



Notice of Meeting and Meeting Agenda Hospitals and Housing Committee

Wednesday, October 2, 2024

1:30 PM

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

K. Murdoch (Chair), J. Caradonna (Vice Chair), M. Alto, P. Brent, S. Brice, Z. de Vries, 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. [24-928](#) Minutes of the September 4, 2024 Hospitals and Housing Committee Meeting

Recommendation: That the minutes of the Hospitals and Housing Committee meeting of September 4, 2024 be adopted as circulated.

Attachments: [Minutes - September 4, 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 no later than 4:30 pm two days before the meeting and staff will respond with details.

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

6. Committee Business

- 6.1.** [24-894](#) Regional Housing 2025 Operating and Capital Budget
- Recommendation:** The Hospitals and Housing Committee recommends the Committee of the Whole recommend to the Capital Regional District Board:
That Appendix A, Operating & Capital Budget - Regional Housing Service be approved as presented and form the basis of the Provisional 2025-2029 Financial Plan.
- Attachments:** [Staff Report: Regional Housing 2025 Operating & Capital Budget](#)
 [Appendix A: 2025-2029 Operating & Capital Budget - Reg'l Housing Svc](#)
 [Appendix B: RHFP - Capital Project Update](#)
- 6.2.** [24-895](#) Capital Region Housing Corporation Capital Plan Status Report, Third Quarter 2024
- Recommendation:** There is no recommendation. This report is for information only.
- Attachments:** [Staff Report: CRHC Capital Plan Status Report-Third Quarter 2024](#)
- 6.3.** [24-896](#) Capital Region Housing Corporation Operational Update, Third Quarter 2024
- Recommendation:** There is no recommendation. This report is for information only.
- Attachments:** [Staff Report: CRHC Operational Update, Third Quarter 2024](#)
 [Appendix A: Applicant Waiting List Details](#)

7. Notice(s) of Motion

8. New Business

9. Adjournment

The next meeting is November 6, 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

Wednesday, September 4, 2024

1:30 PM

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

PRESENT

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

Staff: T. Robbins, Chief Administrative Officer; K. Lorette, General Manager, Planning and Protective Services; D. Elliott, Senior Manager, Regional Housing; S. Henderson, Senior Manager, Real Estate & SGI Services; I. Lawrence, Senior Manager Local Area Planning, Juan de Fuca (EP); R. Fowles, Manager, Planning & Capital Projects, Regional Housing; J. Proctor, Manager, Housing Planning Policy and Programs; H. Rodinger, Manager, Housing and Business Development, Regional Housing; M. Lagoa, Deputy Corporate Officer; T. Pillipow, Committee Clerk (Recorder)

EP - Electronic Participation

Regrets: Director 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 de Vries,
That the agenda for the September 4, 2024 Hospitals and Housing Committee be
approved.
CARRIED**

3. Adoption of Minutes

3.1. [24-808](#) Minutes of the July 3, 2024 Hospitals and Housing Committee Meeting

**MOVED by Director Brice, SECONDED by Director de Vries,
That the minutes of the Hospitals and Housing Committee meeting of July 3, 2024
be adopted as circulated.
CARRIED**

4. Chair's Remarks

There were no Chair's remarks.

5. Presentations/Delegations

There were no presentations.

5.1. Delegations

**MOVED by Director Kobayashi, SECONDED by Director Alto,
That an additional seven (7) minutes be added to the speaking time of the
delegation.**

CARRIED

5.1.1. [24-826](#)

Delegation - Sylvia Ceacero; Representing Alliance to End Homelessness in the Capital Region (formerly GVCEH); Re: Item 6.4.: Capital Regional District's Role in Regional Homelessness and Alliance to End Homelessness in the Capital Region Funding Increase Request

S. Ceacero spoke to Item 6.4.

6. Committee Business

6.1. [24-799](#)

Recent Provincial Housing Initiatives

K. Lorette presented Item 6.1. for information.

6.2. [24-801](#)

Carey Lane Building Envelope Remediation Budget Amendment and Capital Region Housing Corporation Major Capital Plan (2024-2028) Amendment

K. Lorette spoke to Item 6.2.

Discussion ensued regarding the temporary relocation of Carey Lane residents while work is being completed on that building.

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

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

CARRIED

6.3. [24-800](#) Thuthiquit Hulelum' (Forest Homes) Grant Application Authority

K. Lorette spoke to Item 6.3.

Discussion ensued regarding:

- clarification of the eligibility criteria for the Community Works Fund
- feedback on the details that resulted in the 2023 grant denial
- consideration of granting staff delegated authority for grant applications

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

That the Chief Administrative Officer, or their duly authorized delegate, be authorized to apply for, negotiate and accept the terms to receive funds, execute agreements and do all things necessary to secure grant funding and financing for the project at 280 Georgeson Bay Road on Galiano Island through funding programs as necessary and as they become available.

CARRIED

6.4. [24-802](#) Capital Regional District's Role in Regional Homelessness and Alliance to End Homelessness in the Capital Region Funding Increase Request

K. Lorette spoke to Item 6.4.

Discussion ensued regarding:

- the intent of the one-time increase
- metrics to determine the effectiveness of the program
- the timeline for deployment of the CRD Homeless Individuals Families Information System (HIFIS)
- the level of involvement of AEHCR in the proposed regional engagement

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

1. That the Capital Regional District (CRD) commits to continue funding the Alliance to End Homelessness in the Capital Region through annually negotiated service agreements at their core service level of \$225,000 to the end of 2026; and
2. That the CRD includes a one-time increase of \$100,000 in the CRD's 2025 Financial Plan for CRD staff to undertake regional engagement to determine the CRD's potential role in advancing regional supportive housing and sheltering objectives.

