



**CRHC**

The Capital Region's Housing Corporation

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

**AGENDA**

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

1. Approval of Agenda
2. Approval of Minutes of July 22, 2014 and August 29, 2014
3. Smoke-Free Project Update
4. Strategic Plan
5. Community Representative Appointment 2015 – 2016
6. Mortgage Renewal - Village on the Green
7. Property Management Report
8. Motion to Close the Meeting in accordance with the *Community Charter*, Part 4, Division 3, Section 90 (1) (e) *the acquisition, disposition or expropriation of land or improvements*
9. Adjournment



**CRHC**

The Capital Region's Housing Corporation

**Minutes of a Meeting of the Capital Region Housing Corporation Board of Directors  
Held July 22, 2014 in Room 488, 625 Fisgard St., Victoria, BC**

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**PRESENT: Directors:** M. Miller (Chair), R. Cooper, D. Howe, S. Law, L Wergeland  
**Staff:** K. Lorette, General Manager, Planning & Protective Services;  
C. Culham, Senior Manager; D. Metcalf, Manager of Operations;  
R. Loukes, Accountant; C. English, Recorder

**ABSENT: Directors:** L. Cross, B. Isitt

The meeting was called to order at 9:35 a.m.

**1. APPROVAL OF AGENDA**

It was requested that a discussion on smoke-free buildings be added to the agenda as Item 7(a).

It was **MOVED** by Director Cooper, **SECONDED** by Director Howe  
That the agenda be approved as amended.

**CARRIED**

**2. APPROVAL OF MINUTES OF JUNE 24, 2014**

It was **MOVED** by Director Wergeland, **SECONDED** by Director Law  
That the minutes of June 24, 2014 be approved.

**CARRIED**

**3. QUARTERLY REPORT**

The Board reviewed the Quarterly Report. The trend in fewer vacancies continues and is reflected in a surplus in tenant rents. Surpluses in some budget items are due to the cyclical nature of work to be done in the summer.

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

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

**CARRIED**

**4. TURNOVER AND VACANCY**

The Board reviewed the report and requested that statistics on turnover and vacancy be provided quarterly.

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

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

**CARRIED**

#### **5. APPLICANT ELIGIBILITY POLICY UPDATE**

The Board reviewed the report and asked questions about the amended policy. It was requested that staff amend the wording of Item 4.2 Rental Payment History to "This *may* be verified during the landlord reference check."

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

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.

**CARRIED**

*Director Howe left the meeting at 10:30 a.m.*

#### **6. ROOFING AND GUTTER CONTRACT #14/168**

The Board had a detailed discussion about the Corporation's process of posting and awarding contracts.

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

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

**CARRIED**

#### **7. PROPERTY MANAGEMENT REPORT**

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

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

**CARRIED**

Due to time constraints it was agreed to postpone Item 7 (a) to a subsequent meeting.

*Director Law left the meeting at 11:37 a.m.*

#### **8. ADJOURNMENT**

The meeting was adjourned at 11:49 a.m.

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M. Miller, Chair

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Colleen English, Recorder



**Minutes of a Meeting of the Capital Region Housing Corporation Board of Directors  
Held August 29, 2014 via teleconference, Victoria, BC**

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**PRESENT:**     **Directors:** M. Miller (Chair), R. Cooper, D. Howe, B. Isitt, L. Wergeland  
                  **Staff:**       R. Lapham, Chief Administrative Officer, Capital Regional District;  
                              C. Culham, Senior Manager; D. Metcalf, Manager of Operations;  
                              R. Loukes, Accountant; C. English, Recorder

**ABSENT:**     **Directors:** L. Cross, S. Law

The meeting was called to order at 7:34 a.m.

**1. APPROVAL OF AGENDA**

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

**CARRIED**

**2. FORGIVABLE MORTGAGE AND OPERATING AGREEMENT – THE HEATHERS**

BC Housing will provide a forgivable mortgage to cover \$2 million of the cost of a building envelope remediation required at The Heathers. Mortgage documents and an operating agreement require signing by the Board Executive.

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

That the Capital Region Housing Corporation Board of Directors

1. Authorizes any two members of the Executive Committee to execute the Forgivable Mortgage and the Forgivable Mortgage Operating Agreement with British Columbia Housing Management Commission for The Heathers at 3169 Tillicum Road, Saanich, BC for a thirty-five year term.

