



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

**AGENDA**

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9:30 a.m., Tuesday, October 28, 2014  
625 Fisgard St., Victoria  
Room 488

1. Approval of Agenda
2. Approval of Minutes of September 30, 2014
3. Quarterly Financial Update
4. Turnover and Vacancy Quarterly Report – Third Quarter
5. Smoke-Free Transition Strategy
6. Mortgage Renewal – James Yates Gardens
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 September 30, 2014 in Room 488, 625 Fisgard St, Victoria, BC**

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**PRESENT:**     **Directors:** L. Wergeland (Chair), D. Howe, B. Isitt, M. Loveless  
                  **Staff:**       K. Lorette, General Manager, Planning and Protective Services;  
                          C. Culham, Senior Manager; D. Metcalf, Manager of Operations;  
                          R. Loukes, Accountant; C. English, Recorder

**ABSENT:**     **Directors:** R. Cooper, S. Law, M. Miller

The meeting was called to order at 9:33 a.m.

**1. APPROVAL OF AGENDA**

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

**CARRIED**

**2. APPROVAL OF THE MINUTES OF JULY 22, 2014 AND AUGUST 29, 2014**

It was **MOVED** by Director Isitt, **SECONDED** by Director Howe  
That the minutes of July 22 and August 29, 2014 be approved.

**CARRIED**

**3. SMOKE-FREE PROJECT UPDATE**

The Board discussed the benefits and challenges of converting the Housing Corporation's portfolio to smoke-free. It was agreed that a portion of the portfolio should remain available to smokers, and consideration be given to developing smoking areas on-site for occupants in those buildings in order to restrict smoking indoors for both safety and health reasons.

Staff were asked to research other jurisdictions' policies and provide the Board with a proposal and timeline to convert the majority of the portfolio to smoke-free while supporting both smoking and non-smoking residents.

**4. STRATEGIC PLAN**

A draft Strategic Plan for 2015 was provided to the Board, following the strategic planning session held in June 2014. Future Corporation strategic plans will align with the Capital Regional District's multi-year planning cycle.

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

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

**CARRIED**

**5. COMMUNITY REPRESENTATIVE APPOINTMENT 2015 – 2016**

The process to select a community representative to the Board was discussed and it was requested that interviews of prospective candidates be arranged following the November 15, 2014 municipal elections.

It was **MOVED** by Director Loveless, **SECONDED** by Director Isitt  
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.

**CARRIED**

**6. MORTGAGE RENEWAL – VILLAGE ON THE GREEN**

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

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.

**CARRIED**

**7. PROPERTY MANAGEMENT REPORT**

The Board reviewed the Property Management Report and staff were asked to provide the assessed value of the community-leased properties at the time of lease.

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

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

**CARRIED**

**8. MOTION TO CLOSE THE MEETING**

It was **MOVED** by Director Howe, **SECONDED** by Director Isitt 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 10:39 a.m. and resumed in open session at 10:40 a.m. without report.

**9. ADJOURNMENT**

The meeting was adjourned at 10:40 a.m.