**MOVED by Director de Vries, SECONDED by Director Holman,
That Item 1 of the main motion be amended to replace the wording "\$225,000"
with the wording "\$370,000".**

DEFEATED

OPPOSED: Alto, Brent, Brice, Caradonna, Kobayashi, Szpak

The question was called on Item 2 of the main motion:

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

2. That the CRD includes a one-time increase of \$100,000 in the CRD's 2025 Financial Plan for CRD staff to undertake regional engagement to determine the CRD's potential role in advancing regional supportive housing and sheltering

objectives.
CARRIED

The question was called on Item 1 of the main motion:
The Hospitals and Housing Committee recommends to the Capital Regional District Board:

1. That the Capital Regional District (CRD) commits to continue funding the Alliance to End Homelessness in the Capital Region through annually negotiated service agreements at their core service level of \$225,000 to the end of 2026; and
CARRIED

OPPOSED: de Vries, Holman, McNeil-Smith

7. Notice(s) of Motion

7.1. [24-742](#) Motion with Notice: Rental Protection Fund (Director de Vries)

Discussion ensued regarding the impact to staff's workload.

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

That staff report back to the Hospitals and Housing Committee about options and opportunities with respect to the province's Rental Protection Fund.
CARRIED

8. New Business

There was no new business.

9. Adjournment

MOVED by Director McNeil-Smith, **SECONDED** by Director Kobayashi,
That the September 4, 2024 Hospitals and Housing Committee meeting be adjourned at 3:17 pm.
CARRIED

CHAIR

RECORDER



Making a difference...together

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

SUBJECT Regional Housing 2025 Operating and Capital Budget

ISSUE SUMMARY

To provide an overview of the draft 2025 Land Banking and Housing service budget, including 2024 year-end budget projections and budget highlights. This is attached as Appendix A.

BACKGROUND

Activities under Regional Housing are supported, in part, through the Land Banking and Housing Service, which was established by Bylaw No. 3712 cited as “Land Assembly, Housing and Land Banking Service Establishment Bylaw No. 1, 2010”. This Service provides strategic planning and administrative oversight of three functions:

Housing Planning, Policy, and Programs

Receives grants from federal and provincial partner agencies, provides oversight, and deploys funds within the region. This function also administers housing affordability agreements on behalf of municipalities.

Planning and Development

Identifies and pursues opportunities to develop or redevelop housing stock owned by the Capital Regional District (CRD) and Capital Region Housing Corporation (CRHC). This function also receives grant and project recovery funding and prepares approved projects for implementation.

Capital Region Housing Corporation

Is a wholly owned subsidiary of the CRD, incorporated under the authority of the Land Banking and Housing Service and registered under the *Business Corporations Act*. The CRHC owns, operates, and maintains more than 2,000 affordable rental homes with considerable new development underway.

It’s important to note that this report focuses on the budget for the oversight and strategic planning functions of the CRHC, which fall under the Land Banking and Housing Service. The operational and capital budgets for the CRHC will be reviewed separately by the CRHC Board in November 2024.

As the 2025 proposed budget for Land Banking and Housing exceeds \$5 million (M), details of the budget are being presented to the Hospitals and Housing Committee (HHC) in advance of the CRD Budget submission to the Committee of the Whole on October 30, 2024.

A summary overview of the projects completed or underway through the Regional Housing First Program (RHFP) is attached as Appendix B, as much of the debt incurred through Land Banking and Housing is in support of the CRD’s commitment to this program.

ALTERNATIVES

Alternative 1

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

That Appendix A, Operating & Capital Budget – Regional Housing Service be approved as presented and form the basis of the Provisional 2025-2029 Financial Plan.

Alternative 2

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

That Appendix A, Operating & Capital Budget – Regional Housing Service be approved as amended and form the basis of the Final 2025-2029 Financial Plan.

2024 Year End Financial Projections

Operationally, there is an estimated one-time favorable variance of \$348,361 due mainly to salary underspending caused by staff turnover and vacancy (\$178,000), consultant expenses deferred to 2025 (\$127,000), and to higher recovery from the Reaching Home Program (RHP) federal grant (\$50,000). The full estimated variance will be added to the Operating Reserve to fund future development, planning, and/or consultancy work.

Capital expenditures in 2024 included borrowing \$9.1M through the RHFP to support approved affordable rental projects. As shown in Appendix A, no capital funds are expected to carry over from 2024.

2025 Regional Housing Operating Budget

Regional Housing Operations

As detailed in Appendix A, 2025 operating expenses are higher than 2024 approved budget by \$0.76M (26.9%), totaling \$3.1M. The key drivers of this increase are one-time costs related to Initiative Business Case (IBC) 5d-1.1, and one-time consulting costs to support planning future capital development.

- \$113,805 – IBC 5d-1.1 Regional Data System & Homeless Individuals and Families Information System (HIFIS) Coordinator
 - This position is grant-funded by the RHP and will support the onboarding of homelessness-serving organizations to the BC Housing-held instance of HIFIS. This role will support the CRD in maintaining its contractual obligations to the Government of Canada.

- \$552,000 – One-time consulting costs funded by external grants
 - This includes a total of \$300,000, to be funded through Community Works Funds (CWF) for the purpose of undertaking additional drill work on a CRD-owned property at 161 Drake Road, Salt Spring Island. Also included in this amount is a total of \$252,000 that is non-application-based grant funding received through the Local Government Housing Initiative Capacity Funding Program (LGHI) received from the Government of BC. \$177,000 from these funds are to support the CRD in undertaking a revision of the CRD's Regional Affordability Strategy, and \$75,000 toward an Official Community Plan consolidation in the Juan de Fuca Electoral Area.

- \$100,000 – One-time consulting costs to support capital planning
 - The 2024 budget included spending \$100,000 per year from the operating reserve for two years (2024 and 2025) to fund the planning of future capital development. This is to support the CRHC, which has considerably aging assets, to assess, identify, and plan for renewal of capital assets through redevelopment cycles and/or strategic investment of limited replacement reserves.

