



**CAPITAL REGION HOUSING CORPORATION
BOARD OF DIRECTORS MEETING**

AGENDA

9:30 a.m., Tuesday, July 22, 2014
625 Fisgard St., Victoria
Room 488

1. Approval of Agenda
2. Approval of Minutes of June 24, 2014
3. Quarterly Report
4. Turnover and Vacancy
5. Applicant Eligibility Policy Update
6. Roofing and Gutter Contract 14/168
7. Property Management Report
8. Adjournment



CRHC

The Capital Region's Housing Corporation

**Minutes of a Meeting of the Capital Region Housing Corporation Board of Directors
Held June 24, 2014 in Victoria City Hall Ante-chamber, Victoria, BC**

PRESENT: **Directors:** M. Miller (Chair), R. Cooper, B. Isitt, S. Law, M. Loveless (Alternate for L. Cross), S. Olsen (alternate for D. Howe), L Wergeland
 Staff: R. Lapham, Chief Administrative Officer; K. Lorette, General Manager, Planning & Protective Services; C. Culham, Senior Manager; D. Metcalf, Manager of Operations; R. Loukes, Accountant
 Guests: Linda Ross and Christina Hull, Linda E. Ross Property Management Inc.

The meeting was called to order at 9:30 a.m.

1. APPROVAL OF AGENDA

It was **MOVED** by Director Wergeland, **SECONDED** by Director Loveless
That the agenda be approved.

CARRIED

2. APPROVAL OF MINUTES OF MAY 27, 2014

It was **MOVED** by Director Law, **SECONDED** by Director Cooper
That the minutes of May 27, 2014 be approved.

CARRIED

3. EXTERIOR PAINTING CONTRACT 14/166

The Board discussed the work to be done under this contract.

It was **MOVED** by Director Loveless, **SECONDED** by Director Wergeland

That the Capital Region Housing Corporation Board of Directors authorizes any two members of the Executive Committee to execute Contract #14/166 in the amount of \$119,455.

CARRIED

4. PROPERTY MANAGEMENT REPORT

Don Metcalf updated the Board on the current operations of the Corporation.

It was **MOVED** by Director Loveless, **SECONDED** by Director Cooper

That the Capital Region Housing Corporation Board of Directors receives the Property Management Report for information.

CARRIED

5. ADJOURNMENT

The meeting was adjourned at 9:40 a.m.

M. Miller, Chair

Colleen English, Recorder


**CAPITAL REGION HOUSING CORPORATION
ADMINISTRATION DIVISION
YEAR-TO-DATE (YTD) REVENUE AND EXPENDITURES
JANUARY to JUNE, 2014**


<u>Administration</u>	<u>Budget 2014</u>	<u>Budget Jan-Jun</u>	<u>Actual Jan-Jun</u>	<u>Variance Jan-Jun</u>
Revenues				
Management Fees - UOA, ILBC2, NOA and Others	997,334	498,667	498,667	0
Interest Income	100,000	50,000	50,000	0
Service Fees - Dockside Covenant	2,000	1,000	0	(1,000)
Misc - service charges	2,006	1,003	1,260	257
Transfer from Corporation Stabilization Reserve	0	0	12,390	12,390 (A)
Total Revenues	1,101,340	550,670	562,317	11,647
Expenditures				
Salaries and Benefits	800,000	400,000	383,590	16,410 (B)
Training	6,500	3,250	2,460	790
Travel and Conferences	4,300	2,150	583	1,567
Consultants and Legal Fees	15,000	7,500	800	6,700
CRD Administration and Audit Fees	132,340	66,170	66,277	(107)
Office Rental and Insurance	51,640	25,820	25,505	315
Telephone	15,490	7,745	6,346	1,399
Advertising	500	250	0	250
Stationery and Services	26,550	13,275	11,877	1,398
Equipment Replacement Reserve	2,500	1,250	1,250	0
Computer Support	46,520	23,260	18,450	4,810
Special Projects - Sec 95 CMHC Portfolio Analysis	0	0	12,390	(12,390) (A)
Total Expenditures	1,101,340	550,670	529,528	21,142
Total Administration Surplus/(Deficit)	0	0	32,789	32,789

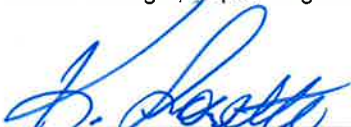
Variance Notes:

(A) Special Projects: Section 95 (CMHC) Portfolio Analysis completed. Budget 15,000

(B) Salaries & Benefits: 16,410 surplus due to outstanding 2014 contract increases and staff increments.


