

CRHC

The Capital Region's Housing Corporation

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

AGENDA

9:30 a.m., Tuesday, March 22, 2016
625 Fisgard St., Victoria
Room 488

- | | <u>Att. #</u> |
|--|---------------|
| 1. Approval of Agenda | |
| 2. Approval of Minutes February 2, 2016 minutes. | 16-04 |
| 3. Capital Region Housing Corporation IT Business Needs Assessment | 16-05 |
| 4. Michigan Square Mortgage Renewal | 16-06 |
| 5. 2015-2016 Budget Update | 16-07 |
| 6. Property Management Report | 16-08 |
| 7. Adjournment | |



**Minutes of a Meeting of the Capital Region Housing Corporation Board of Directors
Held February 2, 2016 in Room 107, 625 Fisgard St, Victoria, BC**

PRESENT: Directors: D. Screech (chair); J. Carline; D. Howe; R. Cooper; B. Braude
Staff: R. Lapham; K. Lorette; C. Culham; D. Metcalf; R. Loukes; R. Sharma;
 R. Lachance; A. Genero
Recorder: K. Kusnyerik
ABSENT: Directors: L. Helps; C. Plant

The meeting was called to order at 10:25a.m.

1. APPROVAL OF AGENDA

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

That the agenda be approved with the addition of the following items to item 5:

- a) Director Compensation; and
- b) Capital Region Housing Corporation Director Length of Term on Board.

CARRIED

2. APPROVAL OF THE MINUTES OF DECEMBER 1, 2015 & DECEMBER 11, 2015

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

That the minutes of December 1, 2015 and December 11, 2015 be approved with the deletion of Director Carline as being in attendance at the December 1, 2015 meeting.

CARRIED

3. CAPITAL PLAN 2015 - 2019

C. Culham gave a presentation of the Corporation's Capital Plan for the period 2015-2019.

Discussion ensued about the level at which replacement components are funded as well as the means in which these components are funded (operating versus capital fund). C. Culham explained that the process and categories of funding replacement components is determined through BC Housing and Management Commission (BCHMC) operating policies.

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

- a) That the Capital Region Housing Corporation (CRHC) Board of Directors receive the CRHC updated Umbrella Operating Agreement Five Year Capital Plan 2015-2019 for information; and
- b) That the CRHC Board of Directors approve the ILBC Operating Agreement - Parry Place and the No Operating Agreement Portfolio Five Year Capital Plans 2015-2019.

CARRIED

4. DELEGATION OF AUTHORITY AND SIGNING AUTHORITY POLICY

C. Culham presented the delegation of authority and signing authority policy.

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

That the Board of Directors approves the Capital Region Housing Corporation Delegation of Authority and Signing Authority policy as amended in the attached document – February 2, 2016.

CARRIED

5. DEFINING FUNCTIONS AND DUTIES OF BOARD OFFICERS – RICK COOPER

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

That the Board of Directors refer the Defining Functions and Duties of Board Officers back to Staff. Staff are also to define key staff roles and report back to the board on the executive roles by next meeting.

CARRIED

The time of the CRHC board meetings was discussed. It was decided that Director Screech as Chair will work with staff to determine the best time and date for the CRHC board meetings moving forward.

a) Director Compensation

It was discussed that non-profit board members are not permitted to be remunerated through the articles of incorporation and BCHMC Operating Agreements.

b) Capital Region Housing Corporation Director Length of Term on Board

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

That the Capital Region Housing Corporation Board of Directors request that the Capital Regional District Board (CRD), request that the CRD Governance Committee review the length of terms of board appointment and that they be extended from 1 year to 2 years.

CARRIED

Staff were requested to add page numbers to agenda packages for ease of reference.

R. Sharma, R. Lachance and A. Genero left the meeting at 11:08am

6. LEBLOND STRATA – STRATA COUNCIL REPRESENTATION

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

That the Capital Region Housing Corporation Board of Directors re-affirm their resolution of October 31, 2006 and retain the Senior Manager and Executive Committee as representatives for Lot #1 on the LeBlond Strata Council.

CARRIED

7. DRAFT TERMS OF REFERENCE FOR CRHC TASK FORCE EXAMINATION OF POSSIBLE TENANT ENGAGEMENT MEASURES – JOHNNY CARLINE

Director Carline presented the Draft Terms of Reference for CRHC Task Force Examination of Possible Tenant Engagement Measures. He noted that the objective is to have three people on the task force as well as staff member C. Culham.

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

That the Capital Region Housing Corporation Board of Directors support the Draft Terms of Reference for CRHC Task Force Examination of Possible Tenant Engagement Measures.

CARRIED

8. 2016 OPERATIONAL PLAN

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

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

CARRIED

9. VACANCY REPORT

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

That the Capital Region Housing Corporation Board of Directors receives the 2015 Turnover and Vacancy report for information.

CARRIED

10. PROPERTY MANAGEMENT REPORT

CRHC property insurance was discussed. C. Culham advised that BC Non Profit Association has just created an insurance company called Captive which may be a beneficial option for CRHC in future.

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

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

CARRIED

11. ADJOURNMENT

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

The meeting was adjourned at 11:27 a.m.

David Screech, Chair

Kristine Kusnyerik, Recorder



REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS MEETING OF MARCH 22, 2016

SUBJECT Capital Region Housing Corporation IT Business Needs Assessment

ISSUE

To advise the Capital Regional Housing Corporation (CRHC) Board of Directors on the outcomes of the CRHC Information Technology (IT) Business Needs Assessment and to inform the CRHC Board of Directors on solutions to improve the current CRHC IT business processes.

