b>
<b>005-520-291</b>	<b>LOT 7, SPRING RIDGE, VICTORIA CITY, PLAN 182</b>

3. Nature of Interest

Type	Number	Additional Information
<b>COVENANT</b>		<b>Section 219 Covenant</b> <b>Person Entitled to Interest: Transferee</b> <b>Document Reference: Entire Document Except Sections 6.9.1, 6.9.2 and 6.9.3</b>
<b>PRIORITY AGREEMENT</b>		<b>Priority Agreement granting the Section 219 Covenant contained herein priority over Mortgage CB721250 and Assignment of Rents CB721251</b> <b>Person Entitled to Interest: Transferee</b> <b>Document Reference: Section 6.9.1</b>
<b>PRIORITY AGREEMENT</b>		<b>Priority Agreement granting the Section 219 Covenant contained herein priority over Mortgage CB721252 and Assignment of Rents CB721253</b> <b>Person Entitled to Interest: Transferee</b> <b>Document Reference: Section 6.9.2</b>
<b>PRIORITY AGREEMENT</b>		<b>Priority Agreement granting the Section 219 Covenant contained herein priority over Mortgage CB721254, and Assignment of Rents CB721255</b> <b>Person Entitled to Interest: Transferee</b> <b>Document Reference: Section 6.9.3</b>

4. Terms

Part 2 of this instrument consists of:

**(b) Express Charge Terms Annexed as Part 2**

5. Transferor(s)

**PANDORA HOLDINGS LTD., NO.BC1275461, (AS TO THE SECTION 219 COVENANT)**

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**ROYAL BANK OF CANADA, (AS TO PRIORITY AGREEMENT)**

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6. Transferee(s)

**CAPITAL REGIONAL DISTRICT**  
625 FISGARD STREET  
VICTORIA BC V8W 1R7

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7. Additional or Modified Terms

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8. Execution(s)

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

Witnessing Officer Signature

Execution Date

Transferor / Transferee / Party Signature(s)

\_\_\_\_\_

YYYY-MM-DD

**PANDORA HOLDINGS LTD.**  
By their Authorized Signatory

\_\_\_\_\_  
**Name:**

\_\_\_\_\_  
**Name:**

**Officer Certification**

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

---

Witnessing Officer Signature

\_\_\_\_\_

Execution Date

YYYY-MM-DD

Transferor / Transferee / Party Signature(s)

**ROYAL BANK OF CANADA**  
By their Authorized Signatory

\_\_\_\_\_  
**Name:**

\_\_\_\_\_  
**Name:**

**Officer Certification**

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

Witnessing Officer Signature

\_\_\_\_\_

Execution Date

YYYY-MM-DD

Transferor / Transferee / Party Signature(s)

**CAPITAL REGIONAL DISTRICT**  
By their Authorized Signatory

\_\_\_\_\_  
**Name:**

\_\_\_\_\_  
**Name:**

**Officer Certification**

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

**Electronic Signature**

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

\_\_\_\_\_

## TERMS OF INSTRUMENT – PART 2

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### SECTION 219 COVENANT AND HOUSING AGREEMENT

#### WHEREAS:

- A. Pandora Holdings Ltd. (Incorporation Number BC1275461) (the “**Developer**”) is the registered owner of the Lands described in Item 2 of Part 1 of this General Instrument and the Developer intends to complete a Forty Six (46) unit, strata development, containing 9 x 1 bedroom, 9 x 1 bedroom + den, 10 x 2 bedroom, 3 x 2 bedroom + den, 10 x Jr. 1 bedroom, 4 x 2 bedroom penthouses, and 1 x Studio units on the Lands (the “**Strata Development**”) and shall designate Two (2) of the Jr. 1 bedroom and one (1) of the studio strata lots to be created by the strata plan for the Strata Development as the Affordable Units to which strata lots this Agreement will apply.
- B. The Developer intends to build the Affordable Units to ensure the availability of affordable housing in the Corporation of the City of Victoria, British Columbia.
- C. To ensure that the Affordable Unit continues to be available as affordable housing, the Developer has agreed to grant the Capital Regional District (“**CRD**”):
- (a) a covenant under Section 219 of the *Land Title Act* (the “**Covenant**”) and enter into a housing agreement under Section 483 of the Local Government Act setting out, amongst other things, the procedure to be followed in connection with any sale of an Affordable Unit as well as restrictions on the sale price on use and rental of the Affordable Unit (the “**Housing Agreement**”);
  - (b) an option to purchase an Affordable Unit if it is sold, rented or used in breach of the Covenant.

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

### SECTION 1. INTERPRETATION

- 1.1 **Definitions**. In this Agreement:
- 1.1.1 “Administration Fee” has the meaning given to it at section 2.2.8;
  - 1.1.2 “Affordable Rate” means a rate determined from time-to-time by the NPO in its sole discretion with reference to BC Government guidelines, if any;
  - 1.1.3 “Affordable Unit” or “Affordable Units” shall mean the one (1) studio strata lot and the two (2) Jr. 1 bedroom strata lots to be designated by the Developer within the Strata Development as the strata lots to which this Agreement shall apply;
  - 1.1.4 “Agreement” means this Covenant and Housing Agreement, including all recitals and schedules attached hereto;



- 1.1.5 “Appraiser” means an appraiser accredited by the Appraisal Institute of Canada and duly qualified to appraise an Affordable Unit and on an approved list maintained by the NPO, if any;
- 1.1.6 “Approved Lender” means an “approved lender” (as defined in the *National Housing Act*, R.S.C. 1985, c. N-11) which holds an Insured Mortgage of an Affordable Unit;
- 1.1.7 “Business Day” means any day other than Saturday, Sunday or a statutory holiday in the Province of British Columbia, or day that the LTO is not open for business;
- 1.1.8 “CMHC” means Canada Mortgage and Housing Corporation or any successor thereto;
- 1.1.9 “Covenant” has the meaning stated in Recital C and is the covenant set out in Section 2.1;
- 1.1.10 “CRD” has the meaning stated in Recital C;
- 1.1.11 “Developer” has the meaning stated in Recital A;
- 1.1.12 “Fair Market Value” of an Affordable Unit means the purchase price from time to time which a willing purchaser would pay to a willing vendor, dealing at arm’s length from each other, for an Affordable Unit, without the benefit of a parking stall or other parking entitlement;
- 1.1.13 “General Instrument - Part 1” means the General Instrument - Part 1 to which this Terms of Instrument - Part 2 is attached;
- 1.1.14 “Immediate Family” means grandparent, parent, sibling, spouse, common-law partner, son or daughter;
- 1.1.15 “Insured Mortgage” means a mortgage insured pursuant to the *National Housing Act*, R.S.C. 1985, c. N-11;
- 1.1.16 “LTO” means the Land Title Office for the jurisdiction in which an Affordable Unit is located;
- 1.1.17 “Maximum Price ” means the sale price for the sale of the Affordable Unit determined in accordance with Schedule “C”.
- 1.1.18 “NPO” means the Capital Region Housing Corporation or other non-profit housing organization or Person retained by CRD from time to time to administer the sale of the Affordable Units and to manage the rental of the Affordable Units;
- 1.1.19 “NPO Appraisal” has the meaning stated in Schedule “C”;
- 1.1.20 “Option” means the option to purchase and right of first refusal granted by the Owner to CRD in substantially the form attached hereto as Schedule “D”;
- 1.1.21 “Owner” means the registered owner of an Affordable Unit from time to time and includes the Developer in its capacity as developer of the Affordable Units until the first conveyance to a Qualified Buyer, and their respective heirs, legal representatives, successors and assigns;