 PCN Christine Culham
 Senior Manager, Capital Region Housing Corporation


 Diana E. Lokken, CPA, CMA
 General Manager, Finance and Technology
 Concurrence


 Kevin Lorette, P. Eng, MBA
 General Manager, Planning and Protective Services
 Concurrence

**CAPITAL REGION HOUSING CORPORATION
 UMBRELLA AGREEMENT PORTFOLIO
 YEAR-TO-DATE REVENUE AND EXPENDITURES
 JANUARY TO JUNE, 2014**

UMBRELLA AGREEMENT

42 Buildings - 1,209 Mixed Income Family/Seniors Housing
 Constructed between 1983-2002

	UOA Budget 2014	UOA Budget Jan-Jun	UOA Actual Jan-Jun	UOA Variance Jan-Jun
Revenues				
BCHMC Fixed Payment	3,490,226	1,745,113	1,744,548	(566)
Tenant Rent	9,038,225	4,519,113	4,617,080	97,968 (A)
Misc Revenue - parking and laundry	42,252	21,126	19,536	(1,590)
Total Revenues	12,570,703	6,285,352	6,381,164	95,812
Expenditures				
Audit/Legal	29,373	14,687	15,409	(722)
Caretakers	957,794	478,897	463,982	14,915 (B)
Contingency & Vacancy	56,983	28,492	0	28,492
Garbage	170,138	85,069	81,713	3,356
Gas	138,554	69,277	72,615	(3,338)
Hydro	211,053	105,527	111,402	(5,876)
Insurance	257,562	128,781	123,619	5,162
Landscape Maintenance	278,783	139,392	138,072	1,320
Land Lease	63,000	31,500	31,500	0
Maintenance	583,032	291,516	186,029	105,487 (C)
Management Fee	844,248	422,124	422,124	0
Mortgage	6,246,694	3,123,347	3,124,658	(1,311)
Property Taxes	1,172,707	586,354	587,084	(730)
Replacement Reserve Contribution	820,691	410,346	410,346	0
Vehicle Operating	1,958	979	2,685	(1,706)
Water	630,149	315,075	217,075	98,000 (D)
Total Expenditures	12,462,719	6,231,360	5,988,312	243,048
Total Umbrella Agreement Surplus/(Deficit)	107,984	53,992	392,852	338,860

Variance Notes:

(A) Tenant Rent: 97,968 surplus due to less vacancies Jan-Jun than budgeted. Actual Jan-Jun rent 2013: 4,420,810 2014: 4,617,080 resulting in 4.4% improvement of 196,270.

(B) Caretaker: 14,915 surplus due to outstanding 2014 CUPE contract increases.

(C) Maintenance: 105,487 surplus due to annual unit inspections completed Jan-July and resulting maintenance work completed in July-Dec.

(D) Water: 98,000 surplus due to consumption being lower in the first half of the year.

CAPITAL REGION HOUSING CORPORATION
 INDEPENDENT LIVING BC 2 PORTFOLIO
 YEAR-TO-DATE REVENUE AND EXPENDITURES
 JANUARY TO JUNE, 2014