BACKGROUND

In 2015, the CRHC staff undertook an IT Business Needs Assessment in collaboration with the Capital Regional District IT and Geographic Information Systems. CRHC requested IT staff to provide an objective and comprehensive business and process analysis of CRHC's business processes and systems that included:

- An assessment and documentation of a) the existing technology and b) the business processes that are currently supported by the current technology;
- Mapping of existing business processes, describing the purpose, business objectives, data and reporting requirements as well as the short comings of current system(s);
- Identifying deficiencies in current technology; and
- Researching solutions to the deficiencies, including current and available property management specific technology options as well as SAP.

CRHC staff attended facilitated interviews with IT staff. Information received indicated all CRHC staff work as a team to complete tasks and to provide excellent customer service. A cross functional diagram, Appendix A, was prepared to illustrate many of the processes require multiple stakeholders and an integrated communication network.

The key interview results, highlighted in Appendix B, provide the foundation to map out the key current state processes that most impact the organization.

CRHC's business processes are handled and reported from several applications. In fact, many of the operational workflows are manual and consist of paper documents, which are then entered by administrative staff into Word or Excel spreadsheets for tracking purposes and then a portion of the data is entered again in SAP, CRHC's financial system. BC Housing's database, known as BC Connections, is also used for subsidized tenant applications in addition to Ameresco for capital requirements and budgeting purposes.

Excel and Word are being used due to the current state of SAP, which is not configured to fulfil all the tenant and property management requirements. SAP is currently being used for the following financial purposes:

- ✓ Tenant Services: scheduled billing and payments (collections are tracked in Excel),
- ✓ Building Services:
 - Inventory Management
 - Capital replacements
 - Asset Management to report the financial costs and limited asset details
- ✓ Purchasing Services:

- Creating purchase orders (for capital purchases only)
- Processing vendor invoices
- ✓ Financial Services:
 - Financial reporting
 - Financial analysis

Appendix C – Gap Analysis identifies the problem or current limitations with the existing process and assesses the root cause and system requirements. The document also compares the functionality of two potential software solutions to the listed business requirements.

The following software solutions were researched to provide improvement in the current state of CRHC’s operations.

1. Enhance SAP
2. Purchase Yardi

Both SAP and YARDI solutions provide similar functionality as indicated in Appendix C.

ALTERNATIVES

1. That the Capital Region Housing Corporation Board of Directors approve that \$150,000 be transferred from the Corporate Stabilization Reserve Fund for the implementation of an enhanced SAP system.
2. That the Capital Region Housing Corporation Board of Directors approve that \$225,000 be transferred from the Corporate Stabilization Reserve Fund for the installation of the Yardi property management system.
3. That the Capital Region Housing Corporation Board of Directors refer back to staff.

IMPLICATIONS

The following table provides high level system and financial variances between the two alternatives:

SAP Pros	Yardi Pros
SAP is one integrated software solution with seamless interfaces between all modules.	Staff preferred screen set up over SAP and felt Yardi was easy to use, intuitive, and won't impact staff in terms of complexity.
Experienced in-house IT support with continuous functionality improvement.	Property management solution written specifically for social housing needs and complies with British Columbia social housing regulations.
Lower project costs. Lower ongoing annual maintenance costs.	
SAP Cons	Yardi Cons
CRHC staff limitations to adopt SAP functionality.	Multiple interfaces will have to be written in-house to download third party software information into SAP.
SAP is a complex Enterprise Resource system which may result in a greater staff learning curve than Yardi.	Yardi is an online, vendor supported application residing in a Cloud environment

	increases the annual maintenance costs of the application.
SAP will require configuration to meet social housing requirements.	Requires ongoing support for two systems as SAP will continue to be used for financial purposes; including vendor invoices, payroll, assets, and financial statement preparation.
	Periodic system reconciliations will be required to verify financial data.
	Mobile applications come standard and are not customizable.
	Caretakers will not have the ability to retrieve customer information on the work order maintenance application.

FINANCIAL IMPLICATIONS

The current IT system has proven to be inefficient for the CRHC staff. It is mix of SAP, manual reporting and the use of excel and word documents that are uploaded into the SAP financial system. The current system is not a property management software and does not support the current work of the CRHC staff. The enhancement of SAP has considerably lower implementation and ongoing annual maintenance costs. A complete budget can be found in Appendix D.

Project Costs	SAP	YARDI
Implementation (one-time)	\$147,015	\$222,205
Ongoing Annual Costs	\$ 26,450	\$ 94,450

CONCLUSION

Results from the business analysis showcased a need for moving from manual business processes into an automated system which can provide improved process through automation, improved communications, and enhanced management reporting and dashboard analytics.

Either software application can provide CRHC with a comprehensive solution. However, SAP option has lower implementation costs and ongoing annual maintenance costs and provides a solution within one database.

RECOMMENDATIONS

That the Capital Region Housing Corporation Board of Directors approve that \$150,000 be transferred from the Corporate Stabilization Reserve Fund for the implementation of an enhanced SAP system.