Debt Servicing

As detailed further in Appendix A, 2025 debt costs are higher than the 2024 approved budget by \$1.2M. These costs represent the interest and principal repayment of Municipal Finance Authority (MFA) debt incurred to support the CRD’s commitment to the RHFP. Specific projects supported by this debt are summarized as follows:

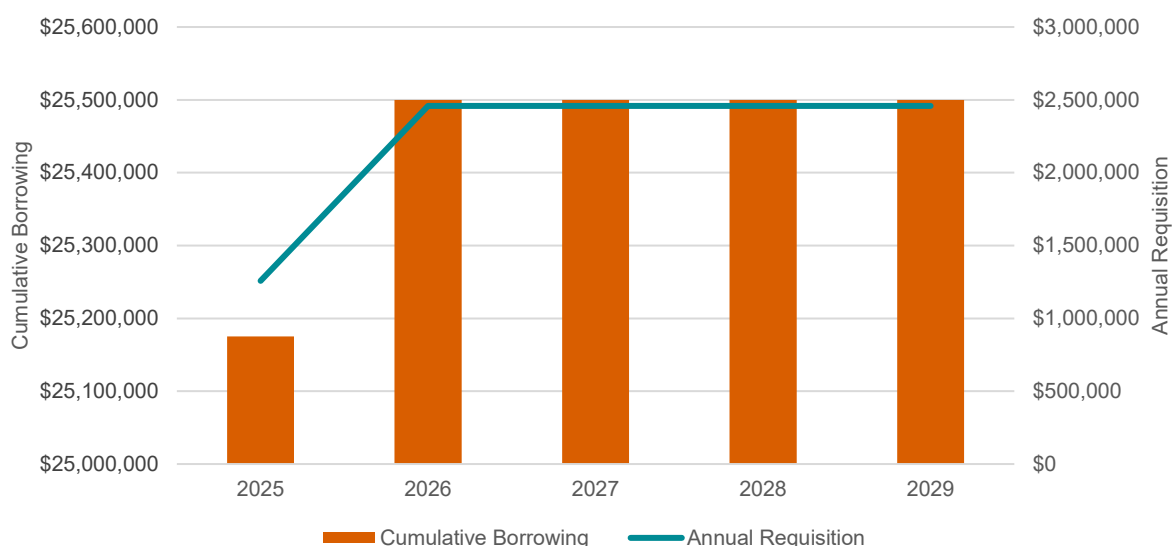
Table 1: RHFP Borrowing

Project	Fall 2024 borrowing	Spring 2025 borrowing
Campus View	\$2,000,000	\$10,300,000
Village on the Green	\$2,000,000	\$5,800,000
Verdier	\$5,075,000	-
Total	\$9,075,000	\$16,100,000

As debt servicing payments begin after debt is incurred, a further increase to debt servicing costs is anticipated for the 2026 budget.

The total debt incurred to support the CRD’s commitment to the RHFP program is shown in Chart 1, along with the estimated requisition impact. Borrowing is undertaken at a 15-year amortization, therefore with the staggered borrowing occurring from 2024-2026, requisition support will be required until 2041. The borrowing term of each borrowing is 10 years, therefore if interest rates are different at time of renewal, the requisition level may be adjusted in 2034, 2035, and 2036.

Chart 1: RHFP Debt versus Annual Requisition Impact



When operating costs and debt servicing costs are combined, the total budget under Land Banking and Housing is expected to grow to \$5.5M, which is an increase of \$1.9M or 52.8% from 2024. Debt expenditures alone accounting for just over \$1.2M or 33.6%. Though not included in this staff report as its budget is less than the \$5.0M threshold, the Regional Housing Trust Fund (RHTF) requisition is being decreased as planned to partially offset the requisition increase under Land Banking and Housing. The combined total requisition increase from Land Banking and Housing and the RHTF services is \$753,423 (29.2%).

2025-2029 Capital Plan

The Land Banking and Housing 5-Year Capital Plan includes housing projects which are directly supported by the CRD, funded by either MFA debt which is serviced through requisition or by external grants. Additionally, housing projects not funded through the CRD will be listed on the CRHC 5-Year Capital Plan, which will be presented to the CRHC Board in November.

As shown on Table 1, the remaining two RHFP projects (Campus View and Village on the Green) are shown in 2025 with borrowing amounts totaling \$16.1M. The Forest Homes project on Galiano Island shows a 2025 capital expenditure of \$2.1M, which represents the remaining balance of the Growing Communities Funds funding that was approved as a contribution towards the project by the CRD Board on September 13, 2023. As noted in a September 2024 staff report, this 20-unit project, estimated to total \$14.0M is seeking additional funds to close a forecasted \$6.7M equity gap.

Through IBC 5a-1.3 - Increasing Housing Supply & Rural Pilot Program, staff have included \$500,000 in capital expenditures in 2025, and an additional \$500,000 in 2026 to support the Rural Housing Program Pilot Project on the Southern Gulf Islands (SGI) and Salt Spring Island (SSI). This total investment of \$1.0M is intended to support gentle density and reduce costs to encourage the uptake of Accessory Dwelling Units or affordable rentals in the secondary housing market. It will also provide pre-development infrastructure funding to smaller scale multi-family affordable housing (10-20 units) projects.

The total capital budget is \$18.7M for 2025, \$0.5M for 2026, and is projected to drop to zero from 2027 to 2029. The CRD Board has approved an additional \$85.0M in borrowing to support future housing projects. The inclusion of these projects in the 5-Year Capital Plan will be determined as partnerships are identified and as funds become available. Efforts to identify future projects and refine the later years of the 5-Year Capital Plan are ongoing.

As the \$85.0M in borrowing is utilized to support future housing projects, the Land Banking and Housing requisition will need to increase to accommodate the interest and principal repayments associated with this debt.

Operating Reserve Summary

The Land Banking and Housing Operating Reserve contains funds set aside to cover cyclical expenditures, unforeseen expenses, and special one-time projects. Staff are seeking to retain an estimated \$0.467M in the 2025 Operating Reserve to provide the Board with additional opportunity to advance one-time projects in 2025 and/or seek to advance works while also mitigating potential requisition lift in 2026.

CONCLUSION

The overall Land Banking and Housing 2025 budget is being advanced at \$5.5M which represents an increase of 52.8% over 2024. However, most of this increase can be attributed to debt incurred through commitments made under the RHFP, with the requisition impacts offset through reductions to the RHTF Service.