3 of 5

<u>ILBC 2</u> 1 Building - 21 Seniors Independent Living Housing Constructed 2008	ILBC 2 Budget 2014	ILBC 2 Budget Jan-Jun	ILBC 2 Actual Jan-Jun	ILBC 2 Variance Jan-Jun
Revenues				
BCHMC Subsidy	294,798	147,399	136,542	(10,857)
Tenant Rent	332,652	166,326	183,680	17,354 (A)
Misc Revenue	8,820	4,410	5,651	1,241
Total Revenues	636,270	318,135	325,873	7,738
Expenditures				
General Costs				
Audit/Legal	535	268	268	0
Cable - offset by Misc Revenue	0	0	3,648	(3,648)
Contingency & Vacancy	5,000	2,500	0	2,500
Contracted Services	285,300	142,650	142,554	96
Garbage	3,000	1,500	1,085	415
Hydro	29,665	14,833	14,017	816
Insurance	6,070	3,035	2,990	45
Memberships	500	250	263	(13)
Mortgage	207,342	103,671	104,859	(1,188)
Property Taxes	23,374	11,687	10,858	830
Replacement Reserve Contribution	16,600	8,300	8,300	0
Water	4,978	2,489	1,367	1,122
	582,364	291,182	290,208	974
Manageable Costs				
Caretaker	8,156	4,078	5,826	(1,748)
Landscape Maintenance	3,020	1,510	1,437	73
Maintenance	19,370	9,685	8,573	1,112
Management Fee	23,360	11,680	11,680	0
	53,906	26,953	27,516	(563)
Total Expenditures	636,270	318,135	317,724	411
Total ILBC 2 Surplus/(Deficit)	0	0	8,149	8,149

Variance Notes:

(A) Tenant Rent: 17,354 surplus due to only 2 vacancies Jan-Jun/14 compared to 15 vacancies Jan-Jun/13.

CAPITAL REGION HOUSING CORPORATION
 CRHC NO OPERATING AGREEMENT
 YEAR-TO-DATE REVENUE AND EXPENDITURES
 JANUARY TO JUNE, 2014

4 of 5

VILLAGE ON THE GREEN

1 Building - 38 Mixed Income Family Housing
 Constructed 1984

	VOG Budget 2014	VOG Budget Jan-Jun	VOG Actual Jan-Jun	VOG Variance Jan-Jun
Revenues				
Tenant Rent	365,333	182,667	192,911	10,245 (A)
Misc Revenue	757	379	73	(306)
Total Revenues	366,090	183,045	192,984	9,939
Expenditures				
Audit/Legal	900	450	450	0
Caretaker	29,583	14,792	13,890	902
Garbage	4,219	2,110	2,168	(59)
Hydro	2,061	1,031	761	270
Insurance	7,595	3,798	3,723	75
Landscape Maintenance	6,947	3,474	3,474	0
Maintenance	18,650	9,325	3,195	6,130
Management Fee	26,448	13,224	13,224	0
Mortgage	154,976	77,488	77,580	(92)
Property Taxes	43,051	21,526	21,494	32
Replacement Reserve Contribution	34,900	17,450	17,450	0
Vehicle Operating	176	88	44	44
Water	15,514	7,757	3,516	4,241
Total Expenditures	345,020	172,510	160,969	11,542
Total Village on the Green Surplus/(Deficit)	21,070	10,535	32,016	21,481

Variance Notes:

(A) Tenant Rent: 10,245 surplus due to only 2 vacancies Jan-Jun/14 compared to 13 vacancies Jan-Jun/13.

CAPITAL REGION HOUSING CORPORATION
 CRHC NO OPERATING AGREEMENT
 YEAR-TO-DATE REVENUE AND EXPENDITURES
 JANUARY TO JUNE, 2014

5 of 5

VERGO 1 Building - 18 Affordable Family Housing Constructed 2012	Vergo Budget 2014	Vergo Budget Jan-Jun	Vergo Actual Jan-Jun	Vergo Variance Jan-Jun
Revenues				
Tenant Rent	249,480	124,740	124,485	(255)
Misc Revenue	0	0	0	0
Total Revenues	249,480	124,740	124,485	(255)
Expenditure				
Audit/Legal	426	213	213	0
Caretaker	8,172	4,086	4,129	(43)
Garbage	2,357	1,179	1,123	56
Hydro	615	308	381	(74)
Insurance	6,728	3,364	3,298	66
Landscape Maintenance	4,105	2,053	2,053	(1)
Maintenance	4,335	2,168	675	1,493
Management Fee	12,528	6,264	6,264	0
Mortgage	239,991	119,996	120,126	(131)
Property Taxes	18,163	9,082	12,206	(3,125)
Replacement Reserve Contribution	7,000	3,500	3,500	0
Water	5,780	2,890	920	1,970
Total Expenditures	310,200	155,100	154,888	212
Total Vergo Surplus/(Deficit) to be supplemented by No Operating Agreement Portfolio Stabilization Reserve	(60,720)	(30,360)	(30,403)	(43)

Variance Notes:



CRHC
The Capital Region's Housing Corporation

REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS MEETING OF JULY 22, 2014

SUBJECT TURNOVER AND VACANCY

ISSUE

This report provides information on the activity and performance results in the areas of turnover, vacancy and move-ins for the period of 2013.

