



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

AGENDA

9:30 a.m., Tuesday, May 24, 2016
625 Fisgard St., Victoria
Room 488

- | | <u>Att. #</u> |
|--|---------------|
| 1. Approval of Agenda | |
| 2. Approval of Minutes of April 26, 2016 Meeting | 16-16 |
| 3. Motion to Close the meeting in accordance with the Community Charter, Part 4, Division 3, Section 90 (1) (i) the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose | |
| 4. Presentation on Supports in Social Housing - Joe Power – Island Health | |
| 5. Supports in Social Housing Agreement | 16-17 |
| 6. Tenant Task Force – verbal update by Director Carline | |
| 7. Long Term Financial and Asset Management Plan | 16-18 |
| 8. Property Management Report | 16-19 |
| 9. Adjournment | |



**Minutes of a Meeting of the Capital Region Housing Corporation Board of Directors
Held April 26, 2016 in Room 488, 625 Fisgard St, Victoria, BC**

PRESENT: **Directors:** D. Screech (chair); D. Howe; J. Carline; C. Plant; L. Helps; B. Braude
 Staff: K. Lorette; C. Culham; D. Metcalf; R. Loukes
 Recorder: K. Kusnyerik
 Guest: M. Alto; K. Leach
ABSENT: **Directors:** R. Cooper

The meeting was called to order at 9:34a.m.

1. APPROVAL OF AGENDA

It was **MOVED** by Director Braude, **SECONDED** by Director Howe
To approve the agenda as circulated.

CARRIED

2. APPROVAL OF THE MINUTES OF MARCH 22, 2016

It was **MOVED** by Director Howe, **SECONDED** by Director Helps
That the minutes of March 22, 2016 be approved as circulated.

CARRIED

3. PRESENTATION - MARIANNE ALTO

M. Alto from the City of Victoria and K. Leach from Micro Housing Victoria presented the concept of micro housing as an affordable housing option. The presentation link will be sent via email at a later date. They will be sending the CRHC board a letter requesting their support of a motion going forward to the Capital Region Hospital District (CRHD) Board requesting the use of a piece of CRHD land as a location for a pilot micro housing development.

10:05 M. Alto and K. Leach left.

4. DRAKE RD. DEVELOPMENT FEASIBILITY STUDY

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

That the Capital Region Housing Corporation Board of Directors approves:

- a) Staff assess the feasibility of the Drake Road development and report back to the Board; and
- b) The expenditure of \$29,000 from the Administrative Stabilization Reserve Fund for the Drake Road Water Feasibility Study.

C. Culham provided some background on the Drake Rd. Development. After discussion Director Carline suggested the motion be voted on in two parts.

(A) CARRIED & (B) DEFEATED

5. QUARTERLY FINANCIAL UPDATE

R. Loukes explained footnote (A) on page 3 and advised that she will provide an update once she hears back from BC Housing with regards to the review.

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

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

CARRIED

6. TURNOVER AND VACANCY QUARTERLY REPORT – FIRST QUARTER

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

That the Capital Region Housing Corporation Board of Directors receives the First Quarter 2016 Turnover and Vacancy Report for information.

CARRIED

7. LEBLOND PLACE LANDLORD OPERATING AGREEMENT

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

That the Capital Region Housing Corporation Board of Directors authorize two members of the Executive committee to sign the Leblond Place Landlord-Operator Agreement for Units 101 and 102 390 Waterfront Crescent with Integra Services.

CARRIED

8. PROVINCIAL INVESTMENT IN AFFORDABLE HOUSING

C. Culham presented the Provincial Investment in Affordable Housing Application (PIAH) Requirements. Directors were distributed a print out of the presentation.

C. Culham advised the board that she is in preliminary discussion concerning the development of the Carey Rd. site and that this funding could be timely.

Direction was given to C.Culham to discuss with other housing providers the benefit of cooperation around housing projects being applied for through PIHA in order to maximize regional outcomes.

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

That the Capital Region Housing Corporation (CRHC) Board of Directors receives the Provincial Investment in Affordable Housing (PIAH) Report for information; and

That the CRHC Board of Directors allows for the expenditure of up to \$20,000 from the Administrative Stabilization Reserve Fund for the purchase of consulting services to prepare Expression of Interest applications for the PIAH.

CARRIED

9. PROPERTY MANAGEMENT REPORT

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

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

CARRIED

10. ADJOURNMENT

It was **MOVED** by Director Plant, **SECONDED** by Director Carline
That the meeting be adjourned.

CARRIED

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

David Screech, Chair

Kristine Kusnyerik, Recorder



REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS MEETING OF MAY 24, 2016

SUBJECT Supports in Social Housing Agreement

ISSUE

The Capital Region Housing Corporation (CRHC) Delegated Signing Authority Policy requires that all agreements must be signed by two members of the Executive Committee.