**CARRIED**

**3. MOTION TO CLOSE THE MEETING**

It was **MOVED** by Director Wergeland, **SECONDED** by Director Howe to Close the Meeting in accordance with the Community Charter, Part 4, Division 3, Section 90 (1) (e) the acquisition, disposition or expropriation of land or improvements.

**CARRIED**

The meeting was closed at 7:40 a.m. and resumed in open session at 8:06 a.m. without report.

**4. ADJOURNMENT**

The meeting was adjourned at 8:06 a.m.

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M. Miller, Chair

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Colleen English, Recorder



**CRHC**

The Capital Region's Housing Corporation

**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS  
MEETING OF SEPTEMBER 30, 2014**

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**SUBJECT     SMOKE-FREE PROJECT UPDATE**

**ISSUE**

The Board of Directors requested at the July 22, 2014 Board meeting that staff provide a written update on the current status of the implementation of the CRHC smoke-free project.

**BACKGROUND**

In 2006, the Capital Region Housing Corporation (CRHC) was approached by the Clean Air Coalition of BC and the Vancouver Island Health Authority (Island Health) to consider implementing a pilot project to convert some of the housing portfolio to smoke-free. At that time, the CRHC permitted smoking in units and adjacent patios and decks. No smoking was permitted in the common areas.

The Residential Tenancy Act does not contain any specific provisions relating to smoking or second-hand smoke. However, the Act does allow a landlord to include a no-smoking clause in all new tenancy agreements to ban smoking in units, balconies and the common area.

In 2007, four buildings were selected for the pilot project. Existing tenants were asked to sign an addendum to their tenancy agreement agreeing not to allow smoking in their units and adjacent patios and decks. Existing tenants who did not sign the addendum were grandfathered. New tenants to those buildings are required to sign the smoke-free clause. The smoke-free clause applies to all combustible materials.

The Clean Air Coalition and Island Health partnered to provide assistance with this project by making available tenant education on smoking cessation.

The strategy since the initial pilot project has been to have smoke-free clauses in the tenancy agreements of all new complexes and to work with existing tenant communities who show an interest in their complexes becoming smoke-free.

Since the Pilot Project in 2007, two new buildings – Parry Place (2008, 21 units) and Vergo (2012, 18 units) were added to the portfolio and are smoke-free.

In January, 2014, the senior's apartment tower at Leblond (28 units) became smoke-free in response to a petition by tenants. A community meeting was held and three months notification was provided to tenants. The tenants and guests in the family townhouse units at Leblond are still allowed to smoke.

Table 1: CRHC complexes that are smoke-free

Building	# of Units	Tenant Type	Year smoke-free	Agree to Sign Addendum in 2007
Castanea	59	Family/senior	2007	16
Birches	56	senior	2007	18
Firgrove	32	family	2007	4
Springtide	48	senior	2007	26
Parry Place	21	ILBC	2008	Built in 2008
Vergo	18	Affordable	2012	Built in 2012
Leblond	28	Seniors	2014	n/a
<b>Total</b>	<b>262</b>			

It is reported by the Property Manager, Tenant Relations that complaints have not increased in these buildings as a result of the introduction of this policy.

The enforcement of the smoke-free clause is on a complaint basis, and residents (except those grandfathered) can be subject to a notice to end their tenancy if they smoke or permit any member of their household or guests to smoke on site.

Grandfathered tenants and tenants in our buildings where smoking is allowed do not have unrestrained rights to smoke. According to Section 28 of the Act, tenants are entitled to quiet enjoyment, which includes the right to be free from unreasonable disturbances. If tenants complain of unreasonable disturbances due to second-hand smoke penetrating their units, a landlord has a responsibility to take steps to address the problem.<sup>1</sup>

The 37 remaining complexes in the portfolio continue to permit smoking in units and adjacent patios and decks. No smoking is permitted in the common areas.

### **ALTERNATIVES**

1. That the Capital Region Housing Corporation Board of Directors directs staff to:
  - a) Develop a smoke-free policy not allowing smoking in units and adjacent patios and decks and common areas; and
  - b) Develop a strategy that phases in the smoke-free policy across the housing portfolio by January 1, 2018.
2. That the Capital Region Housing Corporation Board of Directors maintains the status quo whereby new complexes are established as smoke-free and existing complexes become smoke-free at the request of tenants.