BACKGROUND

Turnover

Turnover represents the move-out activity of tenants from the Capital Region Housing Corporation (CRHC) housing portfolio. The measurement for this activity is the number of move-outs, including internal transfers which occurred within the reporting period. As a result of the repair to the units, the volume of turnover has a significant financial impact on the operating and capital budgets. For 2013, there were 194 turnovers.

Vacancy

Vacancy activity is a key performance area and provides information on the occupancy level of the housing stock. This is also an area that the Canada Mortgage and Housing Corporation (CMHC) monitors and provides statistical data for municipalities, provinces and nationally. The performance indicator for this activity is the vacancy rate which is a snapshot in time of the number of units that are not occupied, not committed to a future tenant and incurring vacancy loss (no rental revenue at that point in time). The CMHC vacancy rate for Greater Victoria in 2013 was 2.8%. The CRHC vacancy rate for 2013 was 2.53%.

Another performance indicator is the number of days that units remain vacant across the portfolio. This indicator measures the time between a tenant being no longer responsible for renting the unit and a new tenant assuming the unit. In 2013 there were 12,347 days of vacancy loss (2.53% vacancy rate). The average length of time for a unit to be vacant in 2013 was 64 days.

Many factors impact the length a unit may stay vacant including fire, floods, incoming tenant needing to provide adequate notice to current landlord, and location and marketability of the community. Damaged units or units in need of major repair represented 1097 (9%) days of lost income in 2013.

Housed

In 2013, 159 tenants were housed with CRHC. The housed totals include applicants who have accessed housing through the Housing Registry; market rent tenants and internal transfers that were granted during the reported period.

Internal transfers are guided through our Tenant Transfer Policy and address over housing, mobility and accessibility issues, safety and medical considerations, and tenants who would like to move to accommodate employment, be closer to support systems and other life changes. Transfers represent approximately 10% of all tenants housed annually.

The number of tenants transferred in the portfolio in 2013 was 35. Eighteen transfers were based on over housing which are mandatory, and the other 17 were tenant requests based on the above criteria.

FINANCIAL IMPLICATIONS

Historically we have not tracked the financial impact of turnover specifically although we know it is significant. Turnover of vacant units is funded through the replacement reserves and is budgeted through our capital program. These costs are applied to items that need to be replaced based on lifecycle (wear and tear). At unit turnover, unit inspections are completed and any damages outside of regular wear and tear are charged back to tenants. These are recovered through the holdback of the security deposits and additional charges are recovered through payment plans and/or collections.

In July 2010 a policy was implemented for a move-out incentive to reduce vacancy loss and efficiently utilize staff resources required to manage unit turnover. The unit must be turned over to CRHC at the end of the tenancy in a condition that will allow it to be occupied immediately by the incoming tenant. Tenants must give an additional 10 business days’ notice. In return an incentive of \$100 would be added to their security deposit cheque. In 2013, there were 21 tenants who received the move-out incentive.

Since 2009, the average days vacant has steadily increased from 23 days vacant to the current 64 days vacant (Table 1). CRHC has begun collecting the financial data to be able to better understand the financial impact of damages to units, collection for damages and cost of replacement of vacancy turnover and to be able to compare this data on an annual basis to be used as a benchmark for performance. Staff are also working to improve the marketability of our units through the development of marketing materials and an evaluation of our current practices.