David Hennigan
 Senior Manager
 IT and GIS, Capital Regional District



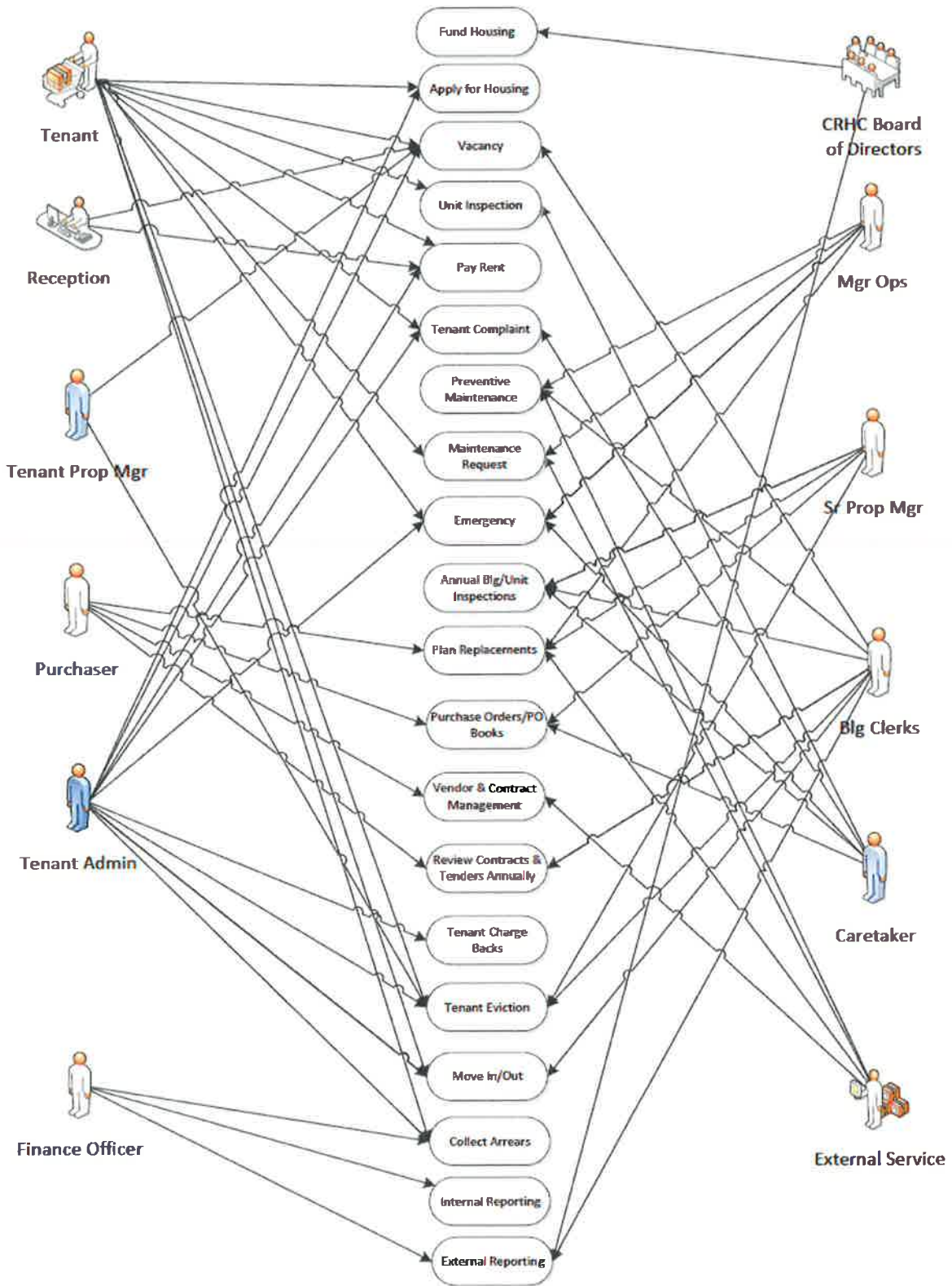
Christine Culham
 Senior Manager
 Capital Region Housing Corporation



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

Appendix A

APPENDIX A - CRHC Use Case Module (Current)



Appendix B

Asset and Maintenance Services

Asset and Maintenance Services is a business unit within CRHC consisting of 20 staff to deal with the day to day operations in the unit and buildings. These responsibilities include the property management for tenants and maintaining the buildings through capital and operational maintenance, procurement and tenant relations within the buildings.

	Caretaker's Key Interview Points:
	A wide range of manual tracking systems are used for a majority of the processes.
	Caretakers work closely and rely heavily on administrative staff to retrieve tenant or unit information as the comprehensive paper files are stored downtown.
	Duplicate paper files exist for tenants, units and buildings and reside in both the main CRHC office and the caretakers' offices at their respective building locations with Caretaker destroying their tenant file copy when tenant vacates.
	Caretakers maintain separate tenant contact, unit and parking information and store information on their phone or home computer which is backed up by iCloud, being a violation of FOI policy.
	Contact and correspondence with vendors, suppliers, tenants and staff are handled in the form of email, telephone, in person and in writing and placed in the tenant or building file.
	Caretaker's time is being used for non-productive activities such as to travel to and from head office to submit and receive various requests and documents.
	Parking spots are logged and tracked manually downtown but need to be readily accessible by the caretaker in order to determine if unauthorized vehicles are to be towed.
	Tenant move-in/out work flow involves multiple steps and communication between all stakeholders. The process is currently tracked manually by admin staff where caretakers cannot access the spreadsheet easily in the field.
	Planned unit/building inspections are tracked manually by filling out forms and entered into multiple SharePoint lists.
	Non-scheduled maintenance requests are not handled consistently as some jobs are recorded through a work order and others are tracked in the caretaker's calendar or not at all.
	Lacks standardization when tracking repairs as each caretaker has their own method of tracking.
	Up to date component replacement costs or asset life expectancy are not recorded in a system to easily access.
	Tenants who request capital replacement items require investigation from admin staff to determine when the capital item was last replaced as SAP only shows the posting date of the invoice. As a result, caretakers manually track capital replacement items for their buildings/units and retain it onsite, resulting in two sets of records.
	Originally log books were used to track all operations and capital work, but because the administration/management never requested to review the log books, only capital items were tracked in the log books.
	SAP Work orders are only created for capital replacement only.
	Caretakers track appointments via notebook or day timer, Outlook calendar, or by memory.
	Caretakers are informed of contractor's service schedules by office staff in order to monitor work and report any deficiencies.
	Caretakers use PO books in the field with a spending limit of \$150. Above this limit requires PM approval which is usually done via email with pictures attached showing damage.
	Creates paint sheets form for work on building or units
	There are no computers for the caretakers to access in the field and caretakers rely on their smart phone technology