- 1.1.22 “Owner Appraisal” has the meaning stated in Schedule “C”;
- 1.1.23 “Permitted Encumbrances” means those charges or encumbrances stated in Schedule “A” and any other encumbrances approved as required by the Corporation of the City of Victoria or Developer from time to time to complete the Strata Development or as in writing by CRD but shall not include any mortgage or other financial encumbrance and shall not include this Agreement;
- 1.1.24 “Person” means any individual, society, corporation, partnership, trustee, administrator, legal representative, Statutory Authority or other legal entity;
- 1.1.25 “Proceeding” has the meaning stated in Section 2.3.1;
- 1.1.26 “Project” means the Strata Development of which the Affordable Units will be a part and comprises all of the Lands referred to in Item 2 of the General Instrument - Part 1;
- 1.1.27 “Qualified Buyer” means an individual who meets the criteria stated in Schedule “B”;
- 1.1.28 “Statutory Authority” means any federal, provincial or municipal governmental authority which has jurisdiction over any matter referred to in this Agreement;
- 1.1.29 “Term” means the period commencing on the date of registration of this Agreement in the LTO and ending on the later of (a) the date which is ninety- nine (99) years thereafter, and (b) the date of any destruction or statutorily deemed destruction of the Project.

1.2 **Notice of Housing Agreement.** The Owner acknowledges and agrees that:

- 1.2.1 this Agreement constitutes both a covenant under Section 219 of the *Land Title Act* and a housing agreement entered into under Section 483 of the *Local Government Act*;
- 1.2.2 the CRD is required to file a notice of housing agreement in the Land Title Office against title to the Land; and
- 1.2.3 once such notice is filed, this Agreement binds all persons who acquire an interest in the Land as a housing agreement under Section 483 of the *Local Government Act*.

1.3 **Time.** Time will be of the essence of this Agreement. If any party expressly or impliedly waives this requirement, that party may reinstate it by delivering notice to the other party. If a time is specified in this Agreement for observing or performing any obligation, such time will be local time in Victoria, British Columbia.

1.4 **Governing Law.** This Agreement will be governed by and construed and enforced in accordance with the laws of British Columbia and the laws of Canada applicable in British Columbia.

1.5 **References.** In this Agreement, words importing the singular include the plural and vice versa, and words importing gender include all genders.

1.6 **Construction.** The division of this Agreement into sections and the use of headings are for convenience of reference only and are not intended to govern, limit or aid in the interpretation of this Agreement. The wording of this Agreement will be construed simply, according to its fair meaning, and not strictly for or against any party.

- 1.7 **Validity of Provisions.** If a Court of competent jurisdiction finds that any provision contained in this Agreement is invalid, illegal or unenforceable, such invalidity, illegality or unenforceability will not affect any other provision of this Agreement which will be construed as if such invalid, illegal or unenforceable provision had never existed and such other provisions will be enforceable to the fullest extent permitted at law.
- 1.8 **No Waiver.** Failure by either party to exercise any of its rights, powers or remedies hereunder or its delay to do so, will not be interpreted as a waiver of those rights, powers or remedies except in the case of a written waiver. No waiver of a particular right will be deemed to be a waiver of that right in any other instance or a waiver of any other right.
- 1.9 **Statutes.** Any reference to a statute and to any regulations under that statute means the statute and regulations as amended or replaced from time to time.
- 1.10 **Remedies.** Any party to this Agreement, in addition to its rights under this Agreement or at law, will be entitled to all equitable remedies including specific performance, injunction and/or declaratory relief, to enforce its rights under this Agreement. No reference to or exercise of any specific right or remedy under this Agreement or at law or in equity by any party will prejudice or preclude that party from exercising any other such right or remedy. No such right or remedy will be exclusive or dependent upon any other such right or remedy, but any party, from time to time, may exercise any one or more of such rights or remedies independently, successively or in combination. The Owner acknowledges that specific performance, injunctive relief (mandatory or otherwise) or other equitable relief may be the only adequate remedy for a default by the Owner under this Agreement.
- 1.11 **Schedules.** The following Schedules are attached to and form integral parts of this Agreement:
- Schedule "A" Permitted Encumbrances
  - Schedule "B" Qualified Buyer Criteria
  - Schedule "C" Maximum Price, Fair Market Value
  - Schedule "D" Option

## SECTION 2. SECTION 219 COVENANT

- 2.1 **Covenant.** The Owner hereby covenants with CRD that:
- (a) the Affordable Unit will not be sold, assigned or otherwise transferred otherwise than:
    - (i) to a Qualified Buyer;
    - (ii) for a selling price not greater than the Maximum Price;
    - (iii) in accordance with this Agreement and the Option; and
    - (iv) in a way which complies with Section 2.2, or to CRD under the Option;
  - (b) the Affordable Unit will not at any time be subject to a conventional high ratio mortgage or mortgages which, in total, secure an amount which exceeds 95% of the Maximum Price;

- (c) the Owner shall not permit (whether by renting or otherwise) any person other than the Owner and members of the owner's Immediate Family to occupy the Affordable Unit, and shall not use or permit the premises to be used solely for conducting a business or profession;
- (d) the Owner will do everything necessary, at the Owner's expense, to ensure that this Agreement and an Option, if required by the CRD, will be registered against title to the Land in priority to all charges and encumbrances which may have been registered or are pending registration against title to the Land save and except those specifically approved in writing by the CRD or in favour of the CRD,

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

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

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

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

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

deliver to the NPO written notice of their intention to sell an Affordable Unit, such notice to be in the form required by the NPO and determine the Maximum Price in accordance with Schedule "C" attached hereto.