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

| <u>Administration</u>                             | <u>Budget<br/>2014</u> | <u>Budget<br/>Jan-Sep</u> | <u>Actual<br/>Jan-Sep</u> | <u>Variance<br/>Jan-Sep</u> |
|---|------------------------|---------------------------|---------------------------|-----------------------------|
| <b>Revenues</b>                                   |                        |                           |                           |                             |
| Management Fees - UOA, ILBC2, NOA and Others      | 997,334                | 748,001                   | 748,001                   | 0                           |
| Interest Income                                   | 100,000                | 75,000                    | 75,000                    | 0                           |
| Service Fees - Dockside Covenant                  | 2,000                  | 1,500                     | 1,014                     | (486)                       |
| Misc - service charges                            | 2,006                  | 1,505                     | 1,505                     | 0                           |
| Transfer from Corporation Stabilization Reserve   | 0                      | 0                         | 14,910                    | 14,910 (A)                  |
| <b>Total Revenues</b>                             | <b>1,101,340</b>       | <b>826,005</b>            | <b>840,430</b>            | <b>14,425</b>               |
| <b>Expenditures</b>                               |                        |                           |                           |                             |
| Salaries and Benefits                             | 800,000                | 600,000                   | 587,720                   | 12,280                      |
| Training  | 6,500                  | 4,875                     | 2,490                     | 2,385                       |
| Travel and Conferences                            | 4,300                  | 3,225                     | 582                       | 2,643                       |
| Consultants and Legal Fees                        | 15,000                 | 11,250                    | 16,249                    | (4,999)                     |
| CRD Administration and Audit Fees                 | 132,340                | 99,255                    | 99,255                    | 0                           |
| Office Rental and Insurance                       | 51,640                 | 38,730                    | 38,318                    | 412                         |
| Telephone   | 15,490                 | 11,618                    | 9,404                     | 2,214                       |
| Advertising                                       | 500                    | 375                       | 0                         | 375                         |
| Stationery and Services                           | 26,550                 | 19,913                    | 18,142                    | 1,771                       |
| Equipment Replacement Reserve                     | 2,500                  | 1,875                     | 1,875                     | 0                           |
| Computer Support                                  | 46,520                 | 34,890                    | 27,675                    | 7,215                       |
| Special Projects - Sec 95 CMHC Portfolio Analysis | 0                      | 0                         | 14,910                    | (14,910) (A)                |
| <b>Total Expenditures</b>                         | <b>1,101,340</b>       | <b>826,005</b>            | <b>816,620</b>            | <b>9,385</b>                |
| <b>Total Administration Surplus/(Deficit)</b>     | <b>0</b>               | <b>0</b>                  | <b>23,810</b>             | <b>23,810</b>               |

**Variance Notes:**

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

  
\_\_\_\_\_  
Christine Culham  
Senior Manager, Capital Region Housing Corporation

  
for \_\_\_\_\_  
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 SEPTEMBER, 2014

| <b>UMBRELLA AGREEMENT</b>   | <b>UOA</b>             | <b>UOA</b>                | <b>UOA</b>                | <b>UOA</b>                  |
|---|------------------------|---------------------------|---------------------------|-----------------------------|
| <b>42 Buildings - 1,209 Mixed Income Family/Seniors Housing<br/>Constructed between 1983-2002</b> | <b>Budget<br/>2014</b> | <b>Budget<br/>Jan-Sep</b> | <b>Actual<br/>Jan-Sep</b> | <b>Variance<br/>Jan-Sep</b> |
| <b>Revenues</b>   |                        |                           |                           |                             |
| BCHMC Fixed Payment   | 3,490,226              | 2,617,670                 | 2,602,038                 | (15,632)                    |
| Tenant Rent   | 9,038,225              | 6,778,669                 | 6,914,964                 | 136,295 (A)                 |
| Misc Revenue - parking and laundry  | 42,252                 | 31,689                    | 33,543                    | 1,854                       |
| <b>Total Revenues</b>   | <b>12,570,703</b>      | <b>9,428,027</b>          | <b>9,550,545</b>          | <b>122,517</b>              |
| <b>Expenditures</b>   |                        |                           |                           |                             |
| Audit/Legal   | 29,373                 | 22,030                    | 22,752                    | (722)                       |
| Caretakers  | 957,794                | 718,346                   | 717,470                   | 876                         |
| Contingency & Vacancy   | 56,983                 | 42,737                    | 0                         | 42,737                      |
| Garbage   | 170,138                | 127,604                   | 128,465                   | (862)                       |
| Gas   | 138,554                | 103,916                   | 89,942                    | 13,974                      |
| Hydro   | 211,053                | 158,290                   | 145,300                   | 12,990                      |
| Insurance   | 257,562                | 193,172                   | 194,914                   | (1,742)                     |
| Landscape Maintenance   | 278,783                | 209,087                   | 207,078                   | 2,009                       |
| Land Lease  | 63,000                 | 47,250                    | 47,250                    | 0                           |
| Maintenance   | 583,032                | 437,274                   | 324,359                   | 112,916 (B)                 |
| Management Fee  | 844,248                | 633,186                   | 633,186                   | 0                           |
| Mortgage  | 6,246,694              | 4,685,021                 | 4,677,131                 | 7,890                       |
| Property Taxes  | 1,172,707              | 879,530                   | 880,625                   | (1,095)                     |
| Replacement Reserve Contribution  | 820,691                | 615,518                   | 615,518                   | 0                           |
| Vehicle Operating   | 1,958                  | 1,469                     | 2,198                     |                             |
| Water   | 630,149                | 472,612                   | 393,974                   | 78,638 (C)                  |
| <b>Total Expenditures</b>   | <b>12,462,719</b>      | <b>9,347,039</b>          | <b>9,080,162</b>          | <b>267,608</b>              |
| <b>Total Umbrella Agreement Surplus/(Deficit)</b>   | <b>107,984</b>         | <b>80,988</b>             | <b>470,384</b>            | <b>390,125</b>              |