BACKGROUND

As a result of the Regional Housing First Initiative and through the work of the Greater Victoria Coalition to End Homelessness, it has been identified that there is a challenge flowing clients who had experienced homelessness into social housing. These clients are residing in transition housing and have been identified as no longer requiring intensive support services. Rather, they could be supported through a variety of community based resources such as case managers or Assertive Community Treatment (ACT) teams. The major challenge is being able to find affordable housing to transition into for these individuals who are receiving disability pensions.

The Supports in Social Housing Agreement is designed to support Island Health - Mental Health and Substance Use (IH-MHSU) clients who, related to their health needs, are at risk of negative health outcomes and experiencing homelessness in independent housing settings without adequate economic support and appropriate support services.

Through this agreement, CRHC would provide the subsidized housing unit. IH-MHSU would provide support services required by their clients to achieve a successful tenancy and better health outcomes.

ALTERNATIVES

1. That the Capital Region Housing Corporation Board of Directors authorize two members of the Executive committee to sign the Supports in Social Housing Agreement.
2. That the Capital Region Housing Corporation Board of Directors refers back to staff for further review

IMPLICATIONS

This structured agreement would ensure tenants transitioning from supportive to independent housing continue to receive the appropriate support services necessary to maintain successful tenancies within CRHC.

CONCLUSION

The Supports in Social Housing Agreement will assist in creating a more streamlined housing system across the housing spectrum. Through CRHC providing the economic support to the tenant though the provision of a subsidized unit and IH-MHSU providing appropriate community

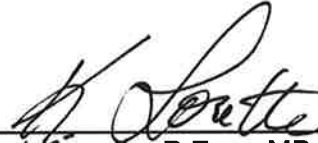
based support services, this agreement will assist vulnerable individuals within our community to maintain successful tenancies.

RECOMMENDATION

That the Capital Region Housing Corporation Board of Directors authorize two members of the Executive committee to sign the Supports in Social Housing Agreement.



Christine Culham
Senior Manager
Capital Region Housing Corporation



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

Attachment: 1

Supports in Social Housing Agreement

Between:

**Capital Region Housing Corporation
(CRHC)**

(Landlord)

and

**Island Health- Mental Health and Substance Use
(IH-MHSU)**

(Health Services Agency)

Preamble

In recognition of the need for increased supports for individuals with mental health and substance use challenges who are at risk of homelessness to have successful tenancies, CRHC and Island Health are committed to working in collaboration to provide appropriate supports and housing for IH-MHSU clients.

This Supports in Social Housing Agreement is designed to support Island Health - Mental Health and Substance Use (IH-MHSU) clients who, related to their health needs, are at risk of negative health outcomes and experiencing homelessness in independent housing settings without adequate economic support and appropriate support services. CRHC will provide the subsidized housing unit. IH-MHSU will provide support services required by their clients to achieve a successful tenancy and better health outcomes.

1. Partners

CRHC is a social housing landlord which provides and manages quality, safe and affordable housing for low and moderate income households. CRHC is committed to the development of healthy, diverse sustainable and secure communities.

Island Health- Mental Health and Substance Use Services offers health, rehabilitation and community support services, and housing, within a recovery model to individuals with mental illness and substance use disorders.

2. Purpose of the Supports in Social Housing Agreement

The purpose of this agreement is to:

- 2.1 Describe the roles and responsibilities of each partner;
- 2.2 Clarify expectations relating to communication, information sharing and reporting responsibilities between partners;
- 2.3 Describe how disputes between partners will be resolved; and
- 2.4 Clarify terms for termination of the agreement.

3. Goal of the Supports in Social Housing Agreement

CRHC and IH-MHSU are committed to working together to ensure that MHSU clients who become CRHC Housing tenants, and CRHC tenants who become IH-MHSU clients, through this agreement, receive the support they want and need to achieve and maintain successful tenancies.

4. What is a successful tenancy?

A successful tenancy is one in which the tenant is able to fulfill the obligations of a tenant. The obligations of a tenant at CRHC are:

- 4.1 pay rent on time;
- 4.2 respect neighbours and make sure that your guests respect neighbours too;
- 4.3 keep your apartment clean and free of damage;
- 4.4 report disturbances or safety concerns in the community to CRHC;
- 4.5 report any maintenance or pest issues quickly (such as, bedbugs, leaky faucet, blocked toilet, broken door or window etc.);
- 4.6 cooperate with CRHC in trying to deal with maintenance or pest issues;
- 4.7 give CRHC income proof and other necessary documentation when income or household membership changes and at any time the landlord requests it;
- 4.8 talk to CRHC or their Support Worker if not sure what to do.

5. Principles

- 5.1 Each tenant/client housed by CRHC through this agreement has the full rights and responsibilities of a tenant as prescribed by law.

