



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

**AGENDA**

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9:30 a.m., Tuesday, April 28, 2015  
625 Fisgard Street, Victoria  
Room 107

1. Approval of Agenda
2. Approval of Minutes of March 24, 2015
3. 2015 Operational Business Plan
4. Quarterly Financial Update
5. Turnover and Vacancy Quarterly Report – First Quarter
6. The Heathers Building Envelope Prime Consulting Services Contract
7. Property Management Report
8. Adjournment



**Minutes of a Meeting of the Capital Region Housing Corporation Board of Directors  
Held March 24, 2015 in Room 488, 625 Fisgard Street, Victoria, BC**

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**PRESENT:** **Directors:** R. Cooper (Chair), J. Carline, D. Howe, S. Law, C. Plant, D. Screech,  
C. Stock (Alternate for A. Finall)  
**Staff:** R. Lapham, Chief Administrative Officer; K. Lorette, General Manager,  
Planning and Protective Services; C. Culham, Senior Manager;  
D. Metcalfe, Manager of Operations; R. Loukes, Accountant; D. Milonas,  
Recorder

**ABSENT:** **Directors:**  
**GUESTS:** Kristin Kemle

The meeting was called to order at 11:22 a.m.

**1. APPROVAL OF AGENDA**

It was **MOVED** by Director Stock, **SECONDED** by Director Law  
That we add Property Assessment update to the agenda.  
And, that the new agenda be approved.

Christine gave a brief report on the current status of our Property Assessment appeal  
process and mentioned that we will find out the final outcome on April 30.

Christine gave her final comments about achieving balance between the needs of the CRHC  
and the municipalities.

**CARRIED**

**2. APPROVAL OF THE MINUTES OF FEBRUARY 24, 2015**

It was **MOVED** by Director Plant, **SECONDED** by Director Law  
That the minutes of February 24, 2015 be approved.

**CARRIED**

**3. PROPERTY MANAGEMENT REPORT**

It was **MOVED** by Director Law, **SECONDED** by Director Carline  
That the Capital Region Housing Corporation Board of Directors receive the Property  
Management Report for information.

**CARRIED**

**4. ADJOURNMENT**

The meeting was adjourned at 11:40 am

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Rick Cooper, Chair

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Donna Milonas, Recorder



**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS  
MEETING OF APRIL 28, 2015**

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**SUBJECT OPERATIONAL BUSINESS PLAN 2015**

**PURPOSE**

The purpose of this report is to provide information to the Capital Region Housing Corporation (CRHC) Board of Directors regarding the operational business plan for 2015.

**BACKGROUND**

The CRHC Board of Directors is responsible for the oversight of the operations of the CRHC. The CRHC Board of Directors guides the long term planning needed to achieve the goals identified by the Capital Regional District (CRD) Board of Directors and incorporate the principles of the CRD Strategic Plan into its business plan to ensure that the CRHC is successful in meeting these broader corporate goals.

In September 2014, the CRHC Board of Directors approved the CRHC 2015 Strategic Plan.

These goals are then turned into a business plan by senior CRHC staff that will guide the work of staff for 2015.

Process:

- 1) CRD Strategic Plan 2012-2014 (completed)
- 2) CRHC Board Strategic planning for 2015 (completed)
- 3) CRHC Senior staff translate high level plan into operational business plan (completed)
- 4) CRD Strategic Planning 2015-2018 (in progress)
- 5) CRHC Board Strategic Planning 2016-2019 (upon completion of CRD Strategic Plan)

**FINANCIAL IMPLICATIONS**

Financial implications are identified during budget process.

**CONCLUSION**

CRHC staff has created an operational business plan to act as an organizational tool to keep us on track to meet our strategic objectives.

**RECOMMENDATIONS**

That the Capital Region Housing Corporation Board of Directors receive this report for information.