Property Managers key interview points:	
	Lacks performance measurement tools for caretakers.
	Unit turnover is tracked manually on a spreadsheet.
	Lacks a system to manage vacant units and minimize lost revenue
	Aging infrastructure has resulted in more work required on the buildings and units
	Tenants are no longer selected based on merit, resulting in an increase in incidents of damaged units.
	Managers are required to be more prudent with their asset and equipment purchases.
	Considerable time spent writing out and managing PO books.
	Manually approves caretaker's payroll.
	Work alone checks provided by external communications company using Check Mate system.
	PM's direct caretakers work during and after hours.
	Respond to emails, calls and complaints from admin staff, tenants or caretakers for items not working property at buildings or units. PM forwards email or calls caretaker to resolve issue.
	Respond to caretaker's questions regarding SOPs (Standard Operating Procedures) – yet policies on the buildings' sites.
	New tasks have driven more administrative work for PM.
	Maintains building site files consisting of tenancy agreement, proof of income forms, post notices on board, hand written notes, telephone messages and emails.
	Manages staff coverage, vacation time and auxiliary coverage.
	Reviews paint sheet with caretakers for completeness.
	Paint sheet moves back and forth between staff for completion and posting to SAP or SharePoint spreadsheet.
	Paint sheet triggers authorization for purchases but a PO for the purchase may not be issued depending on the type of work done, operational or capital in nature. Lacks integrated maintenance, work order tracking and approval systems for both capital and operational purchases.
	Building Services staff is unable to book vehicles in SharePoint. This is currently done in the office by support staff.
	Emergency supplies for floods/fires are signed out, tracked manually.
	PM lacks the ability to manage their building portfolios with real time actual vs budgeted costs for each building.
	Capital replacement information does not interface with Ameresco.

Procurement

A CRHC procurement is part of the Asset and Maintenance Services Unit. Staff work closely with internal and external stakeholders managing the procurement of goods and services for the properties and related contract management.

Procurement Group Key Interview Points:	
	Lacks standard processes in procurement as capital purchases are processed using work orders and POs in SAP, yet other operational processes are using manual PO books.
	Currently manages contract progress using manual processes which include Excel for the contract detail and Outlook to remind staff to start the process to renew contracts. Lacks automated contract management functionality.
	Capital expenditures are managed in manually Excel.
	The purchases are not linked to the budgeting process in SAP.
	Duplicate data entry required in Excel, Outlook, and Word for contract management.
	Painting contract for units/buildings are bid upon by each job or unit. Lacks tracking of annual purchases by vendor.
	Staff enters paint sheet and PO book purchases into SAP for processing.
	Staff processes charge backs to tenants if required based on purchases.
	Plumber/electrician goes to preferred suppliers (no tenders).
	Building and unit attributes for equipment and assets are not set up in SAP, resulting in poor budget reporting for purchase requirements.

Tenant Services

Tenant services manages the tenant process from the initial contact to move-out, including monthly rental charges, payments, dunning, installments, charge backs, rent escalations, dispute resolution, tenant requests, collections and tenant relations.

	Tenant lifecycle key interview points:
	Schedule contracts for tenant's rent is handled by SAP Sales and Distribution.
	Monthly rent charges, payments and security deposits are recorded in SAP.
	Collection and dunning workflow is processed manually in Excel and Word documents with a volume of 75 – 160 letters per month.
	SAP doesn't currently provide integration of tenant and unit – solution is to populate the search term in the tenant's master data to link the unit.
	The tenant life cycle is managed in Excel, Word, Outlook and in SAP for billing.
	SAP does not currently provide the automated dunning processes for collections.
	SAP does not currently provide the ability to have the tenant repay the account based on a repayment plan.
	Tenant information does not interface with Housing Connections.
	Utility charge backs to tenant is tracked manually until invoicing and not tracked through a work order on the unit.
	Lacks automated waitlist workflows for units, currently done manually.
	Current process tracks correspondence manually within a file.
	Current system lacks an automated tenant dashboard, providing information on move-in status, unit turnover, vacant units, rent review anniversaries, etc.
	Move-in/out process is tracked in Excel to determine the stage of the process.
	SAP does not currently have the ability to code an invoice to an expense account for chargebacks.
	SAP custom reports do not currently provide comprehensive business analytical reporting, including an effective aged receivables report.
	Usually admin staff is first point of contact with tenant for applications, general questions and rent payments.
	Administers paper flow as it enters CRHC.
	Enters all forms into different SharePoint spreadsheets.
	Manages and logs the entire tenant move-in/out process in the files and spreadsheets and coordinates process between tenants and caretakers.
	Processes applications for both market and subsidized units based on tenant's income.
	Subsidized rental applicants must first apply to the Housing Registry to be considered for one of CRHC's buildings.
	Eviction intervention via logging telephone calls, personal and written correspondence and filing in tenant's file. Evidence is required in court for process.
	Tenant correspondence are not always saved in SharePoint and not tagged with Meta data or follow SharePoint's standard practices.
	Manage tenant social clubs, special needs services and Perry Place staff to help tenants succeed.
	Administered initial crime free program with police to ensure safe living environment. No ongoing audit to keep units crime free. Administers process for death of tenant by tracking the process of unit access. Request to be tied with the annual rent review process.
	Administers arbitration process with tenant, staff, tribunal, courts, and bailiffs. Detailed documented workflow required.
	Lacks documentation for tasks within each position.
	Rental specialist coordinates all housing's vacancies, applications and supporting documents, wait lists, website, and viewings with caretakers.
	Responsible for entering tenant information in Housing Connections software and SAP.
	Manages the tenant unit transfer workflow which includes, review tenant occupancy length, type of new unit availability, tenant request lists, calculating additional costs, and the move-in/out process should the tenant move.