- 5.2 Communication between the partners will be in accordance with relevant privacy legislation.
- 5.3 The partners will work collaboratively to pursue the common goal of supporting tenants in achieving and maintaining successful tenancies.
- 5.4 Involving client/tenants in discussions or decisions that affect them is essential to success.

6. Roles and Responsibilities

6.1. CRHC will:

- 6.1.1.1 In the first year of this agreement, identify up to 10 vacant units that can be accessed by IH-MHSU clients and participate in reviewing all referrals for these units with IH-MHSU to ensure selected clients are appropriate and well supported in these settings.
- 6.1.2 Be responsible for rent geared to income subsidy administration, including initial confirmation of RGI eligibility in the case of any client/tenant who is not in situ when joining the program;
- 6.1.3 Act as landlord and will sign a lease with new tenants accepted into the program and supported by IH-MHSU;
- 6.1.4 Maintain the unit consistent with its responsibilities as prescribed by law;
- 6.1.5 Advise IH-MHSU of issues relating to the tenancy of the tenant/client, including but not limited to rent arrears, failure to respond to information/documentation requests, complaints about disturbances or pests;
- 6.1.6 Work with the tenant/client and IH-MHSU to resolve tenancy issues in a manner consistent with CRHC's policies;
- 6.1.7 Cooperate with IH-MHSU where possible, to conduct inspections of the unit in compliance with applicable legislation; and,
- 6.1.8 Reserve the right to determine when to take steps to terminate a tenancy and will advise IH-MHSU of its intention to do so.

6.1.9 Notify IH-MHSU if a tenant who is an IH-MHSU client through this agreement, moves out.

6.2 IH-MHSU will:

6.2.1 Screen potential clients for eligibility, service suitability and demonstrated need for intensive housing supports;

6.2.2 Screen *in situ* CRHC tenants, as requested by CRHC Housing, for eligibility, service suitability and demonstrated need for intensive health and housing supports;

6.2.3 Respond to CRHC offers of units in a reasonable time;

6.2.4 Ensure that any client referred to CRHC through this agreement has completed and submitted an application at The Housing Registry and is eligible for a rent subsidy

6.2.5 Assign each client/tenant a Case Manager/Housing Support Worker who will have primary responsibility for each client/tenant;

6.2.6 The Case Manager/Housing Support Worker will attend viewings, interviews, lease signing appointments and other meetings as required, with each client/tenant;

6.2.7 Develop an individualized goal and recovery plan for each client/tenant and identify the respective role of each participant in the recovery plan;

6.2.8 Participate in the development and implementation of a Successful Tenancy Action Plan and work with the client/tenant and CRHC, if necessary, to develop the skills necessary to have a successful tenancy;

6.2.9 Maintain a relationship with client/tenants which may include in-home meetings, and share with CRHC any issues identified through such visits which may adversely effect the tenant's opportunity to have a successful tenancy;

6.2.10 Provide the client/tenant with access to all available support services and programs provided by IH-MHSU if the client is eligible;

6.2.11 Meet with the client/tenant and CRHC when tenancy issues arise and work with the tenant/client and CRHC to resolve tenancy issues in a manner consistent with CRHC policies;

- 6.2.12 Provide support to a client/tenant whose tenancy is being terminated or is terminated;
- 6.2.13 Notify CRHC should the client/tenant terminate his / her relationship with IH-MHSU.
- 6.2.14 Attempt to reestablishing a relationship with a client/tenant who has discharged the agency;
- 6.2.16 Provide advice and assistance to CRHC in dealing with tenancy issues arising after the tenant/client has discharged IH-MHSU;
- 6.2.15 Identify client/tenants who no longer require the supports provided by the agency and make appropriate recommendations to the tenant/client and CRHC. Such recommendations may range from additional or other support services to 'graduation' from the Supports in Social Housing Programs;

Allow former client/tenants of the Supports in Social Housing agreement who are still CRHC tenants and who require supports, priority re-admittance to the program subject to availability of resources and with the agreement of CRHC and,

7. Communications, Information Sharing and Reporting

- 7.1 CRHC and IH-MHSU agree to work together to communicate and share information with each other which will support client/tenants in achieving a successful tenancy.
- 7.2 CRHC and IH-MHSU will share personal information of tenant/clients with each other in accordance with relevant legislation, for the purpose of supporting the client tenant in achieving and maintaining a successful tenancy.
- 7.3 CRHC and IH-MHSU will establish a regular meeting schedule to:
 - 7.3.1 build a successful partnership;
 - 7.3.2 confirm the identity of tenant/clients housed through this process;
 - 7.3.3 review a summary overall success and challenges of tenants housed through this agreement;
 - 7.3.4 proactively solve problems;
 - 7.3.5 identify challenges including communication issues/disagreements; and,
 - 7.3.6 develop solutions.