Christine Culham  
Senior Manager  
Capital Region Housing Corporation

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

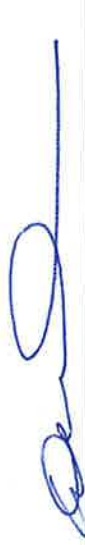
**CAPITAL REGION HOUSING CORPORATION  
ADMINISTRATION DIVISION  
YEAR-TO-DATE (YTD) REVENUE AND EXPENDITURES  
JANUARY to MARCH, 2015**

<u>Administration</u>	<u>Budget 2015</u>	<u>Budget Jan-Mar</u>	<u>Actual Jan-Mar</u>	<u>Variance Jan-Mar</u>
<b>Revenues</b>				
Management Fees - UOA, ILBC2, NOA and Others	1,019,093	254,773	254,773	0
Interest Income	100,000	25,000	25,000	0
Service Fees - Dockside Covenant	2,000	500	0	(500)
Misc - service charges	1,217	304	620	316
Transfer from Corporation Stabilization Reserve	35,000	8,750	8,750	0 (A)
<b>Total Revenues</b>	<b>1,157,310</b>	<b>289,328</b>	<b>289,143</b>	<b>(184)</b>
<b>Expenditures</b>				
Salaries and Benefits	849,100	212,275	217,271	(4,996) (A)
Training	10,000	2,500	595	1,905
Travel and Conferences	4,300	1,075	0	1,075
Consultants and Legal Fees	15,000	3,750	12,745	(8,995) (B)
CRD Administration and Audit Fees	137,560	34,390	34,390	0
Office Rental and Insurance	53,780	13,445	13,445	0
Telephone	13,500	3,375	2,822	553
Advertising	500	125	0	125
Stationery and Services	24,550	6,138	3,267	2,871
Equipment Replacement Reserve	2,500	625	625	0
Computer Support	46,520	11,630	11,588	42
<b>Total Expenditures</b>	<b>1,157,310</b>	<b>289,328</b>	<b>296,748</b>	<b>(7,421)</b>
<b>Total Administration Surplus/(Deficit)</b>	<b>0</b>	<b>0</b>	<b>(7,605)</b>	<b>(7,605)</b>


**Variance Notes:**

(A) Salaries and Benefits: CRHC Board approved Jan/15 to transfer 35,000 from Corporate Stabilization Reserve to fund increase in Administration Coordinator position from 0.3 FTE to 1.0 FTE. Jan-Mar overbudget amount of (4,996) is a result of retro pay for paygrade reclassification of 2 Union positions.

(B) Consultants and Legal Fees: 12,745 for property assessment appeal

  
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 MARCH, 2015

UMBRELLA AGREEMENT

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

	UOA Budget 2015	UOA Budget Jan-Mar	UOA Actual Jan-Mar	UOA Variance Jan-Mar
<b>Revenues</b>				
BCHMC Fixed Payment	3,554,958	888,740	888,647	(93)
Tenant Rent	9,317,790	2,329,448	2,325,763	(3,685)
Misc Revenue - parking and laundry	42,252	10,563	12,239	1,676
<b>Total Revenues</b>	<b>12,915,000</b>	<b>3,228,750</b>	<b>3,226,649</b>	<b>(2,102)</b>
<b>Expenditures</b>				
Audit/Legal	29,985	7,496	7,596	(100)
Caretakers	1,005,038	251,260	240,857	10,403
Contingency & Vacancy	57,809	14,452	0	14,452
Garbage	188,427	47,107	45,622	1,485
Gas	139,028	34,757	27,256	7,501
Electricity	232,534	58,134	55,779	2,355
Insurance	277,161	69,290	69,290	0
Landscape Maintenance	300,700	75,175	74,139	1,036
Land Lease (Willowdene)	0	0	10,500	(10,500) (A)
Maintenance	582,873	145,718	60,142	85,577 (B)
Management Fee	862,443	215,611	215,611	(0)
Mortgage	6,186,370	1,546,593	1,547,545	(953)
Property Taxes	1,221,137	305,284	305,284	0 (C)
Replacement Reserve Contribution	820,691	205,173	205,173	0
Vehicle Operating	1,958	490	490	0
Water	688,746	172,187	144,217	27,970 (D)
<b>Total Expenditures</b>	<b>12,594,900</b>	<b>3,148,725</b>	<b>3,009,501</b>	<b>139,225</b>
<b>Total Umbrella Agreement Surplus/(Deficit)</b>	<b>320,100</b>	<b>80,025</b>	<b>217,148</b>	<b>137,123</b>

**Variance Notes:**

- (A) Land Lease (Willowdene): 10,500 ( two lease payments) not budgeted for in 2015 as land transfer was to complete in 2014. Actual date Feb/15
- (B) Maintenance: 85,577 under budget due to annual unit inspections completed Jan-July and resulting maintenance work completed July-Dec.
- (C) Property Taxes: based on budget estimate before 2015 BC Assessment notice of increase and related appeal.
- (D) Water: 27,970 under budget due to cyclical usage higher in summer months.