	Coordinates the security deposit return with caretakers and tenants as there are regulations and timelines that must be followed.
	Sound understanding of each building in terms of market and subsidized unit ratios.
	Required to govern under the Residential Tenancy Branch Act and CRHC bylaws and policies.
	Liaise with non CRD assets such as Cridge Centre to provide property management services and tenancy agreement details.
	Market units are advertised and applications are sent to be assessed by staff for qualification.
	Tenant demographic report is pulled from Excel.
	Information needs to be readily available to all users to track tenant move-in/out process.
	Form templates that integrate with software.
	Manage tenant and unit information in one application to manage rental details, revenue and collection processes, tenant renewal of charge backs.

Financial Services

CHRC is a government, not-for-profit organization and prepare financial statements in accordance with the Canadian Public Sector Accounting Standards. Each building was built under an operating agreement. Each operating agreement has different requirements, each building is a different age, and comes with replacement schedule requirements. In addition, the agreement outlines the type of tenant the building can be rented to; CMHC is 70% market and 30 income testing., BC Housing is 100% subsidized, and Homes BC is 60% market, 40% subsidized.

	Key interview points:
	Prepares financial statements to staff and CRHC board of directors as required, including monthly, quarterly and annual statements, including income statements and rental vacancies.
	Prepares operating and reserve expenditures reporting by general ledger type, building, and operating agreement rollup.
	Prepares trial balance for working papers, annual fund accounting financial statements in SAP and Caseware.
	Ensures all financial information has been correctly recorded in SAP.
	Monitors monthly rent roll for accuracy.
	Budget forecasting in SAP based on actual, historical and inflationary factors.
	Required to prepare extensive reports on reserve funds and asset management. CRD has not developed analytical reporting in SAP since implementation.
	CRD has not implemented SAP Real Estate module.
	There has not been any significant SAP enhancement since go-live in 2000, including enhanced report functionality.
	Report required to analyze why a building or unit type is having high turnover and/or long vacancy periods so a plan can be developed to reduce vacancies or improve unit marketability.
	Requests system have the ability to report on data categories, including type of unit, rental value, building rollup, number of months of continuous vacancy, etc.
	Revenue and expenditures report required of each portfolio and buildings with operating agreements.
	Schedule of Properties Report required to provide analytical information on operating agreements, mortgages and insured values by each building.
	Report to identify projects by each operating agreement.
	Report on capital renewal work and capital replacements within the buildings by equipment type.
	Report on number of units rented and different types of applicants requiring subsidized housing; families, seniors, disabled persons, wheelchair modified, singles.

Appendix C

Both SAP and YARDI solutions provide similar functionality:

Property Management

- ✓ Mobile solution for caretakers and property managers to access, create, assign, track and complete work orders from the field;
- ✓ Ability to add technician labour, inventory, photo and memo attachments to work orders in field;
- ✓ Correspondence management for resident and internal communications;
- ✓ Includes dashboards to monitor workflows, calendars, and alerts;
- ✓ Includes specific tool for scheduling and managing all types of inspections on properties;
- ✓ Ability to create custom inspection templates to suit unique business needs;
- ✓ Ability to assign inspections based on user-defined criteria;
- ✓ Supports inspection types such as move-in, move-out, annual inspections, due diligence, safety checks, regulatory reviews and violations;
- ✓ Creates cost quotes and work orders directly from the inspection screen;
- ✓ Generates notification letters on inspection results and follow-up scheduling;
- ✓ Ability to capture signatures using smartphone or tablet, (Yardi only);
- ✓ Ability to enforce custom business rules within fields for consistent reporting;
- ✓ Ability to provide job costing and receivable system to manage small jobs or each phase of a large building construction;
- ✓ Includes an Asset Management solution for managing assets, including purchase, depreciation, age, use and final disposition;
- ✓ Property brochures, automated hot sheets and quote sheets;
- ✓ Configurable role-based dashboards; and
- ✓ Provides real time reporting and performance analytics for staff.

Tenant Management

- ✓ Tenant life cycle, including leasing workflow;
- ✓ Integrated general ledger, and automated move-in, move-out accounting;
- ✓ Schedule tenant appointments;
- ✓ Ability to set reminders for follow up contacts follow-up;
- ✓ Ability to update website content for unit availability;
- ✓ Correspondence management for residential communications;
- ✓ Ability to set up workflow approvals for new leases and move-outs;
- ✓ Configurable role-based dashboards with unit lease and vacancy statistics;
- ✓ Ability for tenants to transfer units as a transaction;
- ✓ Provides useable fields for tenant information, including security deposit and banking information for electronic funds transfer for rent and miscellaneous charges; and
- ✓ Manage the collection workflow involving the legal dunning requirements.

Procurement

- ✓ Ability to process purchase orders, change orders, and payables for contracts, (SAP only);
- ✓ Ability to set up workflow approvals for work orders, purchase orders and invoice processing; and
- ✓ Configurable role-based dashboard reporting.