**Variance Notes:**

- (A) Tenant Rent: 136,295 additional revenue due to less vacancies Jan-Sept than budgeted and market units were applied 2.2% annual increase
- (B) Maintenance: 112,916 under budget due to outstanding Fall service contracts.
- (C) Water: 78,638 under budget due to delay in the start of City of Victoria storm water utility invoicing - new start date Fall, 2016.

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

| <b>ILBC 2</b>  | <b>ILBC 2</b>          | <b>ILBC 2</b>             | <b>ILBC 2</b>             | <b>ILBC 2</b>               |
|--|------------------------|---------------------------|---------------------------|-----------------------------|
| <b>1 Building - 21 Seniors Independent Living Housing<br/>Constructed 2008</b> | <b>Budget<br/>2014</b> | <b>Budget<br/>Jan-Sep</b> | <b>Actual<br/>Jan-Sep</b> | <b>Variance<br/>Jan-Sep</b> |
| <b>Revenues</b>  |                        |                           |                           |                             |
| BCHMC Subsidy  | 294,798                | 221,099                   | 203,430                   | (17,669)                    |
| Tenant Rent  | 332,652                | 249,489                   | 276,380                   | 26,891 (A)                  |
| Misc Revenue   | 8,820                  | 6,615                     | 9,292                     | 2,677                       |
| <b>Total Revenues</b>  | <b>636,270</b>         | <b>477,203</b>            | <b>489,102</b>            | <b>11,900</b>               |
| <b>Expenditures</b>  |                        |                           |                           |                             |
| <b>General Costs</b>   |                        |                           |                           |                             |
| Audit/Legal  | 535                    | 401                       | 401                       | 0                           |
| Cable - offset by Misc Revenue   | 0                      | 0                         | 5,488                     | (5,488)                     |
| Contingency & Vacancy  | 5,000                  | 3,750                     | 0                         | 3,750                       |
| Contracted Services  | 285,300                | 213,975                   | 213,830                   | 145                         |
| Garbage  | 3,000                  | 2,250                     | 1,750                     | 500                         |
| Hydro  | 29,665                 | 22,249                    | 18,487                    | 3,762                       |
| Insurance  | 6,070                  | 4,553                     | 4,715                     | (163)                       |
| Memberships  | 500                    | 375                       | 263                       | 112                         |
| Mortgage   | 207,342                | 155,507                   | 160,258                   | (4,751)                     |
| Property Taxes   | 23,374                 | 17,531                    | 16,286                    | 1,244                       |
| Replacement Reserve Contribution   | 16,600                 | 12,450                    | 12,450                    | 0                           |
| Water  | 4,978                  | 3,734                     | 3,089                     | 645                         |
|  | <b>582,364</b>         | <b>436,773</b>            | <b>437,018</b>            | <b>(245)</b>                |
| <b>Manageable Costs</b>  |                        |                           |                           |                             |
| Caretaker  | 8,156                  | 6,117                     | 7,620                     | (1,503)                     |
| Landscape Maintenance  | 3,020                  | 2,265                     | 2,155                     | 110                         |
| Maintenance  | 19,370                 | 14,528                    | 15,911                    | (1,383)                     |
| Management Fee   | 23,360                 | 17,520                    | 17,520                    | 0                           |
|  | <b>53,906</b>          | <b>40,430</b>             | <b>43,206</b>             | <b>(2,776)</b>              |
| <b>Total Expenditures</b>  | <b>636,270</b>         | <b>477,203</b>            | <b>480,223</b>            | <b>(3,021)</b>              |
| <b>Total ILBC 2 Surplus/(Deficit)</b>  | <b>0</b>               | <b>0</b>                  | <b>8,879</b>              | <b>8,879</b>                |