- 7.4 CRHC and IH-MHSU will share information quarterly on the status of the Successful Tenancy Action Plan.
- 7.5 Advise each other when there are changes in key staff involved in this partnership.
- 7.6 Share with each other all reports required by the CRHC or Island Health or created to assess the success of the partnership.

8. Dispute Resolution

Should disagreements arise between the partners, the partners are committed to work collaboratively to resolve such disagreements. If collaborative efforts by the partners are unsuccessful, the partners will use an independent mediator to attempt to resolve any matters of serious disagreement regarding this initiative before notice of termination is given.

9. Indemnification and Insurance

- 9.1 IH-MHSU agrees to indemnify and save harmless CRHC from any claims, demands, losses, costs, charges, actions and other proceedings, made or brought against, suffered by or imposed upon CRHC or its property in respect of any loss, damage or injury, including injury resulting in death, to any person or property directly or indirectly arising out of, resulting from or sustained by reason of negligence or otherwise of IH-MHSU, its officers or servants.
- 9.2 CRHC shall not be liable to IH-MHSU or any other party in relation to the provision of the services the IH-MHSU provides. The parties agree that IH-MHSU shall not be deemed to be an agent of CRHC for any purpose.

10. Termination of the Agreement

- 10.1 Each party may terminate this agreement on sixty (60) days written notice to the other. During the notice period, the parties will attempt to resolve any issues. If the notice is not withdrawn within the notice period, the termination becomes effective.

10.2 If CRHC gives notice of its intention to terminate the agreement, CRHC will not accept any new referrals from IH-MHSU during the notice period.

CRHC

Date: _____

Print Name:

Title:

Island Health MHSU

Date: _____

Print Name:

Title:

Appendix 1

Collaboration Agreement between CRHC, IH-MHSU and tenant/client

Appendix 2

Consent to Collect, Use, Transmit and Release Personal Information

Appendix 3

Successful Tenancy Action Plan

**SUPPORTS IN SOCIAL HOUSING
COLLABORATION AGREEMENT**

BETWEEN:

Capital Regional Housing Corporation
(CRHC)

(The Landlord)

and

(NAME OF TENANT)

(The Tenant/Client)

and

Island Health -Mental Health and Substance Use (IH-MHSU)

(The referral/support service agency)

WITH RESPECT TO THE TENANCY AT: (Address of unit)

EFFECTIVE DATE: (Lease start date)

1. Purpose of the Partnership Agreement

The purpose of this agreement is to:

- 1.1 Describe a successful tenancy;
- 1.2 Describe the roles and responsibilities of each partner in supporting a successful tenancy; and,
- 1.3 Clarify expectations relating to communication, information sharing and reporting responsibilities between partners.

2. Goal of the Supports in Social Housing Agreement

CRHC and IH-MHSU are committed to working together to ensure that the agency clients who become CRHC tenants through this agreement, receive the support they want and need to achieve and maintain successful tenancies.

3. My commitment as a Tenant

I, (insert tenant name), the tenant, understand that:

- 3.1 I have received priority access to this unit through the supports in Social Housing Agreement between the CRHC and IH-MHSU;
- 3.2 The goal of the Supports in Social Housing Agreement is to provide me with the supports I need to achieve and maintain a successful tenancy.
- 3.3 By signing the lease with CRHC, I have the full rights and obligations of a tenant;
- 3.4 In order to be a successful tenant, I must fulfil all of the obligations of a tenant, either on my own or with the support of the agency.
- 3.5 My obligations as a tenant at CRHC are to :
 - (a) pay rent on time;
 - (b) respect my neighbours and make sure that my guests respect neighbours too;
 - (c) keep my apartment clean and free of damage;
 - (d) report disturbances or safety concerns in the community to CRHC;
 - (e) report any maintenance or pest issues quickly (such as, bedbugs, leaky faucet, blocked toilet, broken door or window etc);
 - (f) cooperate with CRHC in trying to deal with maintenance or pest issues;
 - (g) give CRHC income proof and other necessary documentation when income or household membership changes and at any time CRHC requests it;
 - (h) talk to CRHC or my Support Worker/Case Manager if I am not sure what to do.

4. Commitment of all Partners:

4.1 All three partners to this agreement acknowledge and agree:

- 4.1.1 The mutual goal of all of the parties is to support the tenant in having a successful tenancy.
- 4.1.2 Good communication between all parties is a key element in having a successful tenancy. Good communication includes regular meetings between the agency and the tenant and may include meetings in the tenant's apartment.

Capital Regional Housing Corporation

CONSENT TO COLLECT, USE, RELEASE AND TRANSMIT PERSONAL INFORMATION

I, _____, of _____ Victoria, BC
(tenant name) (tenant address)

agree to allow Island Health- Mental Health and Substance Use services and Capital Health Housing Corporation to collect, use, release, transmit and exchange personal information about me and my household with each other for the purpose of securing and, or, maintaining a successful tenancy.