### **IMPLICATIONS**

1. The CRHC initiated pilot project in 2007 that resulted in four buildings becoming smoke-free. At that time, 59% of those surveyed agreed to go smoke-free. Since the pilot project was initiated in 2007, the CRHC have built two new buildings, both of which are smoke-free. One other building has become smoke-free at the request of the tenants.

Aside from protecting tenants from the exposure to second hand smoke, smoke-free policies protect the property from damage and fire which saves lives. According to

<sup>1</sup> <http://www.smokefreehousingbc.ca/landlords/bctobacco-laws.html>

Health Canada: Cigarettes are the number one known cause of fire-related fatalities, are the leading cause of residential fires in Canada and fires started by cigarettes tend to result in more deaths and more property damage than fires started by other sources.<sup>2</sup> The Clean Air Coalition (Smoke Free BC) compiled best practices from the pilot project which included the participation of other non-profit housing providers. The best practices include: communication, consultation, surveys of tenants and providing smoking cessation opportunities.<sup>3</sup>

British Columbia has the lowest prevalence of the population 15 and older who smoke at 13%. This is the lowest rate of smoking in Canada.<sup>4</sup>

The CRHC has met little resistance to the smoke-free status from existing tenants, there has not been an increase in tenant complaints and do not find it more difficult to rent units in the smoke-free complexes.

2. A common concern is that smoke-free policies in non-profit/social housing organizations discriminate against those most vulnerable. People living in low-income, who require access to affordable housing are more likely to smoke: one third (30%) of Canadians living in households with an annual income of less than \$40k smoke compared to half as many (15%) of those in the upper income brackets (\$40k to 100k or more)<sup>5</sup>. Yet, research has shown that smoke-free policies can create a new "social norm" by creating a pro-cessation environment.<sup>6</sup>

Others view *not* having smoke-free non-profit affordable housing as discriminatory: "Health inequity is the result of disadvantage of opportunities...Tobacco control ... has the potential to remove barriers and equalize opportunities to enable marginalized people to enjoy better health, free of the consequences of tobacco addiction."<sup>7</sup>

Currently on the Smoke Free BC registry for smoke free rental accommodations, there are only eight non-profit or public housing buildings listed as smoke-free for the capital region. CRHC represents six out of the eight properties listed. This does not represent a large availability of smoke-free affordable accommodations in the capital region.

## **CONCLUSION**

Since the pilot project was initiated in 2007, the CRHC has seven smoke-free complexes, totalling 262 units and representing 20% of our current housing stock. The CRHC has met little resistance to the smoke-free status from existing and new tenants. Smoke-free policies protect the property from damage and fire which saves lives and resources. It is also generally recognized that no exposure to second hand smoke is safe.

The Residential Tenancy Act allows a landlord to include a no-smoking clause in all new tenancy agreements to ban smoking in units, balconies and the common area. The Landlord must grandfather in existing tenants.

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<sup>2</sup> <http://www.hc-sc.gc.ca/sr-sr/activ/protection/fire-feu-eng.php>

<sup>3</sup> [http://www.smokefreehousingbc.ca/landlords/documents/Non-ProfitHousing\\_GoingSmoke\\_FreeinExistingBuilding\\_002.pdf](http://www.smokefreehousingbc.ca/landlords/documents/Non-ProfitHousing_GoingSmoke_FreeinExistingBuilding_002.pdf)

<sup>4</sup> [http://www.hc-sc.gc.ca/hc-ps/tobac-tabac/research-recherche/stat/\\_ctums-esutc\\_prevalence/prevalence-eng.php#annual\\_12](http://www.hc-sc.gc.ca/hc-ps/tobac-tabac/research-recherche/stat/_ctums-esutc_prevalence/prevalence-eng.php#annual_12)

<sup>5</sup> [http://www.lung.ca/\\_resources/Smoking\\_in\\_Canada\\_CLA\\_2007.pdf](http://www.lung.ca/_resources/Smoking_in_Canada_CLA_2007.pdf)

<sup>6</sup> Hou F & Chen J. Statistics Canada Health Reports. Neighbourhood low income, income inequality and health in Toronto. Volume 14. No. 2, Feb 2003. Catalogue 82-003

<sup>7</sup> [http://www.nusra-adnf.ca/cms/file/files/Social\\_Justice\\_final.pdf](http://www.nusra-adnf.ca/cms/file/files/Social_Justice_final.pdf)

Building on best practices, the development of a smoke-free policy with appropriate consultation and consultation with tenants and the inclusion of a smoking-cessation component can result in a successful transition to smoke-free housing.