Financial

- ✓ Includes Accounts Receivable, Accounts Payable, and journal entry capabilities;
- ✓ Analytic reporting with drilldown capabilities;
- ✓ Smart data entry and customize favourites list;
- ✓ Custom report writing and configurable role-based dashboards;
- ✓ Both the financial and non-financial data delivers detailed information for budgeting purposes;
- ✓ Compile monthly, quarterly, and yearly report packages;
- ✓ Publish reports to PDF or Excel; and
- ✓ Email report packages automatically.

Overall Benefits

- ✓ Improved tenant customer service and property management tasks and reporting through automation;
- ✓ Increases productivity and reduces data entry for office staff;
- ✓ The real time mobile application improves communications between tenants, staff, and contractors;
- ✓ Online solution reduces paper flow and stores information in central data base;
- ✓ Mobile solution reduces down time and enables the caretaker to access and record data, create work orders and access reports without having to burden the administration staff;
- ✓ Provides increased control over management tasks with external contractors and large building projects as it has automatic over-budget checking and alerts;
- ✓ Customizable reports to produce diagnostic information for day to day operations and capital expenditures;
- ✓ Drill down report access to underlying transactions for job cost summary data;
- ✓ Monitors the entire asset lifecycle with real time reporting to better meet regulatory asset management requirements; and
- ✓ Reduced budget overruns through budget alerts and effective reporting for all levels of staff.

Appendix D

	SAP	Yardi
	Solution	Solution
Project Costs:		
1 Master Data collection & creation - one time cost for either system	\$10,500	\$10,500
2 SAP Plant Maintenance + Mobile Configuration/Implementation	\$28,000	\$0
3 SAP Real Estate Consulting for Configuration/Implementation	\$50,000	\$0
4 CRHC Staff Implementation Labour Costs (96 days x 7 hrs x \$45)	\$30,240	\$30,240
5 Yardi - Voyager Residential - 1,400 units @ \$30/unit	\$0	\$42,000
6 Yardi - Construction Mgmt & Job Costing - 1,400 units @ \$5/unit	\$0	\$7,000
7 Yardi - Inspection - 1,400 units @ \$5/unit	\$0	\$7,000
8 Yardi - Fixed Asset - 1,400 units @ \$5/unit	\$0	\$7,000
9 Yardi - Implementation & Training - Res & Soc Housing	\$0	\$22,400
10 Yardi - Implementation & Training - Maintenance Mobile	\$0	\$3,200
11 Yardi - Implementation & Training - Job Costing	\$0	\$3,200
12 Yardi - Implementation & Training - Inspection	\$0	\$3,200
13 Yardi - Implementation & Training - Fixed Assets	\$0	\$3,200
14 Yardi - User Hosting Startup Fees - 28 users @ \$300	\$0	\$8,400
15 Yardi Interface with SAP & Reporting	\$0	\$32,000
16 Data Migration	\$0	\$5,000
Sub-total	\$118,740	\$184,340
Cost Variance		\$65,600
17 Mobile Devices for CRHC Caretakers - 15 x \$1,000 (Optional)	\$15,000	\$15,000
18 SAP Lumira Implementation/Licensing (Dashboarding & Analytics)	\$0	\$0
19 IT Project Management Costs (5%)	4425	7455
20 Project Contingency (10%)	\$8,850	\$15,410
Total Project Cost	\$147,015	\$222,205
Per Unit Project Cost (based on 1,400 units)	\$105	\$159
Variance Per Unit		\$54
Increase in Annual Ongoing CRHC System Maintenance Costs		
	Alt #2	Alt #3
1 Line of Business Support (application based on software cost)	\$5,000	\$10,000
2 Yardi Annual Maintenance Costs - 1,400 units @ \$45/unit	\$0	\$63,000
3 Connectivity - WiFi (15 bldgs x \$65 x 12 mo)	\$11,700	\$11,700
4 Increased User Support Costs (\$650 @ 15 users)	\$9,750	\$9,750
Total Increase in Ongoing Annual Costs	\$26,450	\$94,450
Cost Variance		\$68,000
Increased Per Unit Ongoing Annual Cost (based on 1,400 units)	\$19	\$67
Variance Per Unit Costs		\$ 49
Ongoing Support Extrapolated over 5 years	\$ 132,250	\$ 472,250
Ongoing Support Extrapolated over 10 years	\$ 264,500	\$ 944,500
** Optional		
* costs for supporting 3 interfaces - Financial, AP, Asset Management		



**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS
MEETING OF MARCH 22, 2016**

SUBJECT **Mortgage Renewal – Michigan Square**

ISSUE

BC Housing Management Commission (BCHMC) requires a resolution from the Capital Region Housing Corporation (CRHC) Board of Directors to renew the mortgage for Michigan Square 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 Michigan Square, 330-336 Michigan Street is up for renewal on August 1, 2016. The estimated principal at renewal will be \$970,353.95. The existing mortgage is with Canada Housing and Mortgage Corporation (CMHC) Direct Lending and there are four years and one month left in the amortization period which coincides with the end of the operating agreement.

BCHMC 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 March 2016 is 1.04% for a five year term. BCHMC 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 Michigan Square 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 direct staff to review other financing options such as Municipal Financing Authority (MFA).

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 of \$58,975 until the expiry of the operating agreement.

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 which would not allow CRHC to benefit from the low CMHC Direct Lending interest rates.

CONCLUSION

The current CMHC direct lending rate for March 2016 is 1.04% 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 2.67% and would require a 1% debt retirement required at debenture takeout which would be returned at the five year debenture maturity.