### 2.2.2 **Owner Responsible for Appraisal Costs.**

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

### 2.2.3 **NPO Notifies Owner of Maximum Selling Price.**

Within 7 days after the Fair Market Value of the Affordable Unit has been determined under Schedule "C", the NPO will notify the Owner of the Maximum Price, determined under Schedule "C", at which time the Owner will be permitted to offer to sell the Affordable Unit, which price shall be deemed to be its Maximum Price.

In addition to the Maximum Price, the Owner will be entitled to charge the Qualified Buyer, the Administration Fee.

#### 2.2.4 **Owner to Deliver True Copy of Sale Contract to NPO.**

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

#### 2.2.5 **Terms to be Included in Sale Contract.**

The Sale Contract will be in writing and will:

- (a) be for a selling price not greater than the Maximum Price of the Affordable Unit;
- (b) include as a true condition precedent that the seller's obligation to sell is subject to the NPO determining and notifying the Owner in writing (within a period of 10 Business Days after the NPO receives a true copy of the Sale Contract) that (1) the Owner has complied with the requirements of this Section 2.2, and (2) the buyer is a Qualified Buyer, failing which the Sale Contract will be null and void; and
- (c) include as a true condition precedent that the seller's obligation to sell is subject to the seller notifying the buyer in writing that the CRD has approved the terms of the sale of the Affordable Unit to the buyer and that the CRD has decided not to exercise its right of first refusal or option to purchase the Affordable Unit with respect to this transaction only;
- (d) require the buyer to execute an agreement with the CRD, as a condition of closing, under which the buyer agrees that its purchase of the Affordable Unit is subject to the terms of this Agreement and the Option.

#### 2.2.6 **No Sale after 6 Months Without New Appraisal.**

The NPO will not be obligated to review or make any determination with respect to a Sale Contract as stated in subsection 2.2.5(b) above if the date of receipt by the NPO of a true copy of the Sale Contract is after the expiry of the 6-month period during which the Owner is permitted to sell the Affordable Unit. If the 6-month period has expired, the process under Schedule C will begin again, with the Owner giving fresh notice to the NPO of their intention to sell the Affordable Unit.

#### 2.2.7 **CRD Will Notify Owner of Change in NPO.**

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

#### 2.2.8 **Fee to NPO**

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

## 2.3 **Procedure for Foreclosure.**

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

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

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

### 2.3.2 **CMHC Notice to CRD.**

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

### 2.3.3 **CMHC Sale.**

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

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

### 2.4.1 **Rental Prohibited.**

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

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

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

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

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

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

## 2.4.2 Rent Charge and Acknowledgement.

2.4.2.1 The Owner acknowledges that the CRD requires affordable housing to ensure prosperity and economic growth for the residents of the Capital Region. The Owner acknowledges the purpose of the Affordable Unit is to provide affordable housing to residents of the Capital Region, and it is not to be used for a short term vacation rental or left as a vacant home. The Owner therefore agrees that for each day an Affordable Unit is occupied in breach of this Agreement, the Owner will pay to the CRD \$150 for each day on which the breach has occurred and continues to occur, as liquidated damages and not as a penalty, due and payable at the offices of the CRD on the last day of the calendar month in which the breach occurred. The \$150 per day amount will increase on January 1 of each year by the amount calculated by multiplying the amount per day payable on the previous January 1 by the percentage increase between that previous January 1 and the immediately preceding December 31 in the CCPI.

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

## SECTION 5. INDEMNITY AND RELEASE

- 5.1 **Indemnity.** The Owner indemnifies the CRD and its officers, directors, employees and agents and their respective heirs, executors, administrators, personal representatives, successors and assigns from any claims which anyone has or may have against the CRD or which the CRD incurs as a result of any loss, damage, deprivation, enrichment or injury, including economic loss, arising out of or connected with the restrictions or requirements of this Agreement, the breach of any covenant in this Agreement, the granting of any approvals or advice or direction respecting the sale of the Affordable Unit or use of the Affordable Unit given to the Owner by any of them or by the NPO.
- 5.2 **Release.** The Owner releases CRD and its officers, directors, employees and agents and their respective heirs, executors, administrators, personal representatives, successors and assigns absolutely and forever, from any claims the Owner may have against all or any of them for costs, expenses or damages the Owner may suffer, incur or be put to arising out of or in connection with this Agreement and from all claims arising out of or connected with the restrictions or requirements of this Agreement, the breach of any covenant in this Agreement, the granting of any approvals or advice or direction respecting the sale of the Affordable Unit or use of the Affordable Unit given to the Owner by any of them or by the NPO.



**SECTION 6.  
GENERAL PROVISIONS**

- 6.1 **Discharge of Covenant on Strata Lots not designated as Affordable Units**. The parties agree that this Agreement is intended to only apply to the one (1) studio strata lot and the two (2) Jr. 1 bedroom strata lots to be designated by the Developer as the Affordable Units upon the filing of the strata plan for the Strata Development and concurrently with filing of the strata plan for the Strata Development this Covenant, the Rent Charge and the Option to Purchase shall be discharged from title to all of the strata lots and the common property except for the one (1) studio and the two (2) Jr. 1 bedroom Affordable Units designated by the Developer, and this Agreement will only charge the Affordable Units. The parties will execute all such documents as may be required to complete the foregoing discharges.
- 6.2 **Notices**. Unless otherwise specified, each notice to the Owner must be given in writing and delivered personally or by courier to the Owner at its address shown on title to the Affordable Unit as registered in the LTO from time to time. Unless otherwise specified, each notice to CRD must be given in writing and delivered personally or by courier to CRD, Attention: Manager Real Estate Services, at the address shown on the General Instrument - Part 1 or to such other address or addresses or person or persons as CRD may designate. Notices will be deemed to have been received when delivered.
- 6.3 **Fees**. Each of the Owner and CRD will pay its own legal fees.
- 6.4 **Enuring Effect**. This Agreement will enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns as the case may be of the Owner and CRD, provided that the Owner shall not be liable for any breach of the covenant contained in Section 2.1 except as such liability relates to the period of ownership of an Affordable Unit by the Owner.
- 6.5 **Registration**. This Agreement will be registered against title to the Lands initially and then shall be restricted to the titles to the Affordable Units upon filing of a strata plan of the Lands in the LTO subject only to Permitted Encumbrances.
- 6.6 **Discharge**. On expiry of the Term, the Owner may require that CRD execute and deliver to the Owner a release in registrable form of the Covenant and the Option.
- 6.7 **Amendment**. This Agreement may only be amended by written agreement of the parties.
- 6.8 **Counterparts**. This Agreement and any amendment, supplement, restatement or termination of any provision of this Agreement may be executed and delivered in any number of counterparts, each of which, when executed and delivered is an original, but all of which taken together constitute one and the same instrument.
- 6.9 **CONSENT AND PRIORITY AGREEMENTS**
- 6.9.1 ROYAL BANK OF CANADA (the “**Existing Chargeholder**”) is the holder of an inter alia Mortgage and Assignment of Rents which are registered against title to PID: 009-283-293, THE WESTERLY ½ OF LOT 5, SPRING RIDGE VICTORIA CITY PLAN 182 EXCEPT THE SOUTHERLY 10 FEET THEREOF AS SHOWN ON SAID PLAN and PID: 009-283-307, THE WESTERLY 1/2 OF LOT 6 SPRING RIDGE VICTORIA CITY PLAN 182 in the Land Title Office at Victoria, British Columbia, under numbers CB721250 and CB721251,