TABLE 1 – Comparison of Historic Vacancy Statistics

Year	Turnovers	Days vacant	Average days vacant	Vacancy Rate	CMHC Vacancy Rate Greater Victoria
2013	194	12,347	64	2.53%	2.8
2012	189	7985	42	1.67%	2.7
2011	172	5810	34	1.21%	2.1
2010	143	3095	22	0.98%	N/A
2009	171	3955	23	0.89%	N/A

CONCLUSION

CRHC experiences significant costs in preparing vacant units for occupancy. There is also a significant cost when units are vacant and experiencing income loss. These costs have an impact on both the operating and capital budgets.

RECOMMENDATIONS

That the Capital Region Housing Corporation Board of Directors receives this report on the turnover, vacancy and housed activity.

*** ORIGINAL SIGNED

Christine Culham
Senior Manager
Capital Region Housing Corporation

*** ORIGINAL SIGNED ***

Kevin Lorette, P.Eng., MBA
General Manager
Planning and Protective Services
Concurrence



CRHC

The Capital Region's Housing Corporation

REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS MEETING OF JULY 22, 2014

SUBJECT APPLICANT ELIGIBILITY POLICY UPDATE

ISSUE

The Capital Region Housing Corporation (CRHC) Tenant Eligibility Policy should be updated to ensure it is clear and transparent and meets the current mandate, legislation and operating obligations of the corporation.

BACKGROUND

The current Applicant Eligibility Policy has not been updated since 2004 and the CRHC policy and practices are currently not aligned. The landscape has changed since 2004 including the establishment of the Housing Registry and the introduction of the Umbrella Operating Agreement which aligns the application process for the CRHC's three housing portfolios.

Applicants from households with income over the Housing Income Limits (HILs) but below the moderate income limit can apply for low end market housing. Low to moderate income households are defined as those whose income level is within the second quintile of the total household income of two persons or more in British Columbia. It is based on Statistics Canada ***Survey of Labour and Income Dynamics report***. To be eligible for a low end market housing unit, total household income must not exceed this amount at move-in.

Applicants for market units can apply directly to CRHC. Market unit availability is advertised on the CRHC website. Market units are allocated chronologically to applicants who meet the eligibility requirements. The applicant must meet the income eligibility requirements and preference for market units will be based on the applicant who most closely meets the occupancy standards. This is to ensure that units are maximized in meeting the needs of low and moderate income families, individuals and seniors.

The Housing Registry was created in order to provide a single point of entry for individuals in British Columbia applying for Rent Geared to Income (RGI) housing. Since its inception, the CRHC has been obligated to select all RGI tenants through the Housing Registry. The Housing Registry is managed through the BC Housing Management Corporation (BCHMC) and is governed by an elected Board of Directors made up of housing providers. CRHC currently holds a position on the Housing Registry Board of Directors.

CRHC is obligated to ensure that applicants chosen for RGI units meet the required eligibility criteria (*eligible groups, residency, asset and income requirements, live independently, factors for exclusion*) based on our operating agreements and the CRHC must adhere to the *National Housing Act*, the *Residential Tenancy Act* and the Human Rights Code.

The Housing Registry is organized to evaluate applications to ensure that they meet the eligibility criteria. Housing providers need to have a fair and consistent process for selecting applicants for available units. Recognizing that not all providers use the same criteria, the Housing Registry database offers members various options when running an “Application Match”. The options include chronological, based on application date; a point score, based on income rent and other factors related to the applicant’s current living circumstances; or categories of housing need, as outlined below.

- A. Applicants facing a severe risk to health and/or safety, such as homelessness or living in a homeless shelter.
- B. Applicants with serious health/medical/social needs, such as risk of homelessness, fleeing domestic abuse, living in severely inadequate housing, or transitioning to a more independent living situation.
- C. Applicants whose housing need is moderate compared with the two previous categories, such as living in temporary or inadequate accommodation.
- D. Applicants with a specialized housing need or low housing need, such as living in marginally crowded housing.
- E. Applicants for the low end market units found in some subsidized buildings.

Eligible applicants are placed in category C, D or E based on the information provided with their application. Applicants who wish to receive additional consideration due to homelessness, fleeing domestic violence or abuse, or a serious health condition affected by their current housing may elect to have a Supplemental Application Form completed by a third-party verifier. Once a valid Supplemental Application Form is received the applicant may be placed in category A or B. Within each category applicants can be sorted by application date or point score.