**RECOMMENDATIONS**

1. That the Capital Region Housing Corporation Board of Directors directs staff to:
  - c) Develop a smoke-free policy not allowing smoking in units and adjacent patios and decks and common areas; and
  - d) Develop a strategy that phases in the smoke-free policy across the housing portfolio by January 1, 2018.

\*\*\* ORIGINAL SIGNED \*\*\*

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Christine Culham  
Senior Manager  
Capital Region Housing Corporation

\*\*\* ORIGINAL SIGNED \*\*\*

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



**CRHC**  
The Capital Region's Housing Corporation

**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS  
MEETING OF SEPTEMBER 30, 2014**

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**SUBJECT**     **STRATEGIC PLAN 2015**

**ISSUE**

As the landscape of housing is changing, it is important to refresh the mandate and vision of the Capital Region Housing Corporation (CRHC) to ensure it remains relevant.

**BACKGROUND**

On June 24, 2014, the CRHC Board of Directors and senior staff participated in a facilitated discussion with the goal of creating a strategic plan for 2015.

Linda E. Ross, Consultant worked with the CRHC Board of Directors and senior staff to develop a comprehensive strategic plan that considers all aspects of CRHC operations and recognizes the uniqueness of the CRHC. During the preparation of the 2015 Strategic Plan, the Board and senior staff reflected on the CRHC's mandate, vision and mission and identified strategic priorities for 2015.

Appendix A: draft 2015 Strategic Plan

**ALTERNATIVES**

1. That the Capital Region Housing Corporation Board of Directors approves the 2015 Strategic Plan.
2. That the Capital Region Housing Corporation Board of Directors refers the 2015 Strategic Plan back to staff for revisions.

**IMPLICATIONS**

The CRHC Board of Directors is responsible for the oversight of the operations of the CRHC, is most closely linked and has the greatest understanding of the internal and external factors that impact the CRHC. It is important that the CRHC Board of Directors guide the long term planning needed to achieve the goals identified by the Capital Regional District (CRD) Board of Directors and incorporates the principles of the CRD Strategic Plan into its business plan to ensure that the CRHC is successful in meeting these broader corporate goals. These goals will be turned into a business plan that will guide the work of staff for 2015.

**CONCLUSION**

The 2015 Strategic Plan is an important direction-setting document for the CRHC, providing a mandate to advance action in priority areas that are significant to the CRHC Board, senior staff

and stakeholders. These priority areas will flow into the corporate business and financial plans, ensuring accountability for successful plan implementation.

The strategic plan includes a clear vision and mission, as well as defined goals, objectives, and priorities that are realistic, achievable and measurable. In this way, the CRHC is proactive and responsive to current and future regional needs and expectations.

### **RECOMMENDATIONS**

1. That the Capital Region Housing Corporation Board of Directors approves the 2015 Strategic Plan.

\*\*\* ORIGINAL SIGNED \*\*\*

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Christine Culham  
Senior Manager  
Capital Region Housing Corporation

\*\*\* ORIGINAL SIGNED \*\*\*

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



# Strategic Plan 2015

Capital Region Housing Corporation Board of Directors

# Vision, Mission and Values

## Vision

As leaders in non-profit housing in the capital region, the CRHC delivers affordable, attractive, inclusive, sustainable housing.

## Mission

Our Mission is a commitment to the development, management and promotion of affordable housing that is essential for the well-being of the people and communities in the Capital Region.

## Value Statement

We value honesty, integrity, reliability and openness. We work collaboratively with the stakeholders, community partners and our tenants to build safe, vibrant and accessible communities where our tenants can feel a sense of pride and belonging.



# Strategic Priorities

The five strategic priorities identified for the CRHC in 2015 are all of equal importance and include:

## 1. Governance and Leadership

*In response to the escalating need for accessible, attainable housing and support for our vulnerable populations, the CRHC will strive to increase facilitation and delivery of mutually beneficial regional housing solutions.*

- Develop a long term financial strategy including an evaluation of debt and equity that maximizes municipal, provincial and federal funding opportunities;
- Develop a four year strategic plan to align with the CRD plan; and
- Develop a Board of Directors and employee succession planning strategy.