- respectively. In consideration of the sum of One (\$1.00) Dollar, the Existing Chargeholder (the receipt whereof is hereby acknowledged), agrees with the Owner and the CRD, that the within Section 219 Covenant shall be an encumbrance upon the Lands in priority to its Mortgage CB721250 and Assignment of Rents CB721251 in the same manner and to the same effect as if it had been dated and registered prior thereto.
- 6.9.2 ROYAL BANK OF CANADA (the “**Existing Chargeholder**”) is the holder of a Mortgage and Assignment of Rents which are registered against title to PID: 009-283-196, PARCEL A (DD 396833I) OF LOTS 5 AND 6, SPRING RIDGE, VICTORIA CITY, PLAN 182 in the Land Title Office at Victoria, British Columbia, under numbers CB721252 and CB721253, respectively. In consideration of the sum of One (\$1.00) Dollar, the Existing Chargeholder (the receipt whereof is hereby acknowledged), agrees with the Owner and the CRD, that the within Section 219 Covenant shall be an encumbrance upon the Lands in priority to its Mortgage CB721252 and Assignment of Rents CB721253 in the same manner and to the same effect as if it had been dated and registered prior thereto.
- 6.9.3 ROYAL BANK OF CANADA (the “**Existing Chargeholder**”) is the holder of a Mortgage and Assignment of Rents which are registered against title to PID: 005-520-291, LOT 7, SPRING RIDGE, VICTORIA CITY, PLAN 182 in the Land Title Office at Victoria, British Columbia, under numbers CB721254 and CB721255, respectively. In consideration of the sum of One (\$1.00) Dollar, the Existing Chargeholder (the receipt whereof is hereby acknowledged), agrees with the Owner and the CRD, that the within Section 219 Covenant shall be an encumbrance upon the Lands in priority to its Mortgage CB721254 and Assignment of Rents CB721255 in the same manner and to the same effect as if it had been dated and registered prior thereto.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement on the General Instrument - Part 1, to which these Terms of Instrument are attached and form a part of.

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

Legal Notations:

N/A

Charges, Liens and Interests:

Yet to be registered, but prior to this Section 219 Covenant:

1. Section 219 Covenant in favour of the Corporation of the City of Victoria; and
2. Section 219 Covenant in favour of the Corporation of the City of Victoria;

**SCHEDULE “B”  
QUALIFIED BUYER CRITERIA**

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

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

- (a) a first time home buyer, being a buyer who has not owned a principal residence for at least 5 years immediately prior to the date of purchase of an Affordable Unit;
- (b) a resident of the Capital Regional District from time to time, for at least one year immediately prior to the date of purchase of an Affordable Unit;
- (c) a person who provides Proof of Income that their annual gross Income is between the range set from time-to-time by the NPO in its sole discretion, based approximately at or below the City of Victoria’s moderate household income range as specified in Schedule A of the City’s Inclusionary Housing and Community Amenity Policy (2023) as amended or replaced from time to time (and set in 2023 at \$70,000 to \$99,000.00), for at least one year immediately prior to the date of purchase of an Affordable Unit; and
- (d) a person who intends to immediately use and occupy the Affordable Unit as their principal residence and not rent or lease the Affordable Unit to any other person, nor leave the unit vacant, use it solely for a business or profession, or use it as a short-term vacation rental property of any kind

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

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

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

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

- (a) a first time home buyer, being a buyer who has not owned a principal residence for at least 5 years immediately prior to the date of purchase of an Affordable Unit;
- (b) a resident of the Capital Regional District from time to time, for at least one year immediately prior to the date of purchase of an Affordable Unit;
- (c) a person who provides Proof of Income that annual gross Income is between the range set from time-to-time by the NPO in its sole discretion, based approximately at or below the City of Victoria’s moderate household income range as specified in Schedule A of the City’s Inclusionary Housing and Community Amenity Policy (2023) as amended or replaced from time to time (and set in 2023 at \$70,000 to \$99,000) for at least one year immediately prior to the date of purchase of an Affordable Unit, it being understood and agreed that the NPO may, from time to time, grant an exemption from or vary such

requirement if, in the opinion of the NPO and having regard to prevailing market conditions, such exemption or variation is consistent with the continued use and availability of the Affordable Unit as affordable housing; and

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

For the purpose of Schedule B:

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

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

but excluding the following:

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

- (h) government provided daycare allowance; and
- (i) payments for foster children, or child in home of relative (CIHR) income under the *Employment and Assistance Act*.

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

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

**SCHEDULE "C"**  
**MAXIMUM PRICE, FAIR MARKET VALUE**

The Maximum Price shall be determined as follows:

1. Within 7 days after the Owner delivers the notice, as required by section 2.2.1, the Owner will select an Appraiser to be retained by the Owner to undertake an appraisal (the "Owner Appraisal") of the Fair Market Value of the Affordable Unit. The Owner will deliver a copy of the Owner Appraisal to the NPO within 7 days after the Owner receives the Owner Appraisal.
2. If the Owner and the NPO agree within 7 days after the Owner Appraisal is delivered to the NPO that the Fair Market Value of the Affordable Unit is as stated in the Owner Appraisal, the Fair Market Value stated in the Owner Appraisal, less 15%, will be the maximum price at which the Owner will be permitted to sell the Affordable Unit during a period of 6 months commencing on the effective date of the Owner Appraisal.
3. If the Owner and the NPO do not agree within 7 days (the "Appraisal Review Period") after the Owner Appraisal is delivered to the NPO that the Fair Market Value of the Affordable Unit is as stated in the Owner Appraisal, the NPO will retain its own Appraiser to undertake an appraisal (the "NPO Appraisal") of the Fair Market Value of the Affordable Unit in which case the average of the Fair Market Value stated in the Owner Appraisal and the NPO Appraisal, less 15%, will be the maximum price at which the Owner will be permitted to sell the Affordable Unit during a period of 6 months commencing on the effective date of the NPO Appraisal.
4. The NPO will deliver a copy of the NPO Appraisal to the Owner within 7 days after the NPO receives the NPO Appraisal.
5. If the NPO Appraisal is not delivered to the Owner within 30 days after the end of the Appraisal Review Period, the Fair Market Value stated in the Owner Appraisal, less 15%, will be the maximum price at which the Owner will be permitted to sell the Affordable Unit during a period of 6 months commencing on the effective date of the Owner Appraisal.