I agree to allow this exchange of personal information to continue until I revoke my permission in writing.

Date:

Signature of Tenant/Applicant

Print Name

Signature of Witness

Print Name

Supports in Social Housing Collaboration Agreement
 Capital Regional Housing Corp.

Successful Tenancy Action Plan

Name of Tenant: Housing Address and Unit#:	Name of Agency: Name of Support Worker: Worker Contact Information:
Tenant's Goals:	

Tenancy Activities:
 Activity

Responsibility	Plan/Timeframe	Expected Outcome

Date:

Review Date:

Signatures:

Tenant

Capital Regional Housing Corp.

Support Agency



**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS
MEETING OF MAY 24, 2016**

SUBJECT **Long Term Financial Plan and Asset Management Strategy**

ISSUE

This report is to provide context to the Capital Region Housing Corporation (CRHC) Board of Directors of the CRHC's financial capacity to achieve the 2016-2019 Strategic Plan.

BACKGROUND

In the 2015 Strategic Plan, the CRHC identified the need to undertake a long term financial plan and asset management strategy to provide insight into future financial capacity so that strategies can be developed to achieve long-term sustainability. The Long Term Financial Plan and Asset Management Strategy will assist the CRHC Board of Directors in understanding its capacity of meeting the priorities identified by the CRHC Board of Directors in the 2016-2019 Strategic Plan of maintaining RGI levels, renewing the aging housing stock and developing new affordable housing to meet the needs of the capital region.

ALTERNATIVES

1. That the Capital Region Housing Corporation Board of Directors receives the Long Term Financial Plan and Asset Management Strategy for information.
2. That the Capital Region Housing Corporation Board of Directors refers Long Term Financial Plan and Asset Management Strategy back to staff for further review.

IMPLICATIONS

The Long Term Financial Plan and Asset Management Strategy can act as a guide for future planning.

CONCLUSION

The information contained in the Long Term Financial Plan and Asset Management Strategy will support CRHC future planning.

RECOMMENDATIONS

That the Capital Region Housing Corporation Board of Directors receives the Long Term Financial Plan and Asset Management Strategy for information

Christine Culham
Senior Manager
Capital Region Housing Corporation

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



**LONG TERM FINANCIAL PLAN AND
ASSET MANAGEMENT STRATEGY
2016-2030**

May, 2016

CRHC LONG TERM FINANCIAL PLAN AND ASSET MANAGEMENT STRATEGY 2016-2030


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EXECUTIVE SUMMARY

The Capital Region Housing Corporation (CRHC) identified the need to undertake a long term financial plan and asset management strategy to provide insight into future financial capacity so that strategies can be developed to achieve long-term sustainability.

The CRHC is a wholly owned subsidiary of the Capital Regional District (CRD) that started in 1982 in order to benefit from federal and provincial funding available to provide social housing in the region.

The CRHC built 1286 units over the past 34 years and the 35 year operating agreements for these properties are now beginning to expire. In preparation for this, CRHC has entered into an Umbrella Operating Agreement (UOA) with BC Housing for 42 of the 45 properties that allows for more flexibility in the management of the housing portfolio. Also, the CRD on behalf of the CRHC, purchased 22 parcels of land that had been previously owned by the Provincial Rental Housing Corporation (PRHC) and leased to the CRHC. This purchase has resulted in the land vested in the CRD being tax exempt and thus providing the CRHC with increased cash flow.



THE FINANCIAL MODELLING IN THIS REPORT IS TO PROVIDE CONTEXT TO THE CRHC BOARD OF DIRECTORS OF THE CRHC'S FINANCIAL CAPACITY TO ACHIEVE THE STRATEGIC PRIORITIES. THE STRATEGY BEING PRESENTED IS A GUIDE FOR FUTURE PLANNING.

With the advent of the expiring operating agreements, the mortgages are also reaching their maturity. The challenge for the CRHC is that although the mortgages reaching maturity increases the annual surplus, the buildings have extensive deferred maintenance due to chronic underfunding that needs to be addressed either through Building Envelope Remediation (BER) or redevelopment of the property.

The CRHC Board of Directors completed a 2016-2019 Strategic Plan that identified the need for achieving a balance between maintaining rent geared to income units, maintaining the housing portfolio and developing new housing stock.

The financial modelling in this report is to provide context to the CRHC Board of Directors of the CRHC's financial capacity to achieve the strategic priorities. The strategy being presented is a guide for future planning.

Three scenarios were used to determine if the CRHC has the capacity to meet the priorities of the Board: maintaining status quo; maintaining status quo and renewing the aging housing stock; and maintaining status quo, renewing the aging housing stock and developing new affordable housing.

The conclusion of the scenarios is that over the next 15 years, the CRHC could maintain its current operations and make a significant investment in the renewal of the current housing stock as well as new development or redevelopment and continue to be in a positive financial position.