## 2. Organizational Effectiveness

*In response to the need to find solutions to diminishing resources, the CRHC will strive to use resources to highest and best capacity and to ensure that all systems, policies and procedures are efficient and effective.*

- Maximize administrative and operating efficiencies through the operationalization of the Umbrella Operating Agreement;
- Enhance performance management system to increase productivity; and
- Review and revise tenant policies and procedures to enhance oversight and optimize rental subsidies.

## 3. Research and Development

*In response to the devolution of federal and provincial responsibility for housing, the CRHC will pursue best practices and seek to develop innovative strategies to ensure current and future operational growth and development.*

- Research the effects of the expiration of the operating agreements to develop a strategy for how to meet economic rent and maintain core need housing;
- Research different property management and asset software systems to ensure that the current software system meets the needs of the CRHC; and
- Increase knowledge of housing needs for each of the 13 municipalities in the CRD.

## 4. Asset Planning, Renewal and Development

*In response to an aging housing stock and fewer federal and provincial financial commitments to social housing, the CRHC will continue to provide well-maintained housing while pursuing opportunities for portfolio renewal and growth.*

- Explore land acquisition and development opportunities;
- Increase the number of CRHC housing units ensuring close proximity to existing multi-modal transportation and other infrastructure;
- Establish a comprehensive understanding of the current housing stock in terms of lands, assets, and equity; and
- Enhance portfolio management strategies.

## 5. Partnership Engagement

*In response to the need for local government involvement in affordable housing solutions and as a wholly owned subsidiary of the Capital Regional District, the CRHC will strengthen existing partnerships and work to increase the level of effective regional cooperation in the housing sector.*

- Increase municipal awareness of the CRHC in an effort to develop partnerships;
- Develop a tenant engagement strategy to increase communication and public education through the completion of the CRHC website, development of a newsletter and continued tenant meetings when applicable; and
- Continue to engage in sector-wide activities to enhance affordable housing in the capital region.



**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS  
MEETING OF TUESDAY, SEPTEMBER 30, 2014**

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**SUBJECT**      **APPOINTMENT TO THE CAPITAL REGION HOUSING CORPORATION (CRHC)  
BOARD OF DIRECTORS**

**ISSUE**

The term of appointment for the following community representative expires December 31, 2014. Director Mike Miller will be completing his third 2-year term. Appointment of a new community member is required.

**BACKGROUND**

In January 2009, the Capital Regional District (CRD) determined that the CRHC Board composition would be three community members and four CRD Directors/Alternates. Community members are appointed for a two-year term and CRD Directors are appointed for a one-year term. All board members are eligible to serve a maximum of six consecutive years.

Director Mike Miller will have completed the maximum six consecutive years on December 31, 2014.

The procedure for selection of community members is as follows:

- The Board of Directors selects a Nominations Committee, normally the President and Vice-President or two members of the Executive Committee.
- Community members who wish to serve another term (if eligible) provide the Nominations Committee with a letter confirming their interest in serving on the Board (optional).
- If the community member is not eligible, or does not wish to serve on the Board, staff advertises in the Times Colonist and the CRHC website for applicants to the vacant position.
- The Nominations Committee reviews the applications and makes recommendations to the Board of Directors. The Board reviews the nominations and makes recommendations to the Capital Regional District Chair prior to the Committee appointments in January of each year.

The appointment will be effective January 1, 2015 and will expire December 31, 2016.

**RECOMMENDATIONS**

That the Capital Region Housing Corporation Board of Directors

1. Appoints a Nomination Committee to accept and review applications and make a recommendation for a new community member to the Capital Region Housing Corporation Board of Directors at their meeting of December 2, 2014.

\*\*\* ORIGINAL SIGNED \*\*\*

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Christine Culham  
Senior Manager  
Capital Region Housing Corporation

\*\*\* ORIGINAL SIGNED \*\*\*

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



## **REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS MEETING OF SEPTEMBER 30, 2014**

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### **SUBJECT    VILLAGE ON THE GREEN – MORTGAGE RENEWAL**

### **ISSUE**

The Village on the Green (VOG) mortgage is up for renewal on October 1, 2014 for approximately \$2,244,969. The Capital Region Housing Corporation's mortgage renewal process requires the approval of the Board of Directors, and the authorization of the Board to permit any two members of the Executive Committee to sign all required documentation.