TERMS OF INSTRUMENT - PART 2

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**RIGHT OF FIRST REFUSAL AND OPTION TO PURCHASE**

WHEREAS:

- A. The Owner is the registered owner in fee-simple of those lands and premises located within the Capital Regional District, in the Province of British Columbia, more particularly described in Item 2 of the General Instrument – Part 1 (the “Lands”);
- B. The Owner has entered into a Housing Agreement with the Capital Regional District (the “CRD”) under section 483 of the *Local Government Act* and has granted to the CRD a Covenant under section 219 of the *Land Title Act* with registration number \_\_\_\_\_ relating to certain restrictions on the use of the Land (collectively, the “Housing Agreement”);
- C. Pursuant to the terms of the Housing Agreement, the Owner has agreed to use and occupy the Lands for the purposes of the Affordable Units on the Lands; and
- D. In order to ensure that the Affordable Unit is occupied and disposed of in accordance with the Housing Agreement, the Owner agrees to grant to the CRD a right of first refusal to purchase and an option to purchase the Affordable Unit on the terms and conditions set out in this Agreement.

**THIS AGREEMENT** is evidence that in consideration of the mutual promises contained in it and in consideration of the payment of \$2.00 by the CRD to the Owner, the receipt of sufficiency of which is hereby acknowledged by the Owner, the parties agree as follows:

**PART I – DEFINITIONS**

- 1. In this Agreement the following words have the following meanings:
  - a. “Affordable Unit” means a Dwelling Unit designated as an affordable unit in accordance with the Housing Agreement, to be used, occupied and Disposed of in accordance with the Housing Agreement.
  - b. “Agreement” means this Agreement together with the General Instrument.
  - c. “Approved Lender” means an “approved lender” (as defined in the *National Housing Act*, R.S.C. 1985, c. N-11) which holds an Insured Mortgage of an Affordable Unit.
  - d. “Bona Fide Offer” means an offer to purchase the Owner’s Interest in the Affordable Unit:
    - i. in writing;
    - ii. signed by an Outside Offeror;



- iii. in a form legally enforceable against the Outside Offeror and subject to no conditions except for the CRD's Subjects;
  - iv. for a purchase price that is at or below the Maximum Price;
  - v. providing that if the CRD does not exercise its right of first refusal as set forth in this Agreement, the Outside Offeror will grant to the CRD a right of first refusal and option to purchase the Lands upon the same terms and conditions as are set forth in this Agreement;
  - vi. providing that the Outside Offeror will not assign or transfer the contract for the purchase of the Affordable Unit; and
  - vii. confirming that the Outsider Offeror has read and understood the terms of this Agreement, the Housing Agreement and all other charges in favour of the CRD that are registered in the LTO against the Lands and that the Outside Offeror agrees to be bound by the owner's obligations pursuant to such charges.
- e. "Business Day" means Monday to Friday inclusive except for those excluded days declared by lawful authority as holidays, excluding any date that the LTO is not open for business.
  - f. "Closing Date" means the 30th day after the Notice Date, or the first Business Day thereafter that the LTO is open for business to the public.
  - g. "CRD's Subjects" mean the following clauses:

The obligation of the seller to complete the transaction contemplated herein is subject to the following (the "Seller's Conditions"):

- i. the seller notifying the buyer in writing, not later than 15 business days that the Capital Regional District has approved the terms of the sale of the Land to the buyer and that the Capital Regional District has decided not to exercise its right of first refusal and option to purchase the Land with respect to this transaction only; and
- ii. the Capital Regional District determining and notifying the Owner in writing no later than 15 business days that the Owner has complied with the requirements of the Housing Agreement regarding the sale, and that Capital Regional District is satisfied that the buyer is a Qualified Buyer as defined in the Housing Agreement.

The Seller's Conditions are for the sole benefit of the seller and may be satisfied by the seller by notice in writing to the buyer. If the Seller's Conditions are not satisfied on or before the date specified for their removal, this agreement will automatically be terminated, the deposit will be returned to the buyer, and neither party will have any further obligation to the other under this agreement.

- h. "Dispose" means to transfer by any method, and includes assign, give, sell, grant, charge, convey, bequeath, devise, lease, rent or sublet, divest, release, and agree to do any of those things.
- i. "Dwelling Units" means all residential dwelling units located or to be located on the Land whether those dwelling units are lots, strata lots or parcels, or parts or portions thereof, into which ownership or right of possession or occupation of the Land may be Subdivided.
- j. "Environmental Law" means any applicable federal, provincial or municipal laws pertaining to the presence, handling, release or removal of Hazardous Substances.
- k. "General Instrument" means the Form C under the Land Title (Transfer Forms) Regulation, to which this Agreement is attached.
- l. "Hazardous Substances" collectively means contaminants, pollutants or other substances which are hazardous or dangerous to the health of humans, animals or plants or to the environment and includes substances defined as hazardous substances or special waste under any law, regulation or order of a Statutory Authority.
- m. "Insured Mortgage" means a mortgage insured pursuant to the *National Housing Act*, R.S.C. 1985, c. N-11.
- n. "Interest" means the property interest of the Owner in the Affordable Unit.
- o. "LTO" means the Victoria Land Title Office or its successor.
- p. "Maximum Price" has the meaning given to it in the Housing Agreement.
- q. "Notice" means any written notice which CRD may deliver to the Owner under section 8.
- r. "Notice Date" means the day on which the Owner is deemed by section 41 to have received the Notice.
- s. "Outside Offeror" means a purchaser or prospective purchaser of the Affordable Unit who deals at arm's length with the vendor of the Affordable Unit.
- t. "Owner" means the Transferor described in the General Instrument and any subsequent owner of the Land or of any part into which the Land is Subdivided, and includes any person who is a registered owner in fee simple of an Affordable Unit from time to time.
- u. "Option Purchase Price" has the meaning given to it at section 12.
- v. "Personal Property" means all lighting fixtures, appliances, equipment, cabinetry, affixed carpeting, drapes and blinds located within an Affordable Unit (except to the extent otherwise agreed in writing by CRD) but does not include an Owner's personal effects.