Positioning the CRHC to make use of the funding opportunities that were announced in 2016 by the regional, provincial and federal governments will increase the CRHC capacity to meet the CRHC Board of Directors strategic priorities.

A. INTRODUCTION

1. Purpose

The CRHC identified the need to undertake a long term financial plan and asset management strategy in order to align its financial capacity with its long-term service objectives and asset requirements. Financial planning uses forecasts to provide insight into future financial capacity so that strategies can be developed to achieve long-term sustainability in light of the organization's service objectives and financial realities.

2. Background

The CRHC is a wholly owned subsidiary of the CRD that was developed in 1982 by the Capital Regional District Board of Directors in order to benefit from the federal and provincial government programs aimed at addressing the need for affordable housing. These programs included capital contributions to support the initial construction and 35 year operating agreements. Over the past 34 years, the CRHC has built and/or obtained 45 properties for a total of 1286 units of social and affordable housing in seven municipalities. (Appendix A) The majority of the units (70%) are rent geared to income serving low-income families, seniors and persons living with disabilities. Achieving these low rents was made possible through operating subsidies from the federal and provincial operating agreements.



PORTAGE PLACE,
FIRST BUILDING DEVELOPED IN 1983

During the 1990s, the federal government gradually reduced the growth rate of social housing funding, with new programs ending in 1993. Funding shifted away from operating subsidies and toward upfront capital contributions under what became the Affordable Housing Initiative. Under the Affordable Housing Initiative (AHI), the federal government provides capital contributions to increase the supply of affordable housing, in partnership with provinces and territories.

The provincial government followed the federal government's lead and stopped funding social housing for families, seniors and persons living with disabilities in 2002 with the end of the Homes BC program. Targeted capital and operating funding for seniors independent living through the Independent Living BC (ILBC) program ended in 2008. No new programs with ongoing operating subsidies for social housing programs have been developed since that time. Rather, the provincial response has been to provide portable rent assistance aimed

at supplementing households' income to be able to afford rent in the private market. These rental supplements are limited and targeted for very specific populations.¹

The original operating agreements will be coming to an end with the first one expiring in 2018. In response, in 2015, the CRHC consolidated 42 operating agreements into the Umbrella Operating Agreement (UOA). This has allowed for more financial autonomy than under the original operating agreements.

The CRHC's decision to develop a financial plan and asset management strategy is to allow the corporation to achieve ongoing sustainability of the CRHC mandate of providing well maintained affordable housing to residents of the capital region and to better understand how to leverage our current housing portfolio to create new development.

3. Connections to Other Plans

3.1 CRHC Strategic Plan 2016-2019 (Appendix B)

The 2016-2019 Strategic Plan is an important direction-setting document for the CRHC, providing a mandate to advance action in priority areas that are significant to the CRHC Board, senior staff and stakeholders. These priority areas will flow into the corporate business and financial plans, ensuring accountability for successful plan implementation.

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

THE 2016-2019 STRATEGIC PRIORITIES IS AN IMPORTANT DIRECTION-SETTING DOCUMENT FOR THE CRHC, PROVIDING A MANDATE TO ADVANCE ACTION IN PRIORITY AREAS THAT ARE SIGNIFICANT TO THE CRHC BOARD, SENIOR STAFF AND STAKEHOLDERS.

The 2016-2019 Strategic Plan focuses on being a good landlord and increasing units in our housing stock. Key priorities include:

- a) Maximizing and maintaining the current Rent Geared to Income (RGI) levels at 70% RGI and 30% low-end market;
- b) Maintaining the current housing portfolio; and
- c) Increasing units through new development or acquisition.

¹ http://www.bchousing.org/Options/Rental_market

3.2 Five Year Capital Plan 2015-2019, updated February 2, 2016 (Appendix C)

The CRHC signed the Umbrella Operating Agreement (UOA) in December 2014 for a five year term (2015-2019) requiring the CRHC to provide a five-year capital plan to BC Housing for the duration of the agreement. The CRHC must fund the capital plan through the Routine Replacement Fund (RRF) and if necessary through operating surpluses. The CRHC has identified \$11M of routine capital replacement over the next five years. This does not include deferred major capital repair or replacement.

B. CRHC CURRENT ENVIRONMENT

1. Umbrella Operating Agreement (UOA)

On April 1, 2012, CRHC entered into an interim UOA with BC Housing. The UOA consolidates 42 of the existing operating agreements for our CMHC, BC Housing and Homes BC properties into one agreement. The interim agreement was utilized while other issues were being negotiated such as the Heathers Building Envelope Remediation (BER) and the Land Transfer. In December 2014, the UOA 2015-2019 was signed. The primary reasons for this agreement were:

- a) To reduce administrative burden or costs for the parties; and
- b) To allow the CRHC greater latitude in managing the tenants, rents, subsidies and reserve funds across the portfolio.