Additional debt costs are anticipated to extend beyond 2025 as the RHFP completes its final funding phases for the Village on the Green and Campus View redevelopment projects under the CRHC. Furthermore, there will be additional debt costs related to the RHFP commitments, as well as \$1.0M over two years for the Rural Housing Program Pilot Project on the SGI and SSI.

The Land Banking and Housing 5-Year Capital Plan shows a total of \$19.2M of CRD contributions to major capital projects and capital grant programs over the next two years. As future projects are identified, the out-years of the 5-Year Capital Plan will be refined.

Staff estimate a total of \$0.467M to be retained in the Land Banking and Housing Operating Reserve that will enable the CRD Board to advance one-time projects in 2025 and/or seek to mitigate potential acquisition increases in 2026.

RECOMMENDATION

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

That Appendix A, Operating & Capital Budget – Regional Housing Service be approved as presented and form the basis of the Provisional 2025-2029 Financial Plan.

Submitted by:	Don Elliott, MUP, Senior Manager, Regional Housing
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer, GM Finance & IT
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENT

- Appendix A: 2025-2029 Operating & Capital Budget – Regional Housing Service
- Appendix B: Regional Housing First Program – Capital Project Update

Service: 1.310 Land Banking and Housing

Committee: Hospital & Housing Committee

DEFINITION:

Service was established by Bylaw No. 3712 cited as "Land Assembly, Housing and Land Banking Service Establishment Bylaw No. 1, 2010". This Service provides strategic planning and administrative oversight of three functions:

- Housing Planning, Policy and Programs,
- Planning and Development, and
- the Capital Region Housing Corporation (CRHC)

SERVICE DESCRIPTION:

This Service empowers the CRD to undertake land assembly for the purpose of either public or private housing and to undertake the development and operation of public housing pursuant to the National and Provincial Housing Acts including all of the powers of a municipality. The Service also has the ability to take on debt to fund these activities.

The Housing Planning, Policy and Programs function receives grants from federal and provincial partner agencies, provides oversight, and deploys funds within the region. This function also administers housing affordability agreements with developers and owners in the region on behalf of municipalities.

The Planning and Development function identifies and pursues opportunities to develop or redevelop housing stock owned by the CRD/CRHC. This function receives grant and project recovery funding and prepares approved projects for implementation.

The Capital Region Housing Corporation (CRHC) is a wholly-owned subsidiary of the CRD, incorporated under authority of this Service. The CRHC owns, operates and maintains more than 2,000 affordable housing units and expects units to increase units into the future with the affordable housing development plan underway for the region.

PARTICIPATION: All member municipalities and electoral areas based on converted hospital assessment values.

MAXIMUM LEVY:

Greater of \$2,423,000 or \$0.031 per \$1,000 Hospital actual assessments for land and improvements.

MAXIMUM CAPITAL DEBT:

Authorized:	LA Bylaw No. 3715 (Jan. 12, 2011)	25,000,000
Borrowed:	SI Bylaw No. 4009 (Feb. 11, 2015) 10yr term	(9,413,000)
Remaining:	Active via Temp. Borrowing Bylaw No. 3985 (nil expiry)	<u>\$ 15,587,000</u>
Authorized:	LA Bylaw No. 4327 (Mar. 11, 2020)	10,000,000
Borrowed:		-
Remaining:	Active	<u>\$ 10,000,000</u>

COMMITTEE: Hospitals and Housing

FUNDING: Requisition, internal recoveries, and external grants

Change in Budget 2024 to 2025

Service: 1.310 Land Banking and Housing

Total Expenditure

Comments

2024 Budget

3,566,967

Change in Salaries:

Base salary and benefit change	78,158	Inclusive of estimated collective agreement changes
Step increase/paygrade change	21,466	
Annualized 2024 positions	76,500	
1.0 FTE Term J16 HIFIS coordinator	103,805	2025 IBC 5d-1.1 Regional Data System & HIFIS

Total Change in Salaries 279,928

Other Changes:

New Debt Costs (RHFP)	1,218,685	RHFP borrowed \$9.075M in Fall 2024. Another \$16.1M to be borrowed in spring 2025.
New Debt Costs (Rural Housing Pilot)	5,000	1% DRF contribution for \$500,000 to be borrowed in Fall 2025
Standard Overhead Allocation	2,873	Increase in 2025 operating costs
Human Resources Allocation	10,075	Increase in 2025 salary budget; corporate safety resourcing
Building Occupancy	32,020	Includes CRD-wide costs related to additional office space considerations
Consulting costs	552,000	\$300,000 water drilling at Drake Road, \$252,000 Regional Housing priority
	(146,938)	One-time consulting costs in 2024
New workstations	10,000	2025 IBC 5d-1.1 - 1.0 FTE HIFIS coordinator
SGI Admin Allocation	(86,867)	Secondment ending in 2024
Other costs	7,696	

Total Other Changes 1,604,544

2025 Budget

5,451,439

Summary of % Expense Increase

2025 Base salary and benefit change	2.2%
IBC-related costs	3.2%
New debt costs	34.3%
Consultancy costs	11.4%
Balance of increase	1.8%
% expense increase from 2024:	52.8%

% Requisition increase from 2024: 79.1% *Requisition funding is 61% of service revenue*

Overall 2024 Budget Performance

(expected variance to budget and surplus treatment)

There is an estimated one-time favourable variance of \$348,361 (10%) due mainly to higher recovery from Reaching Home Federal Grant (\$50,000), salary savings due to staff turnover (\$178,000), and consultant expenses deferred to 2025 (\$127,000). Of the estimated variance, the full \$348,000 will be added to the Operating Reserve to fund future development, planning, and consultancy work.