### **BACKGROUND**

In June 2009, the Capital Region Housing Corporation (CRHC) Board of Directors decided to seek VOG mortgage renewal financing outside of the Canadian Mortgage and Housing Corporation (CMHC) Direct Lending Program in order to implement a new mortgage financing model. This involved canceling the BC Housing Management Commission (BCHMC) operating agreement for VOG, with an original expiry date of 2019, and paying out the existing CMHC mortgage. The rationale for this was that a mortgage that did not require BCHMC oversight authority would enable CRHC to capture existing equity in VOG to be utilized for development/re-development of affordable housing units.

In September 2009, CRHC entered into a mortgage for VOG with Citizen's Bank (Vancity) for \$2,450,000 (\$12,930 per month), based on 30 year amortization, 5 year term at 4.90% with a requirement for a collateral mortgage on Royal Oak Square (ROS) based on BCHMC approval. The collateral mortgage condition replaced the required high ratio mortgage insurance. Cash equity of \$830,000 was obtained for the proposed developments at Dockside Green and Vergo.

In 2010, the Vergo project was approved to proceed and the Dockside project was deferred. CRHC did not require an equity contribution to the project because Vergo's mortgage was added to the CRHC cross collateral properties at Citizen's Bank. This resulted in the VOG cash equity of \$830,000 remaining available for future CRHC building developments.

The mortgage financing model undertaken with Citizen's Bank is based on the cross collateral condition which allows flexibility for new development. Due to improved VOG rental revenue cash flow, the ROS requirement can now be reassigned to a new development project if needed. Vergo still requires the VOG cross collateral status as the Vergo revenue is not yet sufficient to be self-sustaining.

Citizen's Bank has provided the following options for renewal for VOG mortgage:

Terms	Mortgage Type	Interest Rate	Monthly payment	Total cost based on 5 year term	Difference from 5 year baseline
Five year	Closed	3.25%	\$10,915	\$654,900	N/A
Seven Year	Closed	3.50%	\$11,209	\$675,540	\$19,640
Ten Year	Closed	3.95%	\$12,749	\$764,940	\$110,040

### **ALTERNATIVES**

1. That the Board of Directors authorize any two members of the Executive Committee to execute a Commitment Letter with Citizen's Bank for a seven year term closed mortgage at 3.5% for Village on the Green and sign mortgage documents under the CRHC Delegation of Authority and Signing Authority Policy.
2. That the Board of Directors direct staff to evaluate other financing options for Village on the Green.

### **IMPLICATIONS**

1. Renewing the mortgage with Citizen's Bank will maintain CRHC's collateral portfolio allowing for new development/redevelopment financing.
2. Remortgaging VOG with a new lender would require a Citizen's Bank release and a new CRHC collateral property for the Vero mortgage.

The following financing options have specific requirements and outcomes:

- a) Municipal Financial Authority (MFA)
  - CRD Land Banking and Housing service would borrow \$2,244,969 on CRHC's behalf resulting in reduced CRD borrowing capacity which is currently at approximately \$15 million (Maximum \$25 million cap).
  - 1% debt retirement required at debenture takeout which would be returned at the 25 year debenture maturity.
  - Current MFA 10 year rate at 3.4%.
- b) BCHMC – Community Partnership Initiative (CPI)
  - BCHMC CPI financing is brokered through conventional financial institutions and is able to achieve lower interest rates.
  - CRHC was required to use this program in the renewal of three mortgages in 2014. 10 year term rates ranged from 3.22% to 3.48%.
  - CPI program requirements can restrict the use of the funds inhibiting CRHC from extracting equity for new developments.

**CONCLUSION**

The original intention to extract VOG from its BCHMC operating agreement and remortgage with a private lender was to free up equity from the CRHC portfolio in order to develop new affordable housing units. The mortgage financing model with Citizen's Bank achieves flexibility for new development. CRHC will continue to evaluate this financing model in anticipation of the expiration of the 14 CMHC operating agreements (2018-2020).

The Citizen's Bank rates are comparable with BCHMC CPI and MFA financing rates. The financial implications of a Citizen's Bank seven year term versus their five year term, is a cumulative difference of \$19,640. The seven year term allows CRHC to benefit from the current low interest rates for an additional two years.

**RECOMMENDATIONS**

1. That the Board of Directors authorize any two members of the Executive Committee to execute a Commitment Letter with Citizen's Bank for a seven year term closed mortgage at 3.5% for Village on the Green and sign mortgage documents under the CRHC Delegation of Authority and Signing Authority Policy.