**Variance Notes:**

(A) Tenant Rent: 26,891 additional revenue 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 SEPTEMBER, 2014

**VILLAGE ON THE GREEN**

1 Building - 38 Mixed Income Family Housing  
 Constructed 1984

|   | VOG<br>Budget<br>2014 | VOG<br>Budget<br>Jan-Sep | VOG<br>Actual<br>Jan-Sep | VOG<br>Variance<br>Jan-Sep |
|---|-----------------------|--------------------------|--------------------------|----------------------------|
| <b>Revenues</b>                                     |                       |                          |                          |                            |
| Tenant Rent   | 365,333               | 274,000                  | 284,133                  | 10,133 (A)                 |
| Misc Revenue  | 757                   | 568                      | 122                      | (446)                      |
| <b>Total Revenues</b>                               | <b>366,090</b>        | <b>274,568</b>           | <b>284,255</b>           | <b>9,688</b>               |
| <b>Expenditures</b>                                 |                       |                          |                          |                            |
| Audit/Legal   | 900                   | 675                      | 675                      | 0                          |
| Caretaker   | 29,583                | 22,187                   | 21,150                   | 1,037                      |
| Garbage   | 4,219                 | 3,164                    | 3,413                    | (249)                      |
| Hydro   | 2,061                 | 1,546                    | 1,010                    | 536                        |
| Insurance   | 7,595                 | 5,696                    | 5,863                    | (167)                      |
| Landscape Maintenance                               | 6,947                 | 5,210                    | 5,210                    | 0                          |
| Maintenance   | 18,650                | 13,988                   | 2,728                    | 11,260                     |
| Management Fee                                      | 26,448                | 19,836                   | 19,836                   | 0                          |
| Mortgage  | 154,976               | 116,232                  | 116,370                  | (138)                      |
| Property Taxes                                      | 43,051                | 32,288                   | 32,240                   | 48                         |
| Replacement Reserve Contribution                    | 34,900                | 26,175                   | 26,175                   | 0                          |
| Vehicle Operating                                   | 176                   | 132                      | 132                      | 0                          |
| Water   | 15,514                | 11,636                   | 7,818                    | 3,818                      |
| <b>Total Expenditures</b>                           | <b>345,020</b>        | <b>258,765</b>           | <b>242,620</b>           | <b>16,145</b>              |
| <b>Total Village on the Green Surplus/(Deficit)</b> | <b>21,070</b>         | <b>15,803</b>            | <b>41,635</b>            | <b>25,833</b>              |

**Variance Notes:**

(A) Tenant Rent: 10,133 additional revenue due to less vacancies Jan-Sept than budgeted and market units were applied 2.2% annual increase.