- w. "Person" means any individual, society, corporation, partnership, trustee, administrator, legal representative, Statutory Authority or other legal entity.
  - x. "Project" means the Strata Development of which the Affordable Units will be a part and comprises all of the Lands referred to in Item 2 of the General Instrument - Part 1.
  - y. "Property" means the Affordable Unit and all Personal Property within the Affordable Unit.
  - z. "Qualified Buyer" means an individual who meets the criteria stated in Schedule "B" of the Housing Agreement registered against title to the Land.
    - aa. "Subdivide" means to divide, apportion, consolidate or subdivide the Land, or the ownership or right to possession or occupation of the Land into two or more lots, strata lots, parcels, parts, portions or shares, whether by plan, descriptive words or otherwise, under the *Land Title Act*, the *Strata Property Act*, or otherwise, and includes the creation, conversion, organization or development of "cooperative units" or "shared interests in land" as defined in the *Real Estate Act*.
    - bb. "Transfer" means an instrument in a statutorily prescribed form by which the Owner transfers title to the Affordable Unit to CRD.
    - cc. "Transaction" means transfer of an Affordable Unit from the Owner to CRD.
2. **Schedules.** The following Schedules are attached to and form integral parts of this Agreement:

None

## **PART II – GENERAL**

- 3. During the Term, the Owner covenants and agrees that the Owner will not Dispose of its Interest in any Affordable Unit unless such Interest is Disposed of in accordance with this Agreement and the Housing Agreement.
- 4. The Owner will not Dispose of its Interest in the Affordable Unit other than to the CRD or to an Outside Offeror pursuant to a Bona Fide Offer.
- 5. Provided that the Owner is not in breach of any of its obligations under this Agreement or under the Housing Agreement, at the request of the Owner and the Owner's sole expense, the CRD will deliver to the Owner discharges of this Agreement in registrable form for each Dwelling Unit that:
  - a. is a separate legal parcel; and is not an Affordable Unit; and
  - b. is not an Affordable Unit.

### **PART III – RIGHT OF FIRST REFUSAL**

6. The Owner covenants and agrees as follows:
- a. the Owner will not sell or offer to sell the Affordable Unit for any consideration not consisting entirely of lawful money of Canada;
  - b. if the Owner receives an offer to purchase the Affordable Unit (the “Offer”) which the Owner is willing to accept, then the Owner will offer to sell the Affordable Unit to the CRD on the terms that are set out in Part 5 of this Agreement, by giving to the CRD a notice in writing (the “RFR Notice”) attached to a copy of the Offer. The CRD will have the exclusive right for ten (10) Business Days (the “Election Period”) from the date on which the CRD receives from the Owner the RFR Notice and a copy of the Offer within which to purchase the Affordable Unit on the terms set out in Part V of this Agreement. The Owner agrees that the CRD’s Election Period to purchase the Affordable Unit will not start to run until the Owner gives to the CRD notice of the Offer;
  - c. If the CRD wishes to exercise this right of first refusal, the CRD will give the Owner written notice of such exercise on or before the end of the Election Period.
  - d. If the CRD does not exercise this right of first refusal with respect to a specific Offer, the CRD’s rights under this right of first refusal with respect to the particular Offer will be waived, but only if the Offer is a Bona Fide Offer and only if the terms of sale between the Outside Offeror and the Owner are in strict compliance with the terms stated in the Offer, and if the Owner complies with the following requirements:
    - i. the Owner delivers to the CRD, within 10 Business Days after the delivery of the RFR Notice written proof, satisfactory to the CRD, in its sole discretion and including but not limited to the information required under Schedule B of the Housing Agreement, that the purchaser is a Qualified Buyer, and that the person agrees to be bound by all the agreements in favour of the CRD which affect the Affordable Unit, including but not limited to the Housing Agreement;
    - ii. the Owner does not remove the second part of the CRD’s Subject until such time as the CRD informs the Owner that it is satisfied with the information provided pursuant to sub-section 5.d.i herein;
    - iii. at least 5 Business Days before completion of the sale pursuant to the Bona Fide Offer the Owner delivers to the CRD the following:
      - (1) written proof, satisfactory to the CRD, in its sole discretion, that the purchase price payable under the Bona Fide Offer is the Maximum Price;
      - (2) a signed Form C granting to the CRD an option to purchase and a right of first refusal to purchase the Affordable Unit (the “New Form C”) on substantially the same terms as set out in this Agreement, with such amendments as the CRD may reasonably require;

- (3) a discharge of this Agreement (the "Discharge") for execution by the CRD;
  - (4) undertakings from the solicitor or notary for the Outside Offeror (the "Legal Representative") on terms satisfactory to the CRD, including that:
    - (a) the Legal Representative will only register the Discharge if it is done concurrently with the registration of the New Form C;
    - (b) the Legal Representative will ensure that the New Form C is registered against the Affordable Unit in priority to all mortgages and other financial liens, charges and encumbrances, except for any charges in favour of the CRD;
    - (c) forthwith after registration of the New Form C, provide to the CRD copies of the Discharge and the New Form C with registration particulars endorsed thereon, and a copy of the State of Title Certificate for the Land confirming registration of the New Form C; and
  - (5) a copy of the vendor's statement of adjustments for the Affordable Unit certified to be true by the Legal Representative; and
- iv. upon request by the CRD, the Owner delivers to the CRD such further evidence as the CRD may reasonably require to confirm the purchase price of the Affordable Unit, and to confirm that the Outside Offeror has granted to the CRD an option to purchase and a right of first refusal to purchase the Affordable Unit.

#### **PART IV – GRANT OF OPTION**

- 7. The Owner hereby grants CRD an exclusive and irrevocable option to purchase the Property at the Option Purchase Price in accordance with Parts IV and V of this Agreement.
- 8. CRD may exercise the Option only if the Owner:
  - a. defaults in its obligations under the Housing Agreement; or
  - b. acquired the Affordable Unit from a previous Owner for a price which was, as of the date of closing of that transaction, greater than the Maximum Price or if the Owner was not, as of that date, a Qualified Buyer;
  - c. delivers the RFR Notice; or
  - d. defaults in its obligations under any mortgage of the Affordable Unit.

9. CRD may exercise the Option by delivering notice of exercise of the Option to the Owner (the "Notice").
10. From and after the Notice Date, this Agreement and the Notice will together constitute a binding and enforceable contract between the Owner and CRD for the purchase and sale of the Affordable Unit in accordance with the terms and conditions of Part IV and V.