\*\*\* ORIGINAL SIGNED \*\*\*

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Christine Culham  
Senior Manager  
Capital Region Housing Corporation

\*\*\* ORIGINAL SIGNED \*\*\*

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

**Property Management Report – September 30, 2014**  
**Capital Region Housing Corporation Board of Directors**

This Property Management Report provides an update since the last report of July 22, 2014

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**REGISTRY WAITLIST STATISTICS**

<b>Category</b>	<b>September 2014</b>	<b>July 2014</b>	<b>September 2013</b>
<b>Total Registry Units</b>	<b>3,246</b>	<b>3,246</b>	<b>3,194</b>
Family	429	409	407
Seniors	488	465	482
Persons with disabilities	361	357	346
Wheelchair Modified	61	64	74
Singles	24	21	14
<b>Total</b>	<b>1,363</b>	<b>1,316</b>	<b>1,323</b>

**BUILDING ENVELOPE REMEDIATION & RELATED CAPITAL IMPROVEMENTS**

The Heathers Building Envelope Remediation

The forgivable mortgage (grant) has been signed by two CRHC Board members and forwarded to BC Housing and Management Corporation (BCHMC). BCHMC will be acting as Project Manager. Don Metcalf, Manager of Operations will be acting as the CRHC liaison.

CRHC hired a roofing contractor to replace the most damaged shingles and repair one downspout in order to minimize roof leaks.

2014 Roofing and Gutters

The Hamlet: roofing and gutter work is underway. The contractor, Parker Johnson Industries, anticipates completion by October 3, 2014.

Margaret Laurence House (MLH): CRHC staff is assisting MLH in managing the re-roofing of their six-plex.

Exterior Paint

Ramsay Paint was awarded the contract for three sites. Viewmont Gardens and Greenlea have been completed. Rosewood will be completed in early October, 2014.

**INITIATIVES – ENERGY SAVINGS, GREEN AND CONSERVATION PRACTICES**

Energy Conservation Assistance Program (ECAP)

The ECAP targets lower income residents in providing energy savings upgrades. A technician visits the home and assesses where energy saving upgrades may be effective. ECAP aims to educate and encourage residents on energy saving practices. The residents must apply and participate in the program for the upgrades to take place. Energy savings upgrades include: weather stripping, light bulbs and low-flow aerators. In 2013 the program was offered to 235 rent-geared-to-income tenants and 50% participated in the program. This BC Hydro supported program is continuing to be delivered by Carillon Canada. The program was only available to subsidized tenants and is now being expanded to include non-subsidized tenants as well.

## NON-PROVINCIAL RENTAL HOUSING CORPORATION LAND LEASES

The Capital Region Housing Corporation (CRHC) Board of Directors directed staff to report on non-Provincial Rental Housing Corporation land leases within the CRHC portfolio.

Property	Lessor	Assessed Value	Lease Expiration Date
Viewmont	District of Saanich	1,550,000	2051
Caledonia	School District #61	2,422,000	2053
Castanea Place	City of Victoria	3,559,000	2055
Carillon Place	CRD	1,672,000	2058
Tillicum Station	District of Saanich	3,505,000	2062

## ARBITRATIONS

Staff continues to pursue action in small claims court with a vacated tenant to enforce payment of \$1,533.50. The court has directed that payments of \$100 per month be made by the vacated tenant.

Acting for a third party partner, CRHC staff participated in an arbitration, in which the arbitrator awarded a monetary claim to the landlord in the amount of \$838 in unpaid rent from an April 2014 eviction.

Acting for a third party partner, CRHC staff participated in an arbitration in which the arbitrator awarded the landlord 1.5 months unpaid rent and an order of possession. Staff is working with the third party partner and tenant to gain possession of the rental unit.

## FINANCIAL REPORTING: CHEQUES OVER \$50,000

Vendor	Date of Issuance	Expenditure	Notes
City of Victoria	June 12, 2014	608,379.44	Property Taxes – CRHC buildings
City of Victoria	June 26, 2014	71,183.89	Property Taxes – Ashlar Manor
City of Victoria	July 17, 2014	75,364.09	Water/Sewer charges
District of Saanich	June 12, 2014	534,290.48	Property Taxes – CRHC buildings

\*\*\* ORIGINAL SIGNED \*\*\*

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 Don Metcalf  
 Manager of Operations