

- DRAFT -
MEMORANDUM OF UNDERSTANDING

Concerning the Principles and Objectives to Guide Preparation of the Administrative
Bylaw for the Regional Housing Trust Fund
(Capital Regional District Bylaw No. 3266)

BETWEEN:

The **District of Saanich**, the **District of North Saanich**, the **District of Metchosin**, the
Town of View Royal, and the **City of Victoria**
(hereinafter called the "Participants")

AND

The Capital Regional District
(hereinafter called the "CRD")

AND

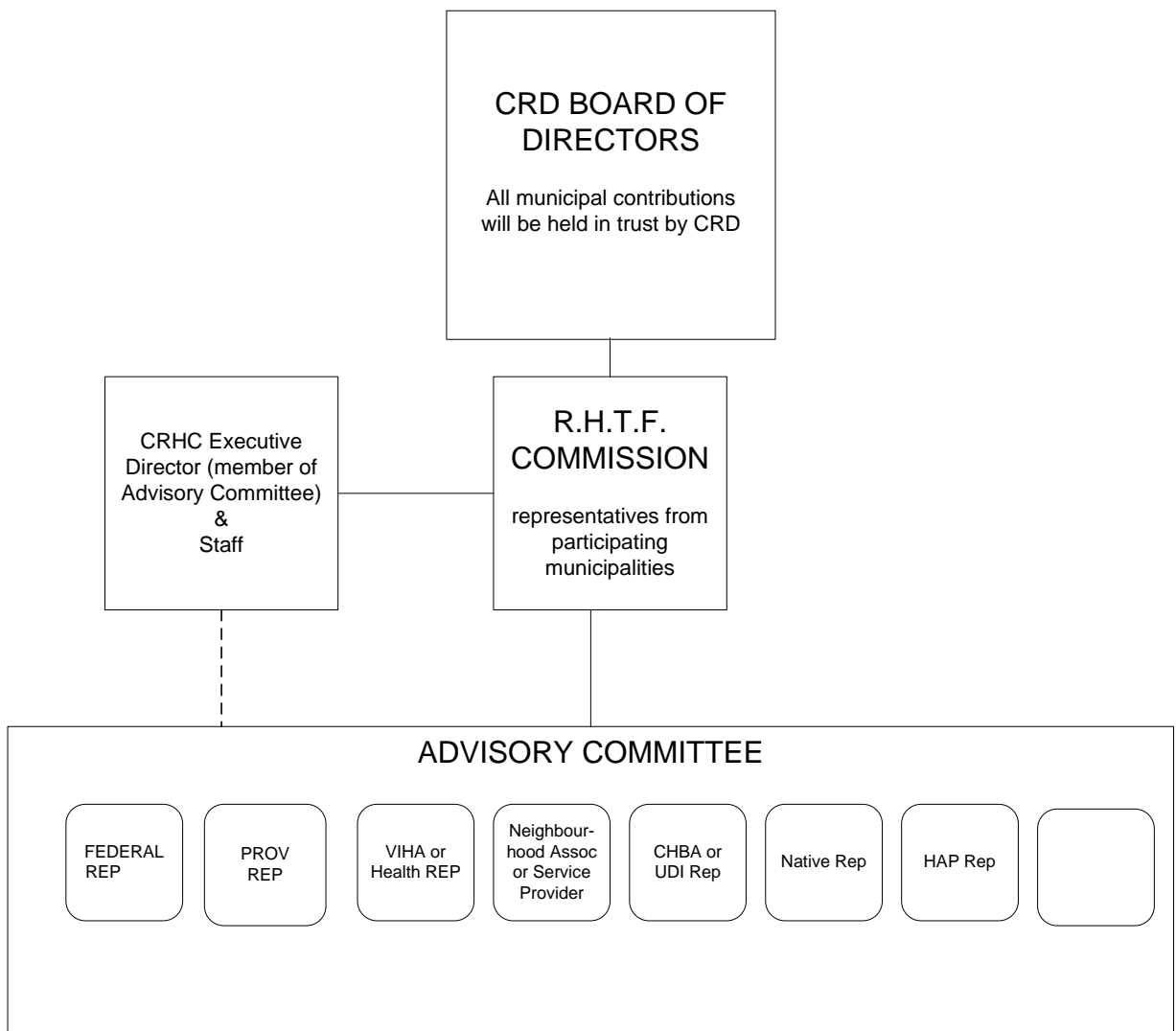
The Capital Region Housing Corporation
(hereinafter called the "CRHC")

The purpose of this MEMORANDUM OF UNDERSTANDING is to establish the principles and objectives to guide preparation of an administrative bylaw for the Capital Regional District Regional Housing Trust Fund Service Establishment Bylaw No. 1, 2005 in which bylaw the Participants are identified as the participating areas and for which the councils of the Participants have given consent on behalf of their electors, in accordance with section 801.4 of the *Local Government Act*.