1.310 LAND BANKING AND HOUSING

	BUDGET REQUEST									
	2024	2024	2025	2025	2025	2025	2026	2027	2028	2029
	BOARD	ESTIMATED	CORE	ONGOING	ONE-TIME	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
	BUDGET	ACTUAL	BUDGET							
<u>OPERATING COSTS:</u>										
Salaries and Wages	1,664,097	1,485,896	1,840,221	-	103,805	1,944,026	1,774,193	1,563,992	1,609,282	1,199,911
Allocation - Standard OH	106,963	106,963	109,836	-	-	109,836	113,130	115,394	117,700	120,055
Allocation - Building Occupancy	72,484	72,486	104,504	-	-	104,504	132,606	147,077	151,639	153,693
Allocation - Real Estate	40,000	40,000	40,000	-	-	40,000	40,000	40,000	40,000	40,000
Allocation - Human Resources	51,467	51,467	61,542	-	-	61,542	67,503	72,785	74,153	75,999
Allocation - GM Planning and Protective Services	41,661	41,661	43,342	-	-	43,342	42,490	43,340	44,210	45,090
Allocation - Secondment from SGI Admin	86,867	86,867	-	-	-	-	-	-	-	-
Consultants	304,430	177,880	57,000	-	652,492	709,492	57,540	58,091	58,653	59,226
Other Operating Expenses	89,025	65,018	94,980	-	10,000	104,980	97,102	99,287	101,524	103,839
TOTAL OPERATING COSTS	2,456,994	2,128,238	2,351,425	-	766,297	3,117,722	2,324,564	2,139,965	2,197,160	1,797,813
*Percentage Increase over prior year		-13.4%	-4.3%	0.0%	31.2%	26.9%	-25.4%	-7.9%	2.7%	-18.2%
<u>CAPITAL / RESERVE</u>										
Transfer to Equipment Replacement Reserve	4,070	4,070	4,130	-	-	4,130	4,170	4,210	4,250	4,300
Transfer to Operating Reserve	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL / RESERVES	4,070	4,070	4,130	-	-	4,130	4,170	4,210	4,250	4,300
Debt Expenditures	1,009,463	1,009,463	2,163,588	-	-	2,163,588	2,518,364	2,555,651	2,555,651	2,555,651
MFA Debt Reserve	96,440	96,440	0	-	166,000	166,000	5,000	5,000.00	-	-
TOTAL COSTS	3,566,967	3,238,211	4,519,142	-	932,297	5,451,439	4,852,098	4,704,827	4,757,062	4,357,764
*Percentage Increase over prior year		0.0%	26.7%	0.0%	26.1%	52.8%	-11.0%	-3.0%	1.1%	-8.4%
Transfer from Operating Reserve	(106,336)	(86,677)	-	-	(100,000)	(100,000)	-	-	-	-
OPERATING COSTS LESS INTERNAL RECOVERIES	3,460,631	3,151,534	4,519,142	-	832,297	5,351,439	4,852,098	4,704,827	4,757,062	4,357,764
Surplus / (Deficit)		348,361				0				
Balance C/F from Prior to Current year	(260,634)	(260,634)	-	-	-	0	-	-	-	-
Recovery - CRHC	(218,534)	(218,534)	(232,119)	-	-	(232,119)	(238,141)	(245,372)	(251,955)	(258,504)
Recovery - Capital Projects	(254,907)	(254,907)	(266,725)	-	-	(266,725)	(113,788)	-	-	-
Lease Revenue	(63,000)	(63,000)	(63,000)	-	-	(63,000)	(63,000)	(63,000)	(63,000)	(63,000)
Grant Revenue	(667,260)	(717,260)	(659,844)	-	(666,297)	(1,326,141)	(564,001)	(568,277)	(572,673)	(577,195)
Payments In Lieu of Taxes	(72,366)	(72,366)	(72,366)	-	-	(72,366)	(72,366)	(72,366)	(72,366)	(72,366)
Other Revenue	(62,533)	(51,797)	(57,593)	-	-	(57,593)	(15,000)	(15,000)	(15,000)	(15,000)
TOTAL REVENUE	(1,599,234)	(1,290,137)	(1,351,647)	-	(666,297)	(2,017,944)	(1,066,296)	(964,015)	(974,994)	(986,065)
REQUISITION	(1,861,397)	(1,861,397)	(3,167,495)	-	(166,000)	(3,333,495)	(3,785,802)	(3,740,811)	(3,782,068)	(3,371,699)
*Percentage Increase over prior year			70.2%	0.0%	8.9%	79.1%	13.6%	-1.2%	1.1%	-10.9%
PARTICIPANTS: All Municipalities and Electoral Areas										
AUTHORIZED POSITIONS:										
Salaried	7.00	7.00	7.00	0.00	1.00	8.00	8.00	8.00	8.00	8.00
Term	7.00	7.00	7.00	0.00	0.00	7.00	6.00	3.00	3.00	3.00

CAPITAL REGIONAL DISTRICT
FIVE YEAR CAPITAL EXPENDITURE PLAN SUMMARY - 2025 to 2029

Service No.	1.310	Carry Forward from 2024	2025	2026	2027	2028	2029	TOTAL
	Land Banking and Housing							

EXPENDITURE

Buildings	\$0	\$18,678,000	\$500,000	\$0	\$0	\$0	\$19,178,000
Equipment	\$0	\$5,000	\$10,000	\$0	\$0	\$0	\$15,000
Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Engineered Structures	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vehicles	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$18,683,000	\$510,000	\$0	\$0	\$0	\$19,193,000

SOURCE OF FUNDS

Capital Funds on Hand	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debenture Debt (New Debt Only)	\$0	\$16,600,000	\$500,000	\$0	\$0	\$0	\$17,100,000
Equipment Replacement Fund	\$0	\$5,000	\$10,000	\$0	\$0	\$0	\$15,000
Grants (Federal, Provincial)	\$0	\$2,078,000	\$0	\$0	\$0	\$0	\$2,078,000
Donations / Third Party Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$18,683,000	\$510,000	\$0	\$0	\$0	\$19,193,000