CAPITAL REGION HOUSING CORPORATION  
 INDEPENDENT LIVING BC 2 PORTFOLIO  
 YEAR-TO-DATE REVENUE AND EXPENDITURES  
 JANUARY TO MARCH, 2015

<u>ILBC 2</u>	<u>ILBC 2</u>	<u>ILBC 2</u>	<u>ILBC 2</u>	<u>ILBC 2</u>
<u>1 Building - 21 Seniors Independent Living Housing</u>	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Constructed 2008</u>	<u>2015</u>	<u>Jan-Mar</u>	<u>Jan-Mar</u>	<u>Jan-Mar</u>
<b>Revenues</b>				
BCHMC Subsidy	316,182	79,046	77,847	(1,199)
Tenant Rent	342,492	85,623	80,485	(5,138) (A)
Misc Revenue	0	0	2,550	2,550
<b>Total Revenues</b>	<b>658,674</b>	<b>164,669</b>	<b>160,882</b>	<b>(3,787)</b>
<b>Expenditures</b>				
<b>General Costs</b>				
Audit/Legal	545	136	136	0
Cable - offset by Misc Revenue	0	0	1,902	(1,902)
Contingency & Vacancy	5,000	1,250	912	338
Contracted Services	290,826	72,707	71,277	1,430
Garbage	3,000	750	678	72
Electricity	29,665	7,416	7,945	(529)
Insurance	6,693	1,673	1,673	0
Memberships	500	125	0	125
Mortgage	221,596	55,399	55,399	0
Property Taxes	23,374	5,844	5,844	0 (B)
Replacement Reserve Contribution	16,600	4,150	4,150	0
Water	5,069	1,267	1,332	(65)
	<b>602,868</b>	<b>150,717</b>	<b>151,249</b>	<b>(532)</b>
<b>Manageable Costs</b>				
Caretaker	9,180	2,295	2,658	(363)
Landscape Maintenance	3,020	755	810	(55)
Maintenance	19,370	4,843	5,412	(569)
Management Fee	24,236	6,059	6,059	0
	<b>55,806</b>	<b>13,952</b>	<b>14,939</b>	<b>(987)</b>
<b>Total Expenditures</b>	<b>658,674</b>	<b>164,669</b>	<b>166,187</b>	<b>(1,519)</b>
<b>Total ILBC 2 Surplus/(Deficit)</b>	<b>0</b>	<b>0</b>	<b>(5,305)</b>	<b>(5,305)</b>

**Variance Notes:**

(A) Tenant Rent: (5,138) revenue shortfall due to 3 vacancies Jan-Mar/15.

(B) Property Taxes: based on budget estimate before 2015 BC Assessment notice of increase and related appeal.

CAPITAL REGION HOUSING CORPORATION  
 CRHC NO OPERATING AGREEMENT  
 YEAR-TO-DATE REVENUE AND EXPENDITURES  
 JANUARY TO MARCH, 2015

VILLAGE ON THE GREEN  
 1 Building - 38 Mixed Income Family Housing  
 Constructed 1984

	VOG Budget 2015	VOG Budget Jan-Mar	VOG Actual Jan-Mar	VOG Variance Jan-Mar
<b>Revenues</b>				
Tenant Rent	376,745	94,186	96,630	2,444
Misc Revenue	760	190	112	(78)
<b>Total Revenues</b>	<b>377,505</b>	<b>94,376</b>	<b>96,742</b>	<b>2,366</b>
<b>Expenditures</b>				
Audit/Legal	920	230	230	0
Caretaker	30,030	7,508	7,631	(124)
Garbage	4,191	1,048	1,152	(104)
Electricity	1,755	439	353	86
Insurance	8,354	2,089	2,089	0
Landscape Maintenance	7,079	1,770	1,770	(0)
Maintenance	14,952	3,738	276	3,462
Management Fee	27,018	6,755	6,755	0
Mortgage	134,403	33,601	33,627	(26)
Property Taxes	44,706	11,177	11,177	0
Replacement Reserve Contribution	34,900	8,725	8,725	0
Vehicle Operating	176	44	0	44
Water	14,385	3,596	4,563	(967)
<b>Total Expenditures</b>	<b>322,869</b>	<b>80,717</b>	<b>78,347</b>	<b>2,371</b>
<b>Total Village on the Green Surplus/(Deficit)</b>	<b>54,636</b>	<b>13,659</b>	<b>18,395</b>	<b>4,737</b>

**Variance Notes:**

(A) Property Taxes: based on budget estimate before 2015 BC Assessment notice of increase and related appeal.