When a unit becomes vacant, housing providers will draw from the list of eligible tenants and choose a tenant based on their fair and consistent internal applicant eligibility policy and procedures.

ALTERNATIVES

1. That the Board of Directors approves the amended Applicant Eligibility Policy 2.10 (Appendix A) whereby CRHC selects eligible applicants off the Housing Registry by chronology and intermittently houses those applicants who have a verified supplemental application and are in critical housing need.
2. That the Board of Directors refers back to staff to determine an alternative selection criteria for the Tenant Eligibility Policy.

IMPLICATIONS

The CRHC mandate is the development, management and promotion of affordable housing that is essential for the well-being of the people and communities in the Capital Region.

The average unit turnover from 2009 to 2013 is 174 units annually. Based on our internal transfer policy, approximately 17-20 of those are internal transfers. Approximately 46 of the turnover annually would be low-end market tenants with the remaining filled by rent geared to income tenants chosen from the Housing Registry.

The amended Applicant Eligibility Policy 2.10 (Appendix A) recommends that 90% of those applicants would be chosen chronologically to meet our primary mandate of providing affordable housing. It is proposed that the CRHC reserve 10% of those applicants for individuals and families in urgent housing need. This would fulfill a social benefit of supporting our community resolve critical social problems.

CONCLUSION

The CRHC's primary mandate is to provide affordable housing to those persons and families living in low income that meet the household requirements as determined through our operating agreements with BCHMC. These include families, seniors and persons living with disabilities. It is the CRHC's obligation to choose tenants for our rent geared to income households from the Housing Registry. It is the CRHC's responsibility to develop a method of selection that is fair, consistent and transparent.

Choosing applicants chronologically meets our primary mandate of providing affordable housing to families, seniors and persons living with disabilities who meet the income requirements.

Choosing applicants based on a critical need is an approach for best utilizing scarce housing resources. In the absence of a sufficient supply of affordable housing, this is a tool to direct housing to those most in need in the community.

By blending the selection based on both chronological and critical need, it allows the CRHC to meet its primary mandate of providing affordable housing while fulfilling a social benefit. The updated policy proposes a 90%/10% split to address this.

RECOMMENDATION

1. That the Capital Region Housing Corporation (CRHC) Board of Directors approves the amended Applicant Eligibility Policy 2.10 (Appendix A) whereby CRHC selects eligible applicants off the Housing Registry by chronology and intermittently houses those applicants who have a verified supplemental application and are in critical housing need.

*** ORIGINAL SIGNED ***

Christine Culham
Senior Manager
Capital Region Housing Corporation

*** ORIGINAL SIGNED ***

Kevin Lorette, P.Eng., MBA
General Manager
Planning and Protective Services
Concurrence

Attachment: 1

POLICY AND PROCEDURES MANUAL	SUBJECT Applicant Eligibility		
	POLICY NO. 2.10	EFFECTIVE July 22, 2014	AMENDMENT NO. 1

OBJECTIVE: To ensure adherence to operating agreements and relevant legislation relative to tenant selection and eligibility

To ensure fair, consistent, equitable and transparent housing opportunities

POLICY:

1. Income eligibility

1.1 Subsidized units

To be eligible for subsidized housing, the applicant's gross household income must be below certain income limits, as established by the Housing Income Limits (HILs). HILs represent the income required to pay the average market rent for an appropriately sized unit in the private market.

1.2 Market Units

Applicants from households with income over the HILs but below the moderate income limit can apply for low end market housing. Low to moderate income households are defined as those whose income level is within the second quintile of the total household income of two persons or more in British Columbia. It is based on Statistics Canada *Survey of Labour and Income Dynamics report*. To be eligible for an affordable market unit, total household income must not exceed this amount at move-in.

2. Occupancy Standards

The size of the unit required by a household is outlined in the CRHC Occupancy Standards policy and is governed by the National Occupancy Standards. See CRHC Occupancy Standards policy 2.12.