RECOMMENDATIONS

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 Michigan Square 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

Attachment: 1

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 330-336 Michigan St, Victoria, BC (BCHMC File no. 91141 / 4279/ CMHC# 13955513).

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



**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS
MEETING OF MARCH 22, 2016**

SUBJECT **Capital Region Housing Corporation (CRHC)
Umbrella Operating Agreement (UOA) Operating Budget Revision - 2016**

ISSUE

To provide the CRHC Board with a revised 2016 UOA operating budget and an updated 2015 operating surplus for information.

BACKGROUND

The CRHC appealed the 2015 property assessments due to a 15.6% increase that would have a substantial impact on the financial viability of the corporation.

An agreement was reached between BC Assessment and BC Housing and Management Corporation (BCHMC) on a revised valuation methodology that recognizes an impact to fair market value resulting from government imposed restrictions on title. The land value portion of the properties assessment would represent its fair market value and in most situations will remain unchanged. In November 2015, BC Assessment determined that 21 CRHC properties would qualify and have the building/improvement portion of the properties assessment reduced by approximately 80% of their replacement costs.

Additionally, CRHC properties qualified for an exemption if the land is owned by the Capital Regional District (CRD). This resulted in one property being exempt in 2015 and 23 properties exempt in 2016.

At the February 3, 2016 Finance Committee meeting of the CRD, a report, 16-139, *Capital Region Housing Corporation Property Assessment* was presented to the CRD Board that stated:

“With the exemption of property taxes for the 23 CRHC properties where the land is vested in the CRD, the CRHC is able to meet the primary obligations of the UOA of ensuring the capital assets are well maintained, while allowing the CRHC to increase investment in the development of rent geared to income units as part of the solution to the Housing First Strategy.”

ALTERNATIVES

1. That the Capital Region Housing Corporation Board of Directors approves the revised 2016 Umbrella Operating Agreement budget and receives the 2015 updated operating surplus for information.
2. That the Capital Region Housing Corporation Board of Directors directs staff to amend the revised budget submission and report back to the Board.

IMPLICATIONS

Property tax invoices are not received until June so the following updated budget is based on estimates from the property assessment notices. In 2015, the CRHC received a property tax refund of \$356,782 due to the change in valuations. In 2016, the proposed CRHC operating surplus has been increased by \$645,520 as a result of the 23 property tax exemptions.

UOA Revised budget						
	2015 Board Approved	2015 Financial Statement Actuals	2015 Budget Variance \$	2016 Board Approved	2016 Revised Recommended	2016 Revised Budget \$ change
Total Revenue	12,915,000	13,137,281	222,281	13,153,620	13,153,620	0
Total Expenditures	12,594,900	12,188,659	406,241	12,921,610	12,276,090	(645,520)
Operating Surplus/ (Deficit)	320,100	948,622	628,522	232,010	877,530	645,520

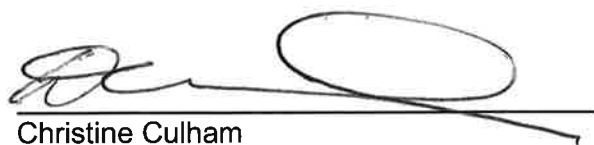
In May 2016 staff will present the Development Strategy and Long Term Financial Plan and Asset Management Strategy which will outline how the CRHC will ensure future financial sustainability, deliver on the key priority of development, while supporting the Housing First Strategy to align with the report presented to the CRD Finance Committee.

CONCLUSION

Due to a 15.6% increase to 2015 property assessments, the CRHC appealed the assessments resulting in a change in valuation methodology to non-profit housing with restrictions on title and a decision that CRHC properties qualified for an exemption if the land is owned by the CRD. In 2015 CRHC received a property tax refund of \$356,782 due to changes in valuation and in 2016, the proposed CRHC operating surplus has been increased by \$645,520 as a result of the 23 property tax exemptions.

RECOMMENDATIONS

That the Capital Region Housing Corporation Board of Directors approves the revised 2016 Umbrella Operating Agreement budget and receives the 2015 updated operating surplus for information.



Christine Culham
 Senior Manager
 Capital Region Housing Corporation



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

Attachments: Appendix A

CAPITAL REGION HOUSING CORPORATION
2016 UMBRELLA AGREEMENT OPERATING BUDGET SUMMARY
 - 42 Buildings: 1,209 Mixed Income Family/Seniors Housing