CAPITAL REGIONAL DISTRICT

5 YEAR CAPITAL PLAN

2025 - 2029

Service #: 1.310

Service Name: Land Banking and Housing

PROJECT DESCRIPTION				PROJECT BUDGET & SCHEDULE									
Project Number	Capital Expenditure Type	Capital Project Title	Capital Project Description	Total Project Budget	Asset Class	Funding Source	Carryforward from 2024	2025	2026	2027	2028	2029	5 - Year Total
18-03	New	RHFP Contribution	Village on the Green Redevelopment	\$ 12,300,000	B	Debt		\$ 10,300,000	\$ -	\$ -	\$ -	\$ -	\$ 10,300,000
18-03	New	RHFP Contribution	Campus View Redevelopment	\$ 7,800,000	B	Debt		\$ 5,800,000	\$ -	\$ -	\$ -	\$ -	\$ 5,800,000
													\$ -
24-01	Replacement	Office Equipment Replacement	Office equipment scheduled replacement	\$ 15,000	E	ERF		\$ 5,000	\$ 10,000	\$ -	\$ -	\$ -	\$ 15,000
24-02	New	GCF Contribution	Forest Homes Affordable Housing Project	\$ 2,078,000	B	Grant		\$ 2,078,000	\$ -	\$ -	\$ -	\$ -	\$ 2,078,000
25-01	New	Rural Housing Pilot Program	Rural Housing Pilot Program capital grants	\$ 500,000	B	Debt		\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ 1,000,000
													\$ -
													\$ -
			Grand Total	\$ 22,693,000				\$ 18,683,000	\$ 510,000	\$ -	\$ -	\$ -	\$ 19,193,000

Service: 1.310 Land Banking and Housing

Project Number 18-03 Capital Project Title RHFP Contribution Capital Project Description Village on the Green Redevelopment

Project Rationale In 2018 CMHC signed a definitive agreement with the CRD and BC Housing which created the Regional Housing First Program with a total of \$90 million to create new affordable housing units within the region. In 2020, each of the three partners increased their contribution by \$10 million to bring the total to \$120 million.

Project Number 24-01 Capital Project Title Office Equipment Replacement Capital Project Description Office equipment scheduled replacement

Project Rationale Computers and printers will be replaced based on equipment lifecycle assessment managed by IT department. Other office equipment at discretion of management and staffing needs.

Project Number 24-02 Capital Project Title GCF Contribution Capital Project Description Forest Homes Affordable Housing Project

Project Rationale Forest Homes is a proposed 20-unit housing project, formerly known as Galiano Green, on the recently acquired CRD property at 280 Georgeson Bay Road on Galiano Island. The CRD Board directed staff to use \$2.078M of approved Growing Communities Funds (GCF) to advance project development.

Project Number 25-01 Capital Project Title Rural Housing Pilot Program Capital Project Description Rural Housing Pilot Program capital grants

Project Rationale The Rural Housing Program is a pilot project for the Southern Gulf Islands and Salt Spring Island Electoral Areas, for consideration of regional expansion in the future. It will enable CRD responsiveness to the housing crisis across the capital region by prototyping various housing solutions that are better suited to the rural context. Funding in 2025 will enable program launch to fund incentives for the development of accessory dwelling units in the secondary housing market and to support non-profit housing providers with pre-development costs for smaller scale, multi-unit affordable housing projects.

**1.310 Land Bank & Housing
Asset and Reserve Summary
2025-2029 Financial Plan**

Asset Profile

Land Banking & Housing

Assets held by the Land, Banking and Housing service area consist of land, 6 building units, five apartment buildings, and office equipment. The equipment replacement funds set aside are for replacement of office equipment only. The building units are currently under operating and maintenance contract and do not require ongoing capital investment. Lifecycle replacement funding has not been set aside for the buildings.

Equipment Replacement Schedule - FC 102079

Equipment Replacement Schedule	Actual	Budget				
	2024	2025	2026	2027	2028	2029
Beginning Balance	25,469	16,724	15,854	10,024	14,234	18,484
Planned Purchase (Based on Capital Plan)	(10,000)	(5,000)	(10,000)	-	-	-
Actual Purchase	(3,055)					
Transfer from Operating Budget	4,070	4,130	4,170	4,210	4,250	4,300
Interest Income	240					
Total projected year end balance	16,724	15,854	10,024	14,234	18,484	22,784

Assumptions/Background:

2024 - 4 computers replaced
2025 - 2 computers replaced
2026 - 4 computers replaced

**1.310 Land Bank & Housing
Operating Reserve Summary
2025 - 2029 Financial Plan**

Profile

Land Banking & Housing

Established by Bylaw No. 4147 to enable CRD services to set aside operating funds to cover cyclical expenditures, unforeseen operating expenses, special one-time operating projects, as well as to mitigate fluctuations in revenue.

Operating Reserve Schedule - FC 105505

Operating Reserve Schedule	Actual	Budget				
	2024	2025	2026	2027	2028	2029
Beginning Balance	291,543	567,717	467,717	467,717	467,717	467,717
Transfer to Operating Budget	(84,187)	(100,000)	-	-	-	-
Transfer to Capital Fund	-					
Transfer from Operating Budget	348,361					
Interest Income	12,000					
Total projected year end balance	567,717	467,717	467,717	467,717	467,717	467,717

Assumptions/Background:


2024: Funding to off-set lost RHFP admin recovery from CRHD and CRHC.
2025: Funding for one-time housing development plan second year of work.