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

| <b>VERGO</b>  | <b>Vergo<br/>Budget<br/>2014</b> | <b>Vergo<br/>Budget<br/>Jan-Sep</b> | <b>Vergo<br/>Actual<br/>Jan-Sep</b> | <b>Vergo<br/>Variance<br/>Jan-Sep</b> |
|---|----------------------------------|-------------------------------------|-------------------------------------|---------------------------------------|
| <b>1 Building - 18 Affordable Family Housing<br/>Constructed 2012</b>   |                                  |                                     |                                     |                                       |
| <b>Revenues</b>   |                                  |                                     |                                     |                                       |
| Tenant Rent   | 249,480                          | 187,110                             | 186,673                             | (437)                                 |
| Misc Revenue  | 0                                | 0                                   | 0                                   | 0                                     |
| <b>Total Revenues</b>   | <b>249,480</b>                   | <b>187,110</b>                      | <b>186,673</b>                      | <b>(437)</b>                          |
| <b>Expenditure</b>  |                                  |                                     |                                     |                                       |
| Audit/Legal   | 426                              | 320                                 | 320                                 | 0                                     |
| Caretaker   | 8,172                            | 6,129                               | 6,000                               | 129                                   |
| Garbage   | 2,357                            | 1,768                               | 1,750                               | 18                                    |
| Hydro   | 615                              | 461                                 | 469                                 | (8)                                   |
| Insurance   | 6,728                            | 5,046                               | 5,288                               | (242)                                 |
| Landscape Maintenance   | 4,105                            | 3,079                               | 3,079                               | (0)                                   |
| Maintenance   | 4,335                            | 3,251                               | 1,686                               | 1,565                                 |
| Management Fee  | 12,528                           | 9,396                               | 9,396                               | 0                                     |
| Mortgage  | 239,991                          | 179,993                             | 180,189                             | (196)                                 |
| Property Taxes  | 18,163                           | 13,622                              | 18,302                              | (4,679)                               |
| Replacement Reserve Contribution  | 7,000                            | 5,250                               | 5,250                               | 0                                     |
| Water   | 5,780                            | 4,335                               | 2,872                               | 1,463                                 |
| <b>Total Expenditures</b>   | <b>310,200</b>                   | <b>232,650</b>                      | <b>234,600</b>                      | <b>(1,950)</b>                        |
| <b>Total Vergo Surplus/(Deficit) to be supplemented by<br/>No Operating Agreement Portfolio Stabilization Reserve</b> | <b>(60,720)</b>                  | <b>(45,540)</b>                     | <b>(47,927)</b>                     | <b>(2,387)</b>                        |

Variance Notes:





**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS  
MEETING OF OCTOBER 28, 2014**

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**SUBJECT     **TURNOVER AND VACANCY QUARTERLY REPORT – THIRD QUARTER****

**ISSUE**

This report provides information on the activity and performance results in the areas of turnover, vacancy and move-ins for the third quarter of 2014.

**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.

| Year | Period                               | Number of Turnovers |
|------|--------------------------------------|---------------------|
| 2014 | January 1, 2014 – September 30, 2014 | 146                 |
| 2013 | January 1, 2013 – September 30, 2013 | 162                 |

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).

| Year | Period                               | Vacancy Rate |
|------|--------------------------------------|--------------|
| 2014 | January 1, 2014 – September 30, 2014 | 2.04%        |
| 2013 | January 1, 2013 – September 30, 2013 | 2.50%        |

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.

| Year | Period                               | Days Vacant | Average days vacant |
|------|--------------------------------------|-------------|---------------------|
| 2014 | January 1, 2014 – September 30, 2014 | 7,442       | 51                  |
| 2013 | January 1, 2013 – September 30, 2013 | 9,119       | 56                  |

Many factors impact the length a unit may stay vacant including fires, floods, and incoming tenants needing to provide adequate notice to current landlord, and location and marketability of the community.

### Housed

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.

| Year | Period                               | Number of Households housed |
|------|--------------------------------------|-----------------------------|
| 2014 | January 1, 2014 – September 30, 2014 | 115                         |
| 2013 | January 1, 2013 – September 30, 2013 | 158                         |

### Internal Transfers

Internal transfers are guided through our Tenant Transfer Policy and address over housing (which is mandatory), 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.

| Year | Period                               | Number of Internal Transfers |
|------|--------------------------------------|------------------------------|
| 2014 | January 1, 2014 – September 30, 2014 | 21                           |
| 2013 | January 1, 2013 – September 30, 2013 | 34                           |

### 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.

### 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 the Third Quarter Turnover and Vacancy report for information.



Christine Culham  
Senior Manager  
Capital Region Housing Corporation



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



## REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS MEETING OF OCTOBER 28, 2014

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### **SUBJECT**     **SMOKE-FREE TRANSITION STRATEGY**

### **ISSUE**

The Capital Region Housing Corporation (CRHC) Board of Directors directed staff to develop a strategy to transition a total of 75% of the current housing portfolio to smoke-free.