#### **PART V – PURCHASE AND SALE**

11. **Purchase and Sale** Subject to the terms and conditions of this Part V and relying on the warranties and representations herein set out, the Owner agrees to sell and CRD agrees to purchase the Property on the Closing Date for the Option Purchase Price, and the Owner agrees that, at the request of CRD, it will transfer registered title to the Property to CRD or such other Person as CRD may designate.
12. **Option Purchase Price** Subject to adjustments as provided in this Agreement, the option to purchase price (the "Option Purchase Price") under the Option to Purchase shall be:
  - a. 95% of the Maximum Price; or
  - b. if the Owner has granted a bona fide arm's length mortgage or mortgages of the Affordable Unit to an Approved Lender which, as at the Closing Date, secures in aggregate an amount which exceeds 95% of the Maximum Price, the amount owing under and required to discharge the mortgage or mortgages to the Approved Lender as at the Closing Date.
13. **Repair and Maintenance**. From and after the Notice Date to the Closing Date, the Owner will take good care of the Property, will carry out all necessary repairs, maintenance, and replacements, will take reasonable care to protect and safeguard the Property and will in all other respects deal with the Property so that the warranties and representations of the Owner set out in this Agreement remain true and correct.
14. **Insurance** From and after the Notice Date to the Closing Date, the Owner will ensure that all policies of insurance with respect to the Property remain in full force and effect.
15. **Representations** The Owner hereby represents and warrants to, and covenants and agrees with the CRD, to transfer the Property to the CRD on the condition that as at the Closing Date that:
  - i. the Owner has not used the Affordable Unit or permitted any use of the Affordable Unit to store, manufacture, dispose of, emit, spill, leak, generate, transport, produce, process, release, discharge, landfill, treat or remediate any Hazardous Substances, including anything the storage, manufacture, disposal, emission, discharge, treatment, generation, use, transport, remediation or release into the environment of which is now or at any time after the execution of this Agreement is prohibited, controlled, regulated or licensed under Environmental Laws;

- ii. the Owner has not caused or permitted the storage, manufacture, disposal, emission, spilling, leakage, treatment, generation, transportation, production, processing, release, discharge, landfilling, treatment or remediation of any Hazardous Substances in, on, under or from the Affordable Unit;
  - iii. the Owner has at all times used the Affordable Unit in compliance with all Environmental Laws;
  - iv. the Owner will indemnify and save harmless the Regional District, and its elected and appointed officials, officers, employees and agents, from and against any and all actions, causes of action, liabilities, demands, losses, damages, costs (including remediation costs and costs of compliance with any law, and legal fees and disbursements), expenses, fines and penalties, suffered or incurred by the CRD by reason of a breach of any representation or warranty, covenant or agreement of the Owner set forth in this Agreement. This obligation will survive the termination of this Agreement.
- 16. **Risk** The Property will be at the risk of the Owner up to the time the Transfer is submitted for registration at the LTO on the Closing Date and will be at the risk of CRD after the time the Transfer is submitted for registration at the LTO on the Closing Date.
- 17. **Damage** If, prior to the time the Transfer is submitted for registration at the LTO, any damage occurs to the Property or any of the assets comprising the Property, CRD, by notice to the Owner, may elect to postpone the Closing Date for a period of not more than 30 days and may also elect:
  - a. not to acquire the Property, in which case neither party will have any further obligation to the other under this Part V pertaining to that particular Notice; or
  - b. that the Owner assign to CRD the Owner's right to receive any and all insurance proceeds payable with respect to the damage, subject to any bona fide loss payee designation, in which case the Owner will execute and deliver to CRD an assignment satisfactory to CRD.
- 18. **Construction Warranties** From and after the Closing Date, the Owner will assign to CRD all the Owner's rights under all warranties, guarantees or contractual obligations against any contractor or supplier who was engaged in the construction, renovation, or repair of all or any part of the Property or any improvement to the Property. CRD's acceptance of this assignment will not represent a waiver by CRD of the Owner's covenants, agreements, representations and warranties set out in this Agreement.
- 19. **Owner's Covenants** The Owner will:
  - a. take all proper actions and proceedings on its part to enable the Owner to transfer a good and marketable title of the Property to CRD or such Person as CRD may designate, free and clear of all encumbrances other than Permitted Encumbrances;

- b. deliver vacant possession of the Property to CRD or such Person as CRD may designate on the Closing Date, subject to prior receipt of the Option Purchase Price by the Owner;
  - c. not, from and after the Notice Date to the Closing Date, sell, transfer, dispose of or remove from the Affordable Unit any Personal Property; and
  - d. both before and after the Closing Date do such other things as CRD may reasonably require for transferring to and vesting in CRD or such Person as CRD may designate title to the Affordable Unit as contemplated by this Part V.
20. **Documents** CRD will prepare the documents necessary to complete the Transaction which will be in a form and substance reasonably satisfactory to CRD and its lawyers.
21. **Adjustments and Credits** The Owner and CRD will adjust, as at the Closing Date, all usual adjustments for a property similar to the Property including taxes, utility rates and any moneys owing to the strata corporation formed in respect of the Project.
22. **Closing** The Owner and CRD will complete the Transaction on the Closing Date at the offices of CRD or its lawyers.
23. **Owner's Closing Documents** At the closing, the Owner will deliver to CRD the following duly executed documents:
- a. the Transfer;
  - b. a vendor's statement of adjustments;
  - c. if required, a bill of sale for the Personal Property and all other deeds, transfers, assignments, resolutions, consents, estoppels and other certificates and assurances as CRD may reasonably require;
  - d. a statutory declaration of the Owner that the Owner is a resident of Canada within the meaning of the Income Tax Act (Canada);
  - e. a certificate in confirmation that the sale of the Affordable Unit to CRD is exempt from taxes under the *Excise Tax Act* (the "GST") or, alternately, a certified cheque or bank draft payable to CRD in an amount equal to the GST payable by CRD on the Option Purchase Price; and
  - f. unless waived in writing by CRD, a certified cheque or bank draft payable to CRD in the amount, if any, by which the moneys owing under and required to discharge any mortgage or mortgages of the Affordable Unit exceed the Option Purchase Price as adjusted under section 21.
24. **CRD's Closing Documents** At the closing, CRD will deliver to the Owner:
- a. a purchaser's statement of adjustments; and
  - b. a cheque for the Option Purchase Price, as adjusted under section 21.