CAPITAL REGION HOUSING CORPORATION  
 CRHC NO OPERATING AGREEMENT  
 YEAR-TO-DATE REVENUE AND EXPENDITURES  
 JANUARY TO MARCH, 2015

<u>VERGO</u>	Vergo Budget 2015	Vergo Budget Jan-Mar	Vergo Actual Jan-Mar	Vergo Variance Jan-Mar
<b>1 Building - 18 Affordable Family Housing Constructed 2012</b>				
<b>Revenues</b>				
Tenant Rent	257,245	64,311	64,311	0
Misc Revenue	0	0	0	0
<b>Total Revenues</b>	<b>257,245</b>	<b>64,311</b>	<b>64,311</b>	<b>0</b>
<b>Expenditure</b>				
Audit/Legal	437	109	109	0
Caretaker	8,307	2,077	2,040	37
Garbage	2,590	648	638	10
Electricity	756	189	126	63
Insurance	7,654	1,914	1,914	0
Landscape Maintenance	4,180	1,045	1,045	0
Maintenance	5,036	1,259	355	904
Management Fee	12,798	3,200	3,200	0
Mortgage	239,982	59,996	60,063	(68)
Property Taxes	25,388	6,347	6,347	0
Replacement Reserve Contribution	7,000	1,750	1,750	0
Water	5,904	1,476	2,008	(532)
<b>Total Expenditures</b>	<b>320,032</b>	<b>80,008</b>	<b>79,595</b>	<b>414</b>
<b>Total Vergo Surplus/(Deficit) to be supplemented by No Operating Agreement Portfolio Stabilization Reserve</b>	<b>(62,787)</b>	<b>(15,697)</b>	<b>(15,284)</b>	<b>414</b>

**Variance Notes:**

(A) Property Taxes: based on budget estimate before 2015 BC Assessment notice of increase and related appeal



**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS  
MEETING OF April 28, 2015**

**SUBJECT    FIRST QUARTER 2015 TURNOVER AND VACANCY REPORT**

**ISSUE**

This report provides information on the activity and performance results in the areas of turnover, vacancy and move-ins for January 1 to March 31, 2015.

**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.

<b>Year</b>	<b>Period</b>	<b>Number of Turnovers Subsidized (913 units)</b>	<b>Number of Turnovers Non-Subsidized (373 units)</b>	<b>Total</b>
2015	January 1 to March 31	25	9	34
2014	January 1 to March 31	21	15	36

**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).

<b>Year</b>	<b>Period</b>	<b>Total</b>
2015	January 1 to March 31	1.99%
2014	January 1 to March 31	1.48%

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.

<b>Year</b>	<b>Period</b>	<b>Days Vacant</b>
2015	January 1 to March 31	2392
2014	January 1 to March 31	1776

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
2015	January 1 to March 31	47
2014	January 1 to March 31	35

Internal Transfers

Internal transfers are guided through our Tenant Transfer Policy and address:

1. Occupancy standards /over housing - which is a legislated requirement to ensure that the rent geared to income housing is being maximized; and
2. Tenant requests:
  - a) priority transfers (mobility and accessibility issues, safety and medical considerations), and
  - b) tenants who would like to move to accommodate employment, be closer to support systems and other life changes are considered tenant requests.

Tenant transfers based on tenant requests should be less than 10% of all tenants housed annually.

Year	Period	Occupancy standards	Tenant Requests	Total
2015	January 1 to March 31	7	1	8
2014	January 1 to March 31	7	5	12

CONCLUSION

CRHC experiences significant costs in preparing vacant units for occupancy and are also impacted by income loss when units are vacant experience income loss. These factors drive the operating and capital budgets. CRHC will be reviewing the vacant unit processes and identifying areas for improvement as part of the 2015 business plan.

RECOMMENDATION

That the Capital Region Housing Corporation Board of Directors receives the First Quarter, 2015 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 APRIL 28, 2015

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### **SUBJECT** THE HEATHERS BUILDING ENVELOPE PRIME CONSULTING SERVICES CONTRACT

### **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**

The Heathers was built in 1992 and has 26 units. The Capital Region Housing Corporation (CRHC) has identified The Heathers as requiring a building envelope remediation (BER). The estimated cost for the BER is approximately \$2 million.