### **BACKGROUND**

In 2007, the CRHC initiated a smoke-free pilot project. In 2014 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 of these seven complexes 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 in common areas. Tenants and guests are not allowed to smoke anywhere on the property. Should a complex become smoke-free, the new policy only applies to new tenants; existing tenants are grandfathered and allowed to smoke in their units.

Currently there are 262 units that are smoke-free. In September 2014, the CRHC Board of Directors directed staff to develop a strategy to transition an additional 700 units to smoke-free for a combined total of 75% of the housing portfolio.

### **ALTERNATIVES**

1. That the Capital Region Housing Corporation Board of Directors approve the smoke-free strategy that will transition a combined total of up to 75% of the Capital Region Housing Corporation portfolio to smoke-free by September 1, 2015.
2. That the Capital Region Housing Corporation Board of Directors direct staff to amend the transition strategy that will convert up to a combined total of up to 75% of the Capital Region Housing Corporation portfolio to smoke-free by September 1, 2015.

### **IMPLICATIONS**

The CRHC has met little resistance to the smoke-free status from existing tenants since the implementation of the pilot project in 2007. Since 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.

Appropriate communication and consultation with tenants, and the inclusion of a smoking-cessation component can result in a successful transition to smoke-free housing. The transition plan (Table 1) builds on best practices in the development of a smoke-free policy. Through communication and consultation, the CRHC will be able to best determine which communities are most likely to be successful in transitioning to smoke-free.

**(Table 1) Transition Plan**

| <b>Task</b>                               | <b>Description</b>   | <b>Timeline</b>    |
|---|--|--------------------|
| Communicate policy                        | Communicate draft policy and process in Tenant Newsletter and advise tenants that a survey will be distributed to all communities that currently allow smoking.          | October 2014       |
| Tenant Survey                             | Develop survey<br>Distribute survey<br>Analyze results<br>Develop partnership to provide smoking cessation programs/smoking cessation campaign to tenants                | January-March 2015 |
| Develop policy                            | Choose communities to transition to smoke-free based on survey results<br>Prepare policy for Board approval  | April 2015         |
| Communication strategy                    | Communicate policy to tenants<br>Hold targeted community meetings where necessary<br>Have current <b>willing</b> tenants sign smoke-free addendums to leases as possible | May-August 2015    |
| Launch smoke-free program for new tenants | All new tenants in smoke-free complexes <b>will be required</b> to sign smoke-free clause in lease   | September 1, 2015  |

**CONCLUSION**

The purpose of a smoke-free policy is to protect the property from damage and fire, as well as protect all tenants from exposure to second-hand smoke, a proven health hazard. Through communication and consultation with tenants, CRHC will be able to determine which communities are best positioned to transition to smoke-free.

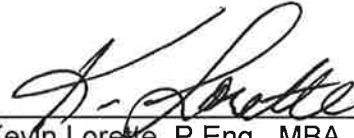
**RECOMMENDATION**

1. That the Capital Region Housing Corporation Board of Directors approve the smoke-free strategy that will transition a combined total of up to 75% of the Capital Region Housing Corporation portfolio to smoke-free by September 1, 2015.



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Christine Culham  
Senior Manager  
Capital Region Housing Corporation



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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 OCTOBER 28, 2014**

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**SUBJECT     MORTGAGE RENEWAL – JAMES YATES GARDENS**

**ISSUE**

BC Housing Management Commission (BCHMC) requires a resolution from the Capital Region Housing Corporation (CRHC) Board of Directors to renew the mortgage for James Yates Gardens and the CRHC Board must authorize any two members of the Executive Committee to sign any documents related to the mortgage renewal.