IT IS FULLY UNDERSTOOD, ACKNOWLEDGED AND AGREED TO BY THE PARTICIPANTS, THE CRD AND THE CRHC THAT:

1. Following adoption of the Regional Housing Trust Fund Service Establishment Bylaw, a separate bylaw will be adopted relating to the administration of the service consistent with the principles and guidelines set out in this memorandum.
2. Financial agreements between the Board and participants as permitted in bylaw 3266 section 5 (b), must require participants to determine how they will pay their respective annual contribution to the Fund before the end of March of any calendar year.
3. The Board shall appoint a Regional Housing Trust Fund Commission (hereinafter called the "Commission") comprised of Board directors representing the participants, to oversee the service and advise the Board on the operation and administration of the Regional Housing Trust Fund (hereinafter called the "Fund") and on the disbursement of funds to eligible projects.

4. The Commission shall establish an advisory committee, comprised of representatives from senior levels of government, the health sector, community associations, the housing industry, housing advocates and aboriginal organizations shall be established to advise the Commission on matters related to housing affordability generally and make recommendations within the context of strategic priorities established by the Board.
5. The CRHC will provide administrative, technical and policy support to the Commission and will have a representative on the advisory committee.
6. The administrative and reporting structure for the Fund is illustrated in the following diagram:



7. The mandate of the Commission will be to:
 - i. Make recommendations to the Board on the Fund strategic service plan and the annual business plan and budget;
 - ii. Make recommendations to the Board on related policies, procedures and project funding and geographic allocation criteria;
 - iii. Make recommendations to the Board on the process for receiving, reviewing and evaluating applications for funding;
 - iv. Make recommendations to the Board regarding a fair distribution of project funding across the participating areas;
 - v. Review applications for project funding and make recommendations to the Board regarding project funding approval;
 - vi. Review municipal applications to access their funding contributed for the current budget year which they would then apply to an affordable housing project with high local priority;
 - vii. Report annually on the performance of the Fund in achieving the Board's strategic priorities;
 - viii. Review administrative costs annually through the budget process; and,
 - ix. Evaluate the Fund and make recommendations to the Board regarding its continuance, amendment, and renewal within the term of the effective dates of the Fund (i.e.: within five years of the date of adoption of bylaw 3266).

8. To support the Commission the CRHC, within the financial limits set out in bylaw 3266, will:
 - i. Prepare strategic service plans, annual business plans and budgets for review and approval by the Commission and the Board;
 - ii. Negotiate, on behalf of the board, partnerships with senior levels of government and others, acting on behalf of the board and the Commission;
 - iii. Provide administrative support to the Commission and the advisory committee;
 - iv. Monitor expenditures and prepare reports for the Commission and the Board;

- v. Seek and obtain stakeholder input into the ongoing operation of the Fund including the monitoring of its effectiveness in meeting the Board's approved priorities;
 - vi. Develop criteria for project funding and procedures for receiving and evaluating proposals
9. Although additional criteria will be developed to meet changing housing environments and opportunities, the Commission, in reviewing project proposals and making recommendations to the Board regarding disbursement of funds, shall consider the following principles:
- i. Viability – construction and operating budgets must be financially viable;
 - ii. Fairness – there should be a fair distribution of funded projects among the sub- regions within which the participants are located over the term of each strategic service plan;
 - iii. Partnership – projects must involve a partnership with one or more housing stakeholders, who may include non-profit societies, senior governments, other local governments, market housing providers or others;
 - iv. Financial Leveraging – projects must achieve a minimum leveraging ratio of 4:1 with preference given to projects that demonstrate higher leveraging ratios;
 - v. Stock Retention - funded projects must remain affordable for a minimum of 25 years as stipulated by senior government agreements;
 - vi. Affordability – proposed rent levels must meet Fund affordability objectives; and,
 - vii. Locational Affordability – Funded projects must demonstrate external affordability benefits for residents by virtue of their location within walking distance to a transit stop, shopping, schools, recreation and other community facilities.
10. The first draft administrative bylaw for the Fund will be completed within one month of the date of adoption of bylaw 3266.
11. The first strategic service plan for the Fund will be submitted to the Commission for review and approval within six months of the adoption of bylaw 3266.

Approved by the District of Saanich Council
Dated at Victoria, B.C. this ____ day of , 2005:

Frank Leonard, Mayor
District of Saanich

Approved by the District of North Saanich Council
Dated at Victoria, B.C. this ____ day of , 2005:

Ted Daly, Mayor
District of North Saanich

Approved by the District of Metchosin Council
Dated at Victoria, B.C. this ____ day of , 2005:

Karen Watson, Mayor
District of Metchosin

Approved by the Town of View Royal Council
Dated at Victoria, B.C. this ____ day of , 2005:

Graham Hill, Mayor
Town of View Royal

Approved by the City of Victoria Council
Dated at Victoria, B.C. this ____ day of , 2005:

Alan Lowe, Mayor
City of Victoria

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Fund (Capital Regional District Bylaw No. 3266)
26/02/2005

Approved by the Capital Regional District Board
Dated at Victoria, B.C. this ____ day of , 2005:

Don Amos, Chair
Capital Regional District

Approved by the Capital Region Housing Corporation Board
Dated at Victoria, B.C. this ____ day of , 2005:

David Ganong, Chair
Capital Region Housing Corporation