3. Application Process

3.1 Subsidized Units

Applicants for subsidized housing must apply for housing through the Housing Registry. The Housing Registry is a single point of entry for individuals and families looking for subsidized housing options. Individuals searching for subsidized housing submit one application form to be considered for any available housing units in developments managed by the Housing Registry members. CRHC is mandated to be a Housing Registry member as per our operating agreements.

CRHC provides affordable housing to low and moderate income individuals and families. CRHC will choose applicants in two ways to fulfil its mandate of providing rent geared to income housing.

1. Applicants will be chosen on a **chronological basis**. The information on the application will be verified by CRHC. If an applicant is deemed ineligible for a unit they applied for, the applicant will be notified in writing why they have been deemed ineligible and will be provided details of the conditions they must meet in order to be eligible in the future.
2. Applicants will be chosen who are deemed **high priority** on the Housing Registry. Completion of the Housing Registry *Supplemental Application Form* gives priority to applicants who are homeless, fleeing domestic violence or abuse, or who have a serious health condition affected by their current housing. Applicants provide specific information from a third party, such as a health professional, registered social worker or counsellor, who can verify the applicant's current housing situation and the specific housing needs they have. High priority tenants will be chosen as every *tenth* unit becomes available.

3.2 Market units

Applicants for market units can apply directly to CRHC. Market unit availability is advertised on our website. Market units are allocated chronologically to applicants who meet the eligibility requirements. The applicant must meet the income eligibility requirements and preference for market units will be based on the applicant who most closely meets the occupancy standards. This is to ensure that units are maximized in meeting the needs of low and moderate income families, individuals and seniors.

4. Reference Checks, Rental Payment History and Credit Checks

4.1 Reference Checks

An applicant must have two recent, positive landlord reference checks or will have completed the *Ready to Rent* program successfully.

4.2 Rental Payment History

An applicant must have paid their rent on time and in full for the previous six months of their tenancy. This will be verified during the landlord reference check.

4.3 Credit Checks

Credit checks *may* be completed from time to time.



CRHC

The Capital Region's Housing Corporation

**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS
MEETING OF JULY 22, 2014**

SUBJECT ROOFING AND GUTTER CONTRACT 14/168

ISSUE

The Capital Region Housing Corporation Signing Authority requires that all contracts with a value over \$50,000 require the approval of the Board of Directors and must be signed by two members of the Executive Committee.

BACKGROUND

Contract 14/168 is for roofing and gutters at The Hamlet, 2620 Shakespeare St.

The Hamlet, built in 1990, is a ten-unit townhouse complex. There are two buildings, each containing five units. The current roofing is the original and is beyond its service life.

FINANCIAL IMPLICATIONS

The contract was publicly tendered through the CRD website & BC Bid. Bid amounts are pre-tax.

- 5 compliant bids were received
- The low bid was Parker Johnston Industries Ltd. at \$65,500
- The other 4 bids were \$69,060, \$70,281, \$71,330 and \$73,228
- The total budgeted in the capital plan for this work is \$80,500. This budget included funds for contingency, clearance pruning and inspection services.
- Based on a contract amount of \$65,500 a 10% contingency will be \$6,550 and specification and inspection services fees will be \$5,120. We have a quote from our arborist for clearance pruning costs of \$2,375. This will bring the total to \$79,545.

CONCLUSION

The site is due for roofing and gutters based on condition. Maintaining the exterior of the buildings both preserves the integrity of the building and enhances the appearance of the project. CRHC should move forward with this contract now so that the work may be completed during good weather.

Parker Johnston confirms they can proceed and anticipate completing the work within 14 days of award.

RECOMMENDATION

That the Capital Region Housing Corporation Board of Directors authorizes any two members of the Executive Committee to execute Contract #14/168 with Parker Johnston Industries Ltd. in the amount of \$65,500.