Description	Total Estimated Project Cost	RHFP Contribution	Partner Agency Funding RHFP	RHFP Units	Total Units	Operator	Funding Sources		HHC Approval Date	CRD Board Approval Date	Year Completed	Update
210 Gorge Rd. (Victoria)	\$19,318,000	\$9,000,000	BC Housing	30	72	Victoria Cool Aid Society (VCAS)	BC Housing \$9,000,000	Regional Housing Trust Fund \$600,000 (used to support 42 affordable units)	n/a	March 8, 2017 & November 13, 2019 (increase)	2023	Project completed.
Charters (Sooke)	\$20,917,220	\$3,375,000	BC Housing	15	75	M'akola Housing Society	BC Housing \$3,375,000	Regional Housing Trust Fund \$330,000 (used to support 22 affordable units)	June 13, 2018	June 13, 2018	2023	Project completed.
Croftonbrook (Salt Spring)	\$22,116,905	\$3,300,000	BC Housing	11	56	Islanders Working Against Violence	BC Housing \$3,300,000	Regional Housing Trust Fund \$408,000 (used to support 34 affordable units)	n/a	March 8, 2017 & November 13, 2019 (increase)	2020 and 2022	Project completed.
Drennan and Sooke (Sooke)	\$45,622,950	\$10,200,000	BC Housing	34	170	M'akola Housing Society	BC Housing \$10,200,000	Regional Housing Trust Fund \$765,000 (used to support 51 affordable units)	June 13, 2018	June 13, 2018 & November 13, 2019 (increase)	2024	Project completed.
Hockley (Langford)	\$32,775,610	\$7,200,000	CMHC	24	120	CRHC	CMHC \$7,200,000	n/a	n/a	November 14, 2018	2021	Project completed.
Michigan Square Building 1 (Victoria)	\$21,111,921	\$4,500,000	CRHC	15	53	CRHC	CRHC \$4,500,000	Regional Housing Trust Fund \$570,000 (used to support 38 affordable units)	July 29, 2020	August 12, 2020	2024	Project completed.
Michigan Square Building 2 (Victoria)	\$17,065,103	\$4,667,960	BC Housing	9	44	CRHC	BC Housing \$4,667,960	Regional Housing Trust Fund \$525,000 (used to support 35 affordable units)	N/A	December 8, 2021	2024	Project completed.

Description	Total Estimated Project Cost	RHFP Contribution	Partner Agency Funding RHFP	RHFP Units	Total Units	Operator	Funding Sources		HHC Approval Date	CRD Board Approval Date	Year Completed	Update
Millstream Ridge (Langford)	\$45,215,533	\$9,000,000	CMHC	30	132	CRHC	CMHC \$9,000,000	n/a	n/a	November 14, 2018	2018	Project completed.
Spencer Road (Langford)	\$38,263,972	\$7,800,000	CMHC	26	130	CRHC	CMHC \$7,800,000	n/a	June 13, 2018	June 13, 2018	2020	Project completed.
West Park Lane (View Royal)	\$41,673,485	\$10,200,000	CMHC	34	152	CRHC	CMHC \$10,200,000	Regional Housing Trust Fund \$660,000 (used to support 44 affordable units)	May 1, 2019	May 8, 2019	2020	Project completed.
Prosser Road (Central Saanich)	\$19,337,003	\$4,000,000	CMHC	10	51	CRHC	CMHC \$4,000,000 BC Housing \$3,250,000	Regional Housing Trust Fund \$615,000 (used to support 41 affordable units)	N/A	April 14, 2021 & October 12, 2022 (increase)	2023	Project completed.
Campus View (Saanich)	\$55,584,995	\$9,600,000	CRD CMHC	24	119	CRHC	CMHC \$1,800,000 CRD \$7,800,000	Regional Housing Trust Fund (used \$1,425,000 to support 95 affordable units)	N/A	December 8, 2021 & October 12, 2022 (increase)	2027	The 50% Working Drawings are now complete, and a Class B estimate update is currently underway through the Hired Cost Consultant. Once the estimate update is complete, staff will be able to make the formal Provisional Project Approval (PPA) application to BCHMC which is targeted for November 2024.
Village on the Green (Victoria)	\$64,834,500	\$12,300,000	CRD	30	160	CRHC	CRD \$12,300,000	Regional Housing Trust Fund (used \$1,815,000 to support 151affordable units)	N/A	March 9, 2022; & October 12, 2022 (increase)	2028	Staff were successful in receiving an accepted offer, contingent on securing additional project funding to acquire the adjoining parcel that is currently being used as a commercial parking lot. With this strategic acquisition, the two parcels would be consolidated to enable the final buildout to increase from 140 homes to 160 homes.

Description	Total Estimated Project Cost	RHFP Contribution	Partner Agency Funding RHFP	RHFP Units	Total Units	Operator	Funding Sources		HHC Approval Date	CRD Board Approval Date	Year Completed	Update
Mt. Tolmie	\$10,325,000	\$10,325,000	CRHD	50	50	TBD	CRHD \$10,000,000	N/A	N/A	December 13, 2023	2024	The CRHD is working with partners to conclude an acquisition that would see approximately 50 units of shelter-rate housing acquired with an operator to be identified through an RFP.
Verdier	\$50,075,165	\$14,532,040	CRD BC Housing	21	110	CRHC	CRD \$5,075,000 BC Housing \$9,457,040	N/A	N/A	April 12, 2023	2027	Staff continue to work with the District of Central Saanich to advance Rezoning and Development Permit approvals while progressing the design documents with the consultant team. It is anticipated that the Rezoning and Development Permit will be finalized in Q4 2024.
Total RHFP Units				363	1,494							
Total RHFP Investment	\$504,237,362	\$120,000,000										

 Funded by all or in part by CRD/CRHC/CRHD through the RHFP

 Operated by CRHC

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

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

ISSUE SUMMARY

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

BACKGROUND

The CRHC is a wholly owned subsidiary of the Capital Regional District (CRD) with the mandate to develop and manage affordable housing to meet the needs of individuals and families residing within the capital region. In working to fulfill its mandate, the CRHC delivers more than 2,000 affordable, attractive, inclusive, and sustainable homes across more than 50 unique properties.

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

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

IMPLICATIONS

Michigan Square (RHFP, RHTF, VHRF & CHF)

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

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

Caledonia (CHF, RHTF & VHRF)

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

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

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

Carey Lane Building Envelope Remediation (CRF)

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

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

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

Pandora (CHF)

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

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

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

161 Drake Road (CWF)

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

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

Campus View (RHFP, RHTF, GMF, SAHF)

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

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

Village on the Green (RHFP, RHTF, GCF)

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

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

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

Verdier (RHFP)

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

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

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

Routine Capital Plan

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

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

CONCLUSION

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

RECOMMENDATION

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

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

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

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

ISSUE SUMMARY

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

BACKGROUND

The CRHC is a wholly owned subsidiary of the Capital Regional District (CRD) with the mandate to develop and manage affordable housing to meet the needs of individuals and families residing within the capital region. In working to fulfill its mandate, the CRHC delivers more than 2,000 affordable, attractive, inclusive, and sustainable homes across more than 50 unique properties located throughout the capital region.