There are two main outcomes to be achieved by CRHC to meet the terms of the agreement:

- a) To ensure that capital expenditures are maintained within 10% of the approved five year capital plan; and
- b) To maintain a minimum 68% of all units rent-gear-to-income across the portfolio.

The Umbrella Operating Agreement overrides the CMHC, BC Housing and Homes BC operating agreements in the following key areas:

- a) CRHC to pool replacement reserve funding across all portfolios under the Agreement;
- b) Develop a comprehensive long term capital planning program;
- c) Greater flexibility to move our rent-gear-to-income (RGI) units from one project to another; and
- d) CRHC is responsible for any deficits but may retain annual operating surpluses to utilize for capital improvements, other costs directly relating to a project and any other way CRHC chooses to advance the management and development of affordable housing.

THE UOA CONSOLIDATES 42 OF THE EXISTING OPERATING AGREEMENTS FOR OUR CMHC, BC HOUSING AND HOMES BC PROPERTIES INTO ONE AGREEMENT.

2. Land Transfer

Since 2011, the CRHC, while in negotiations with BC Housing for the UOA, were also requesting full ownership by CRHC of the properties on land leased from the Provincial Rental Housing Corporation (PRHC).

Out of the CRHC's 1286 units of housing, 583 units (22 buildings) were on leased land with the freehold held by the PRHC.

As part of the BC Housing service plan for 2014-2017, a strategy applied to mitigate the risk of loss of affordable housing stock in British Columbia was for BC Housing to *continue to transfer PRHC-leased land in social housing projects to the housing provider.*² This became the Non-Profit Asset Transfer (NPAT) program.²

Though the NPAT program, the CRD purchased 22 properties on behalf of the CRHC in February 2015.



LEBLOND

3. Property Tax Exemptions

The 23 CRHC properties where the land is owned by the CRD now qualify for property tax exemptions.

Also, for some other CRHC properties, a revised valuation methodology for non-profit housing now recognizes an impact to fair market value resulting from government imposed restrictions on title. For all qualifying properties, the building/improvement portion of the properties assessment will be reduced by approximately 80% of its replacement cost. The land value portion of the properties assessment will represent its fair market value and in most situations will remain unchanged.

The property tax exemptions have created a significant decrease in CRHC expenses over the last year.

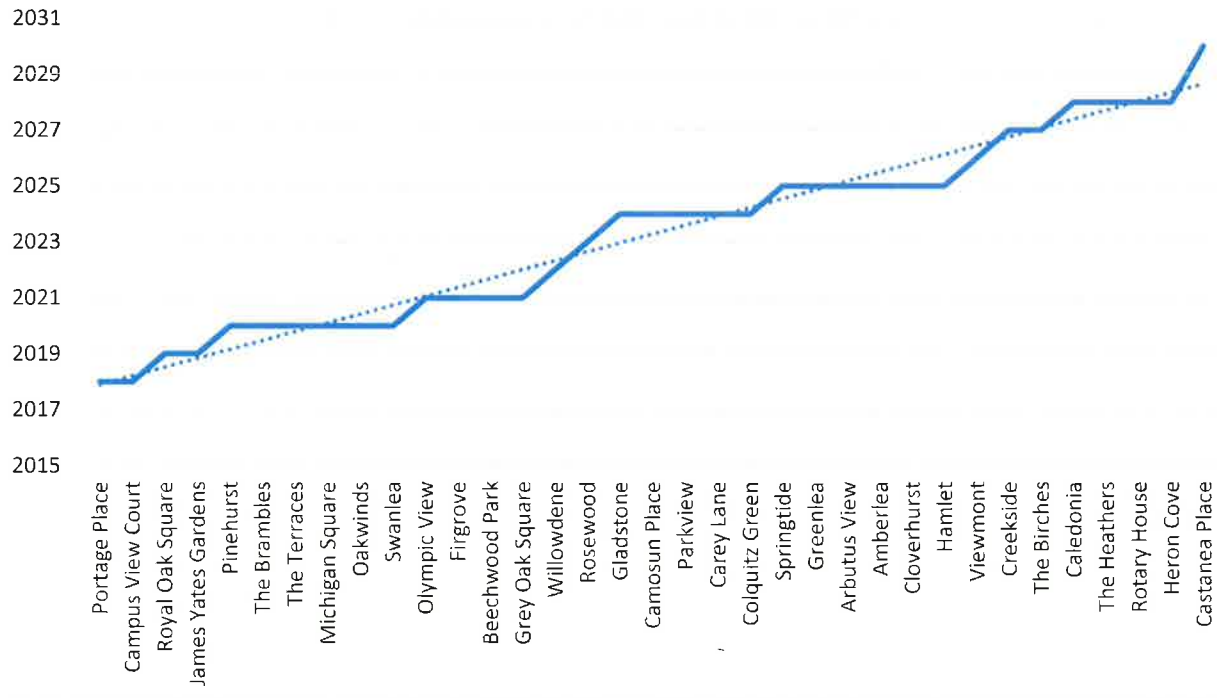
Currently the CMHC properties, the 14 properties where the land and improvements are owned by the CRHC, are not tax exempt as the land is held by the CRHC not the CRD.