In May 2014, British Columbia Housing Management Commission's (BCHMC) Executive Management Team identified The Heathers BER as a provincial priority, upon recommendation from the Development and Asset Strategies Branch of BCHMC. BCHMC has confirmed that they will provide a forgivable mortgage to the CRHC in the amount of \$2,000,000 through the Community Investment Program (CIP). The operating agreement for the forgivable mortgage is for 35 years.

CRHC staff is working with BCHMC staff who are acting as the Project Manager for the BER.

A Request for Proposals from engineering companies to act as the prime consultant on the Heathers BER project closed March 16, 2015. CRHC staff worked with BCHMC staff to make a decision on the final selection. The contract was publicly tendered through the BCHMC and BC Bid.

### **IMPLICATIONS**

Ten compliant bids were received. The bids were analysed through the BCHMC procurement department and Reads Jones Christofferson (RJC) was recommended as the preferred consulting services.

RJC scored the highest percentage on the evaluation portion with a score of 49% and their pricing came in at the lowest at \$115,000. The \$115,000 was provided as the total fee by BCHMC based on \$28,500 in fixed costs and a 5% fixed percent fee based on final construction cost including all Sub-Consulting fees. It is within the budgeted allotment for consulting fees as per the project budget.

**CONCLUSION**

BCHMC is acting as Project Manager on The Heathers BER. Through the BCHMC public tendering process, RJC was the successful candidate.

**RECOMMENDATION**

That the Capital Region Housing Corporation Board of Directors authorizes any two members of the Executive Committee to sign the Master Purchase Agreement with Read Jones Christofferson for \$115,000.



Don Metcalf  
Operations Manager  
Capital Region Housing Corporation



Christine Culham  
Senior Manager  
Capital Region Housing Corporation



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



**Property Management Report – April 28, 2015  
Capital Region Housing Corporation Board of Directors**

This Property Management Report provides an update since the last report of March 24, 2015

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**BCH REGIONAL REGISTRY WAITLIST STATISTICS**

<b>Category</b>	<b>April 2015</b>	<b>March 2015</b>	<b>April 2014</b>
<b>Total Registry Units</b>	<b>3,245</b>	<b>3,245</b>	<b>3,203</b>
Family	411	426	382
Seniors	514	513	455
Persons with Disabilities	374	374	354
Wheelchair Modified	56	60	63
Singles	36	37	16
<b>Total</b>	<b>1,391</b>	<b>1,410</b>	<b>1,270</b>

**BUILDING ENVELOPE REMEDIATION & RELATED CAPITAL IMPROVEMENTS**

Building Envelope Condition Assessments

Read Jones Christofferson Engineering has been awarded the contract to complete building envelope condition assessments for Brambles, Carillon and Firgrove. This will assist the CRHC in having a more concrete understanding of the conditions of these assets. These assessments were prioritized in the 2015 Capital Plan.

**ARBITRATIONS/COURT ACTIONS**

An arbitration was conducted regarding the issue involving a tenant's request to be reimbursed for towing costs. The decision has been received from the arbiter. The tenant will not be reimbursed for the towing charges or filing fees, and the CRHC will not charge back the tenant for the caretaker \$50.00 call out charge.

Staff once again attended Small Claims Court pursuing payment of a monetary order. The past tenant made the payment of \$1,393.50 to CRHC that same day.

**STAFFING**

The auxiliary Caretaker position has been filled. Duncan Yeo will begin training shortly.

The Administrative Coordinator position has been filled by an internal candidate, Kristine Kusnyerik. She will begin her new position once her current position has been filled to ensure a smooth transition to operations.

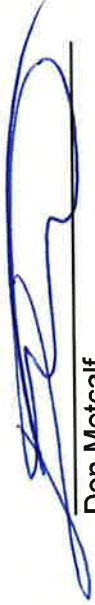
**CANADA POST**

**Community Mail Boxes**

Staff has been in consultation regarding installation of community boxes at two sites, Firgrove and Portage Place. Boxes placed on CRHC sites will only serve that site's residents. Installation and maintenance of the community boxes will be provided by Canada Post. Additional CRHC sites will be added as Canada Post moves to fulfill their mandate to end door to door delivery. Many CRHC sites already have banks of mail boxes and will not be impacted by the current changes.

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

Vendor	Issued	Expenditure	Notes
City of Victoria	March 26/15	\$71,039.19	Water



Don Metcalf  
Manager of Operations