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

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

IMPLICATION

Operations Update

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

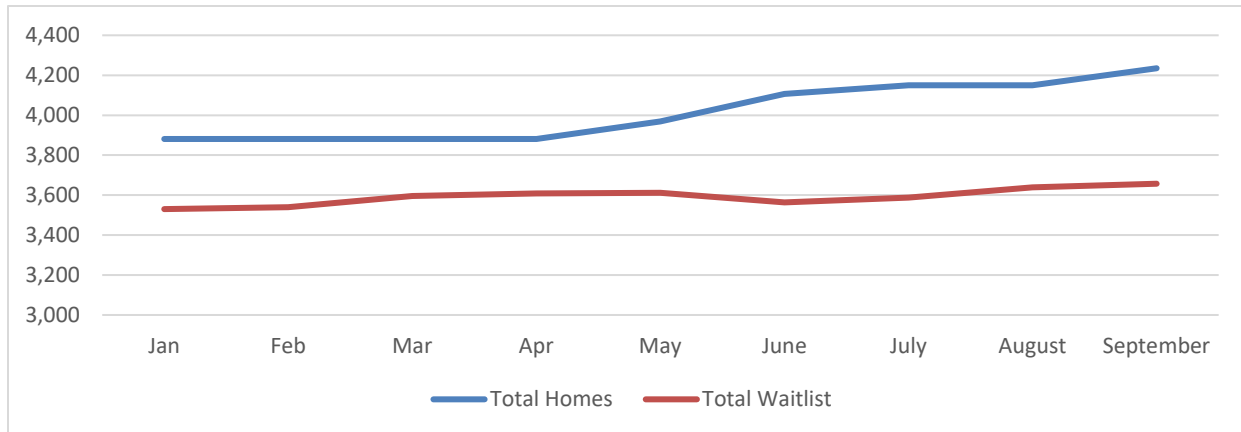
Operations has been sourcing and evaluating Property Management software options and is in advanced stages to secure a consulting contract for Process Mapping and Policy Reviews. This process will capture existing procedures and prepare for the steps required to prepare the transition to a fully digital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

Housing Registry Waitlist Statistics

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

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

Chart 1: BC Housing Registry Waitlist Statistics (2024)



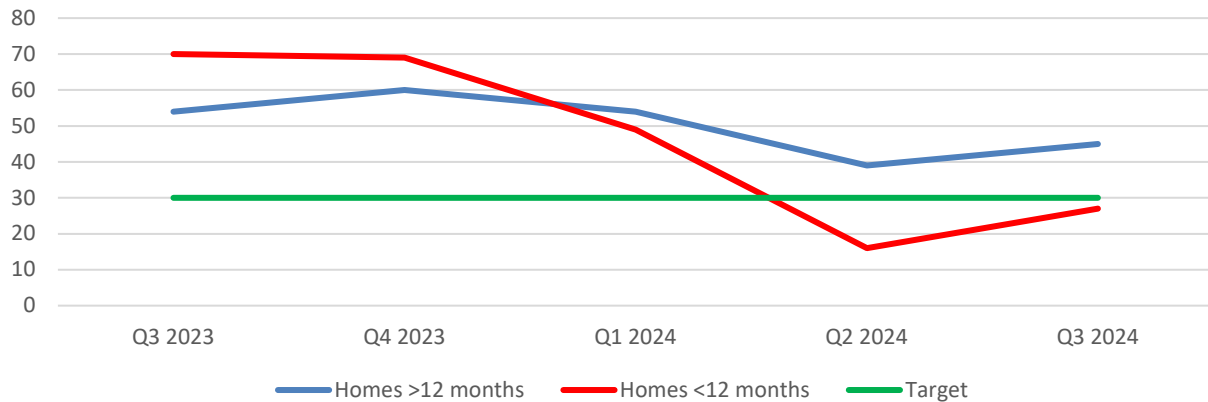
As of August 2024, the total households waiting for subsidized housing and reported on the registry waitlist are 3,657, which is 93 more than in June 2024 (3,564). As shown on Appendix A, the highest proportion of need in June 2024 (unchanged) is for Seniors (36%) followed by families (26%) and then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

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

Vacancy¹

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

Chart 2: Average Days Vacant¹



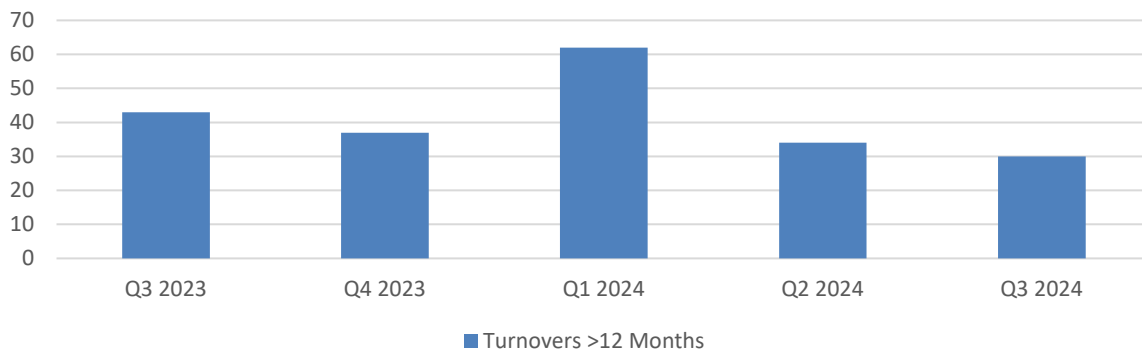
Looking first at homes occupied greater than 12 months, average days vacant were at 45 for Q3. This represents an increase of six days on average and can be attributed to staffing shortages (vacations, etc.) as well as longer wait times for contractor availability, again due to summer months/vacation.

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

Home Turnover

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

Chart 3: Turnover Rate – All Homes



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

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

CONCLUSION

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

RECOMMENDATION

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

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

ATTACHMENT

Appendix A: Applicant Waiting List Details

Sep 10, 2024 Applicant Waiting List Details

Appendix A

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