APPENDIX A
 Revised

	2015 Board Approved (A)	(1) 2015 Financial Stmt Actuals (B)	2015 Budget \$ Variance (C)	2015 Budget % Variance (D)	(2) 2016 Board Approved (E)	(3) 2016 Revised Recommended (F)	Revised Budget \$ Change (G)	Revised Budget % Change (H)
Revenue								
BCHMC Subsidy	3,094,988	3,082,038	(12,950)	-0.4%	3,079,447	3,079,447	0	0.0%
CMHC Mortgage Subsidy	459,970	451,479	(8,491)	-1.8%	445,760	445,760	0	0.0%
Tenant Rent Contribution	9,317,790	9,527,925	210,135	2.3%	9,586,161	9,586,161	0	0.0%
Kings Boiler - Prov. Grant & Fortis Rebate	0	29,397	29,397	100.0%	0	0	0	0.0%
Misc Revenue - parking and laundry	42,252	46,442	4,190	9.9%	42,252	42,252	0	0.0%
Total Revenue	12,915,000	13,137,281	222,281	1.7%	13,153,620	13,153,620	0	0.0%
Expenditures								
Audit	29,983	28,880	1,103	3.7%	30,607	30,607	0	0.0%
Caretaker	1,005,038	966,154	38,884	3.9%	1,005,038	1,005,038	0	0.0%
Contingency	57,809	10,662	47,147	81.6%	57,809	57,809	0	0.0%
Garbage	188,427	190,983	(2,556)	-1.4%	188,427	188,427	0	0.0%
Gas	139,028	101,618	37,410	26.9%	110,200	110,200	0	0.0%
Hydro	232,534	214,902	17,632	7.6%	232,534	232,534	0	0.0%
Insurance	277,161	282,658	(5,497)	-2.0%	299,480	299,480	0	0.0%
Landscape Maintenance	300,700	299,035	1,665	0.6%	302,440	302,440	0	0.0%
Land Lease	0	10,500	(10,500)	-100.0%	0	0	0	0.0%
Maintenance	582,873	602,065	(19,192)	-3.3%	577,733	577,733	0	0.0%
Management Fee	862,443	862,443	0	0.0%	931,584	931,584	0	0.0%
Mortgage	6,186,370	6,163,843	22,527	0.4%	6,154,250	6,154,250	0	0.0%
Property Taxes	1,221,137	987,403	233,734	19.1%	1,399,742	754,222	(645,520)	-46.1%
Transfer to Replacement Reserve	820,691	850,088	(29,397)	-3.6%	943,020	943,020	0	0.0%
Vehicle Operating - moved to Maintenance	1,958	0	1,958	100.0%	0	0	0	0.0%
Water	688,746	617,425	71,321	10.4%	688,746	688,746	0	0.0%
Total Expenditures	12,594,900	12,188,659	406,241	3.2%	12,921,610	12,276,090	(645,520)	-5.0%
Total Umbrella Agreement Surplus/(Deficit)	320,100	948,622	628,522		232,010	877,530	645,520	
Beginning Balance UOA Stabilization Reserve at Dec 31/14		1,531,598			1,080,220	1,080,220		
Transfer to UOA Capital Replacement Reserve - Board Approved Jan/15		<u>(1,400,000)</u>			<u>(300,000)</u>	<u>(300,000)</u>		
End Balance UOA Stabilization Reserve at Dec 31/15		1,080,220			1,012,230	1,657,750		

To be approved at March 22, 2016 Board meeting

Notes:

- (1) 2015 actuals as per financial statements. Property tax expense includes accrual for estimated 2015 refund of \$356,782.
- (2) 2016 Budget approved at Dec 1, 2015 Board meeting
- (3) 2016 Budget revised for 2016 property tax exemptions



**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS
MEETING OF MARCH 22, 2016**

SUBJECT **Property Management Report**
Updated since the last report of February 2, 2015

BCH REGIONAL REGISTRY WAITLIST STATISTICS

Category	March 2016	January 2016	March 2015
Total Registry Units	3,299	3,299	3,245
Applicants			
Family	483	460	426
Seniors	573	579	513
Persons with Disabilities	367	376	374
Wheelchair Modified	45	56	60
Singles	45	44	37
Total	1,513	1,506	1,422

BUILDING ENVELOPE REMEDIATION & RELATED CAPITAL IMPROVEMENTS

The Heathers Building Envelope Remediation

Site meetings are held with the prime consultant RJC Engineering, the contractor Integrity Wall Systems, CRHC and BC Housing staff every other Tuesday.

Stucco removal and rot repair is complete. The first water testing of window installation was completed Friday March 11, 2016.

Parry Kitchen Renovation

There has been good communication and cooperation between the contractor Canpor and the service operator Beacon. To minimize disruption to residents, Canpro and Beacon have been instrumental in creating a plan which will see Beacon's on site meal preparation beginning in the new kitchen before the current serving area is significantly displaced.

ARBITRATIONS

In September 2015 an arbitration hearing was requested by a tenant at The Birches. The hearing was conducted on March 9th 2016. This was regarding the tenant seeking \$525 for lost use of the balcony do to a wasp's nest. At the March 9th arbitration the arbiter reserved judgement, indicating the decision would be forthcoming sooner than the allowed 30 days.

COMMUNITY ACTIVITIES

Caledonia – Create Community Colour Mural

Artist Jody Deschutter has been selected to lead community youth in this project. The mural will be painted on the Victoria High School side of our common fence. Weather permitting the project may begin

over the spring break. Residents of the Caledonia town house project have been encouraged to participate in this project.

Connections

In December 2015, the CRHC received confirmation from UBCM for the funding of the UBCM Age friendly grant. The Property Manager -Tenant Relations has been appointed to lead this project. The project will be active from March to September 2016. The goal of the project is to link senior tenants with recreation and healthy living services. Staff will be doing focus groups and surveys to determine what the needs are, how seniors are currently meeting them, what the barriers are, and how CRHC can help facilitate better access to community services and activities. Staff will be doing outreach and partnering with local community services, considering the needs identified by the tenants themselves.

STAFF

Carissa Baines is the successful applicant to fill the vacant position of Administrative Clerk 3, Property Assist. Carissa comes to us with 10 years' experience in commercial and residential property administration in British Columbia and Alberta. Her start date is scheduled for March 14, 2016.

FINANCIAL REPORTING: CHEQUES OVER \$50,000

Vendor	Issued	Expenditure	Notes
Top Line Roofing	January 12, 2016	\$ 75,600.00	Royal Oak Square Roof Draw#4
Integrity Exteriors	February 2, 2016	\$104,546.35	Heathers BER Draw#2
Integrity Exteriors	February 23, 2016	\$113,195.53	Heathers BER Draw#3



Christine Culham
Senior Manager
Capital Region Housing Corporation