*** ORIGINAL SIGNED ***

Christine Culham
Senior Manager
Capital Region Housing Corporation

*** ORIGINAL SIGNED ***

Kevin Lorette, P.Eng., MBA
General Manager
Planning and Protective Services
Concurrence

Property Management Report – July 22, 2014
Capital Region Housing Corporation Board of Directors

This Property Management Report provides an update since the last report of June 24, 2014

REGISTRY WAITLIST STATISTICS

Category	July 2014	June 2014	July 2013
Total Registry Units	3,246	3,246	3,194
Family	409	393	415
Seniors	465	469	474
Persons with disabilities	357	358	348
Wheelchair Modified	64	61	75
Singles	21	17	16
Total	1,316	1,298	1,328

BUILDING ENVELOPE REMEDIATION & RELATED CAPITAL IMPROVEMENTS

The Heathers Envelope Remediation

Staff has met on site with BC Housing staff to begin the process. BC Housing requires insurance documentation and GST remittance info from CRHC; once received they will forward a mortgage package to CRHC. The forgivable mortgage (grant) will require the CRHC Board to pass a special borrowing resolution. BC Housing will then begin the process of hiring a consulting engineer and putting the scope of work out for an RFP from contractors. The timing estimate, from seeking a consultant to begin work on site is three and a half to five months.

2014 Roofing and Gutters

The Board-approved 2013-2015 Capital Plan authorized \$175,000 to be spent in 2014 on roofing and gutters. In June, the gutters at Olympic View were replaced for \$46,454. Staff have recommended that The Hamlet roof and gutters be tendered based on a capital plan budget of \$80,500.

The report on Roofing and Gutter Contract 14/168 for The Hamlet is attached.

ARBITRATIONS

A tenant applied to the Residential Tenancy Branch (RTB) seeking a monetary order for \$500 from CRHC and permission to change the unit locks. A decision was issued by the RTB dismissing the tenant's application.

A hearing was conducted by the RTB regarding an eviction notice given to a tenant by CRHC. An agreement was reached during the hearing which allowed the tenant to remain in place providing the tenant paid rent arrears of \$990 by June 30, 2014. The tenant complied by making the payment. However the tenant has now failed to pay July rent and a new eviction process is underway.

INSURANCE COVERAGE JULY 1, 2014 – June 30, 2015

Insurance coverage for the portfolio has been renewed for \$306,821 with Marsh Canada. Marsh is the insurance provider for BCHMC and BC Non-Profit Housing Association. By leveraging the aggregate size of the non-profit housing sector, members receive preferential rates as compared to those in the general insurance market place.

Property premium	282,427
Commercial general liability premium	23,301
Directors, Crime, Volunteers premium	<u>1,093</u>
Total 2014 premium	<u>306,821</u>

A summary of coverage is as follows:

Property Value	248,193,512	<u>Deductibles:</u>	
Rental Income Value	<u>20,380,274</u>	Earthquake	10%
Total Insured Value	268,573,789	Flood	10,000
		Water Damage	3,000
		Glass Coverage	500
		All Other Losses	3,000

This year's premium of \$306,821 represents a 10% increase over last year's premium of \$278,096. Staff had estimated for a 4% increase. The overage is approximately \$17,600.

Marsh Canada has explained that the 10% increase is due to a combination of "cyclical hardening of the insurance market", impacted "as domestic insurers absorbed catastrophic flood losses in Canada", and "Earthquake exposure in BC remains a significant concern". As well, Marsh Canada points to a large number of claims that are made by the BC Non-Profit Association members, particularly water damage and fire related losses.

PROPERTY TAXES 2014

All Buildings Excluding Beechwood Park

CRHC budgeted for 2014 property tax an increase of 3.5% (\$40,302), based on 2013 actuals, excluding Beechwood Park. The actual overall increase was 3.7% (\$43,572) resulting in a budget overage of \$2,970.

2014 actual property taxes were \$1,215,767 (2013: \$1,172,195).

Beechwood Park

CRHC paid reduced property taxes for Beechwood Park prior to and during its remediation, but the building was reassessed at the completion of construction resulting in a return to full property taxes. 2012: \$27,209; 2013: \$28,649; 2014: \$47,514.

Staff continues working with BC Assessment to update CRHC properties where Building Envelope Condition Assessments demonstrate a liability regarding building envelope remediation. These assessment updates could result in changes to property assessment values, which in turn will affect property taxes depending on the relationship CRHC properties have to other properties in their specific municipality.

*** ORIGINAL SIGNED ***

Don Metcalf
Manager of Operations