**BACKGROUND**

The mortgage for James Yates Gardens, 1150 Yates St., is up for renewal on February 1, 2015. The estimated principal at renewal will be \$140,046. The existing mortgage is with CMHC Direct Lending and there are four years and eight months left in the amortization period which coincides with the end of the operating agreement.

BC Housing would like to renew the mortgage through CMHC Direct Lending, which offers lower interest rates than other lenders. The current CMHC direct lending rate for the period of October 2014 is 2.01%. BC Housing requires the CRHC Board of Directors to approve and sign the resolution attached as Appendix A.

**ALTERNATIVES**

1. That the Capital Region Housing Corporation (CRHC) Board of Directors
  - a) approves the resolution required by BC Housing Management Commission to renew the mortgage for James Yates Gardens through the CMHC Direct Lending Program for a term not to exceed the expiry of the existing operating agreements; and
  - b) Authorizes any two members of the CRHC Executive Committee to sign any documents related to the mortgage renewal.
2. That the Capital Region Housing Corporation Board of Directors authorize cancellation of the operating agreements and mortgage write down subsidy in order to release available equity and directs staff to obtain private sector or Municipal Finance Authority (MFA) financing for James Yates Gardens mortgage renewal scheduled for February 1, 2015.

**FINANCIAL IMPLICATIONS**

1. If the Corporation approves CMHC Direct Lending mortgage renewals, it will ensure that CRHC continues to benefit from the preferential interest rates available through

CMHC/BCMHC and continues to receive the mortgage write down subsidy annually (2013 - \$8,128) until the expiry of the operating agreement May 29, 2019.

2. A Board decision to not renew the mortgage under CMHC Direct Lending would necessitate securing a commitment for alternate financing through private sector lenders or MFA. Due to the fact that this building only has eight units and is currently running at a deficit, it does not support refinancing at this time.

### **CONCLUSION**

The current CMHC direct lending rate for the period of October 2014 is 2.01% for a five year term. Alternative funding sources would unlikely be able to provide an interest rate comparable to what is available through Direct Lending. As an example, the MFA current lending rate is 2.05% and would require a 1% debt retirement required at debenture takeout which would be returned at the 5 year debenture maturity.

### **RECOMMENDATIONS**

That the Capital Region Housing Corporation (CRHC) Board of Directors

1. a) Approves the resolution required by BC Housing Management Commission to renew the mortgage for James Yates Gardens through the CMHC Direct Lending Program for a term not to exceed the expiry of the existing operating agreements, and
- b) Authorizes any two members of the CRHC Executive Committee to sign any documents related to the mortgage renewal.



Christine Culham  
Senior Manager  
Capital Region Housing Corporation



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

CAPITAL REGION HOUSING CORPORATION  
(the "Borrower")

**CERTIFIED COPY OF RESOLUTION OF DIRECTORS**

BE IT RESOLVED:

That the Borrower hereby irrevocably authorizes British Columbia Housing Management Commission ("BCHMC") to act on its behalf to renew the mortgage presently held by Canada Mortgage Housing Corporation (the "Mortgage") for the project located at 1150 Yates St, BC (BCHMC File no. 91140 / 4278/ CMHC# 10184794).

BE IT FURTHER RESOLVED:

That any two officers or directors of the Borrower for and on behalf of the Borrower be and are hereby authorized to execute and deliver under the seal of the Borrower or otherwise, all such deeds, documents and other writings and to do such acts and things in connection with the Mortgage assignment, renewal and amendment as they, in their discretion, may consider to be necessary or desirable for giving effect to this resolution and for the purpose of fulfilling the requirements of the lender of the monies.

I, \_\_\_\_\_, THE UNDERSIGNED,  
Secretary or President (please circle one) of the Borrower, hereby certify the above to be a true copy of a resolution duly passed by the Directors of the Borrower at a meeting held on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (and sanctioned by a special resolution of the Borrower if such sanction is required), and that such resolution has not been rescinded, amended or modified and is now in full force and effect.