25. **Tabling** Except for the Transfer, all documents and cheques will be tabled at the closing. CRD will cause its lawyers, on the Closing Date, to conduct a pre-registration index search of the Affordable Unit at the LTO. If that search indicates that no liens, charges or encumbrances have been registered or filed in respect of the Affordable Unit except for Permitted Encumbrances and encumbrances which the lawyers for the Owner have undertaken to discharge, the lawyers for CRD or their agents shall submit the Transfer for registration and then conduct a post-filing registration index search. If that search indicates that no liens, charges or encumbrances have been registered or filed in respect of the Affordable Unit since the pre-filing registration index search, all documents and payments will be released to each of the Owner and CRD according to the entitlement of each of them.
26. **Reimbursement** If CRD waives payment on the Closing Date of the amount referred to in section 23.f., the Owner shall pay such amount to CRD, on demand, with interest thereon at the rate of eighteen percent (18%) per annum, compounded monthly, from the Closing Date to the date of payment.
27. **Survival** All the representations, warranties, covenants and agreements of the Owner and CRD contained in this Agreement will survive the Closing Date, registration of documents, and the payment of the Option Purchase Price.

## PART VI – INTERPRETATION

28. **Time** Time will be of the essence of this Agreement. If any party expressly or impliedly waives this requirement, that party may reinstate it by delivering notice to the other party. If a time is specified in this Agreement for observing or performing any obligation, such time will be local time in Victoria, British Columbia.
29. **Governing Law** This Agreement will be governed by and construed and enforced in accordance with the laws of British Columbia and the laws of Canada applicable in British Columbia.
30. **References** In this Agreement, words importing the singular include the plural and vice versa, and words importing gender include all genders.
31. **Construction** The division of this Agreement into sections and the use of headings are for convenience of reference only and are not intended to govern, limit or aid in the interpretation of this Agreement. The wording of this Agreement will be construed simply, according to its fair meaning, and not strictly for or against any party.
32. **Validity of Provisions** If a Court of competent jurisdiction finds that any provision contained in this Agreement is invalid, illegal or unenforceable, such invalidity, illegality or unenforceability will not affect any other provision of this Agreement which will be construed as if such invalid, illegal or unenforceable provision had never existed and such other provisions will be enforceable to the fullest extent permitted at law.
33. **No Waiver** Failure by either party to exercise any of its rights, powers or remedies hereunder or its delay to do so, will not be interpreted as a waiver of those rights, powers or remedies except in the case of a written waiver. No waiver of a particular right will be deemed to be a waiver of that right in any other instance or a waiver of any other right.

34. **Statute.** Any reference to a statute and to any regulations under that statute means the statute and regulations as amended or replaced from time to time.
35. **Remedies** Any party to this Agreement, in addition to its rights under this Agreement or at law, will be entitled to all equitable remedies including specific performance, injunction and/or declaratory relief, to enforce its rights under this Agreement. No reference to or exercise of any specific right or remedy under this Agreement or at law or in equity by any party will prejudice or preclude that party from exercising any other such right or remedy. No such right or remedy will be exclusive or dependent upon any other such right or remedy, but any party, from time to time, may exercise any one or more of such rights or remedies independently, successively or in combination. The Owner acknowledges that specific performance, injunctive relief (mandatory or otherwise) or other equitable relief may be the only adequate remedy for a default by the Owner under this Agreement.

## PART VII – MISCELLANEOUS

36. **CRD Not Obligated to Exercise Right of First Refusal or Option** The Owner acknowledges and agrees that the CRD is under no obligation to exercise the rights granted under this Agreement.
37. **Duration of Option and Right of First Refusal** The option to purchase and right of first refusal hereby granted and the right of first refusal granted by this Agreement are effective until the date that is 80 years less a day after the date on which Form C referring to this Agreement is deposited for registration in the LTO, provided that if the perpetuity period for the Agreement as specified in the *Perpetuity Act* is increased or decreased in length than the term of this Agreement will be increased or decreased accordingly.
38. **Powers Unaffected** This Agreement does not:
- a. affect or limit the discretion, rights, duties or powers of the CRD under any enactment or at common law, including in relation to the use or subdivision of the Land;
  - b. impose on the CRD any legal duty or obligation, including any duty of care or contractual or other legal duty or obligation, to enforce this Agreement;
  - c. affect or limit any enactment relating to the use or subdivision of the Land; or
  - d. relieve the Owner from complying with any enactment, including in relation to the use or subdivision of the Land.
39. **Agreement for Benefit of CRD Only** The Owner and the CRD agree that;
- a. this agreement is entered into only for the benefit of the CRD;
  - b. this agreement is not intended to protect the interests of the Owner, any tenant, or any future owner, lessee, occupier or user of the Property, the Land or the building or any portion thereof, including any Affordable Unit;

- c. the CRD may at any time execute a release and discharge of this agreement, without liability to anyone for doing so, and without obtaining the consent of the Owner.
40. **No Public Law Duty** Where the CRD is required or permitted by this Agreement to form an opinion, exercise a discretion, express satisfaction, make a determination or give its consent, the Owner agrees that the CRD is under no public law duty of fairness or natural justice in that regard and agrees that the CRD may do any of those things in the same manner as if it were a private party and not a public body.
41. **Notices** Unless otherwise specified, each notice to the Owner must be given in writing and delivered personally or by courier to the Owner at its address shown on title to the Affordable Unit as registered in the LTO from time to time. Unless otherwise specified, each notice to CRD must be given in writing and delivered personally or by courier to CRD, Attention: Manager Real Estate Services, at the address shown on the General Instrument - Part 1 or to such other address or addresses or person or persons as CRD may designate. Notices will be deemed to have been received when delivered.
42. **Fees** Each of the Owner and CRD will pay its own legal fees.
43. **Costs** Unless otherwise specified in this Agreement, the Owner will comply with all the requirements of this Agreement at its own cost and expense and will pay to the CRD, on request, all reasonable costs or expenses it incurs in connection with this Agreement.
44. **Enuring Effect** This Agreement will enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns as the case may be of the Owner and CRD.
45. **Further Assurance** Upon request by the CRD, the Owner will forthwith do such acts and execute such documents as may be reasonably necessary in the opinion of the CRD to give effect to this Agreement.
46. **Registration** This Agreement will be registered against title to the Lands initially and then shall be restricted to the titles to the Affordable Units upon filing of a strata plan of the Lands in the LTO subject only to Permitted Encumbrances.
47. **Discharge** On expiry of the Term, the Owner may require that CRD execute and deliver to the Owner a release in registrable form of the Covenant and the Option.
48. **Amendment** This Agreement may only be amended by written agreement of the parties.
49. **Counterparts** This Agreement and any amendment, supplement, restatement or termination of any provision of this Agreement may be executed and delivered in any number of counterparts, each of which, when executed and delivered is an original, but all of which taken together constitute one and the same instrument.

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

**END OF DOCUMENT**