WITNESS my hand this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Witness  
Signature and Print Name

\_\_\_\_\_  
Signature of Secretary or President



**Property Management Report – October 28, 2014**  
**Capital Region Housing Corporation Board of Directors**

This Property Management Report provides an update since the last report of September 30, 2014

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**REGISTRY WAITLIST STATISTICS**

| <b>Category</b>             | <b>October 2014</b> | <b>September 2014</b> | <b>October 2013</b> |
|-----------------------------|---------------------|-----------------------|---------------------|
| <b>Total Registry Units</b> | <b>3,245</b>        | <b>3,246</b>          | <b>3,194</b>        |
| Family                      | 433                 | 429                   | 400                 |
| Seniors                     | 506                 | 488                   | 472                 |
| Persons with disabilities   | 375                 | 361                   | 344                 |
| Wheelchair Modified         | 62                  | 61                    | 69                  |
| Singles                     | 27                  | 24                    | 16                  |
| <b>Total</b>                | <b>1,403</b>        | <b>1,363</b>          | <b>1,301</b>        |

**BUILDING ENVELOPE REMEDIATION & RELATED CAPITAL IMPROVEMENTS**

The Heathers Building Envelope Remediation

BC Housing Management Commission (BCHMC) is in the process of registering the mortgage for the building envelope remediation. Once the mortgage is registered BCHMC will begin the process of retaining a project consultant. CRHC staff has been in contact with BCHMC regarding progress on the consultant tender package ahead of the mortgage registration to keep the project moving.

2014 Roofing and Gutters

The Hamlet: roofing and gutter work is underway. The contractors, Parker Johnson Industries, are completing the work the week of October 20/14.

Exterior Paint

Ramsay Paint is the contractor. The work at Rosewood is complete barring any minor deficiencies found during a final inspection. Rosewood is the final building in this year's group of three sites receiving full exterior paint.

Common Area Carpet

Rotary House common area re-carpeting has been tendered and the award is anticipated to go to low bid from Island Floor Covering at \$20,995.99. Two other bids were received with the high bid at \$32,500. Another \$8,000 is budgeted for contingency, wall repair and tenant lounge flooring upgrade.

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

Energy Conservation Assistance Program (ECAP)

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.

Over September and October, at our Olympic View site, all tenants have been offered the program. Ten residents have applied to Carillon for an assessment. Last year only one tenant applied; there may be

three plausible explanations for the increased participation at this site. Last year the program was offered in the summer when there is less awareness of energy consumption. Secondly the required information for the applicant to provide has been decreased for this year. Thirdly this year's offering opened the program up to all 60 residents, not just the potential 19 subsidized units as was the case last year. Of the ten applicants this year four are subsidized and six market.

### STAFF TRAINING

Skills Plus, Common Building Maintenance: in September four caretaking staff and a property manager attended this three day hands on course. Ten of our sixteen caretaking staff have now participated in this training.

Rapid Damage Assessment: two staff will be attending this ½ day session presented by BC Housing in late October. The session addresses structural damage in the aftermath of an earthquake. The bulk of CRHC caretaker and property manager staff has already participated in this program.

BC Non-Profit Housing Association Conference: CRHC's Senior Manager and two office staff members will participate in mid-November. Training secessions include, Tracking Utilities, Waste Management And Tenant Engagement, Roof Leaks Best Practices, Managing Contract and Water Damage Insurance.

Facilities Operation And Maintenance: two staff are currently participating in the pilot of this online training program offered by BCNPHA. The anticipated time allotment for the course is four hours per week spread across four weeks.

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

| Vendor          | Issued        | Expenditure | Notes                                    |
|-----------------|---------------|-------------|--|
| Ramsay Painting | Sept. 9, 2014 | 28,926.37   | Exterior Paint:<br>Greenlea 91% complete |
|                 |               | 18,010.75   | Viewmont 95% complete                    |
|                 |               | 7,640.92    | Rosewood 18% complete                    |
|                 |               | 2,379.83    | Harbour Lane holdback payout             |
|                 |               | \$56,657.87 | Total                                    |



Don Metcalf  
Manager of Operations