² http://www.bchousing.org/resources/About%20BC%20Housing/Service_Plans/2014-17_Service_Plan.pdf

4. Expiring Operating Agreements 2018-2030

From 2018-2030, 34 out of the 42 CRHC - BC Housing operating agreements are set to expire. When the operating agreements expire, the mortgages will have been paid off and the CRHC will no longer receive subsidies. This was supposed to ensure ongoing sustainability of the properties, however the underfunding of capital repairs will impact that original intention. The agreements expiring, however, will allow for more opportunity to have autonomy over the way the corporation does business.

Expiration of Operating Agreement



5. Deferred Major Capital Repairs

Capital repairs have traditionally been funded through the CRHC Replacement Reserve Fund (RRF). RRF were established as an expectation of the operating agreements for replacing capital items over the life of the building. The amount of replacement reserve set aside in each building was negotiated between BC Housing and the operator and was based on the *Standardized List of Replacement Reserve Items*. (Appendix D). The replacement reserve could be adjusted by BC Housing for the following reasons:

- The threshold funding level was below the minimum level established by BC Housing.
- The organization has identified that they do not have sufficient funds to meet their requirements within the following 5 years.
- The existing schedule requires corrections, due to substantial changes in item costs, missing or incorrect items.³

³ <http://www.bchousing.org/Partners/Ongoing/Reserves>

In 2008, BC Housing stated that the threshold levels in the BCHMC buildings were too high and reduced the replacement reserve contribution in many of these properties to \$0. This was the beginning of the depletion of the RRF that led to the development of the UOA. The Standardized list of replacement reserve items is not comprehensive and aside from roofs, it did not account for other building envelope requirements. It also did not include cabinets, elevators or mechanical or electrical replacement.

Over time, the properties have required major repair that had not been planned for. The CRHC was requesting assistance from BC Housing for Modernization and Improvement funding (M&I)⁴ but the funding was not easily accessible as projects went on a provincial inventory and based on a priority ranking system. In 2013, CRHC chose to complete a \$3.2M Building Envelope Remediation (BER) of Beechwood Park, utilizing the CRHC RRF. In 2015, BC Housing provided a grant of up to \$2M to complete the Heathers BER through the M&I. When the CRHC signed the UOA, BC Housing stated that the Heathers BER would be the only CRHC BER funded through M&I.

Table 1 provides an analysis of the BER requirements in the CRHC housing portfolio. The analysis comprises two input sources. One draws upon studies undertaken by consultants and the others are estimates from CRHC staff. Currently the CRHC is undertaking Building Condition Assessments for all buildings that currently do not have a formal assessment completed. For the purposes of this analysis, only those properties that have been evaluated as high priority, requiring immediate attention, are included in the Table 1. Recommendations are made as to whether a building should be remediated or redeveloped. Out of the 12 properties that are ranked in high need of remediation, one property, Michigan Square, at this time, is recommended by staff for redevelopment. The full list can be found in Appendix E.



BEECHWOOD

Approval of BER projects would have a positive impact on the RRF as roofs and external painting projects for the high priority projects would be removed from the capital plan. Other properties identified as high risk could have improvements made though the capital plan in pending funding for a full BER.

⁴ http://www.bchousing.org/Partners/Maintenance_Repair/MI

Table 1. Deferred Major Capital Repairs Ranked by Priority

Ranked Priority	Property	Estimated Remediation Cost	Recommendation
1	Michigan Square	\$6.1M	Redevelopment recommended at \$13.2million
2	Caledonia	\$2.4M	Remediation 2017
3	Carey Lane	\$2.4M	Remediation 2019
4	Arbutus View	\$1.9M	Remediation 2021
5	Carillon Place	\$1.3M	Remediation 2023
6	The Brambles	\$1.5M	Remediation 2025
7	Springtide	\$3.0M	Remediation
8	Olympicview	\$4.0M	Remediation
9	Oakwinds	\$5.7M	Remediation
10	Greenlea	\$1.66M	Remediation
11	Parkview	\$1.96M	Remediation
12	Gladstone	\$1.5M	Remediation
Total		\$33.42M	

6. Potential Opportunities for Development and Redevelopment

In the 2016-2019 CRHC Board Strategic Plan, it was identified that the CRHC should be increasing its housing stock in order to increase affordable housing opportunities for households in core housing need by a minimum of 30 units.

6.1 Development

a) 3816 Carey Rd., Saanich

The property was created through a Capital Regional District/Capital Regional Hospital District project to assemble, rezone, and develop land over the period 2002 to 2007 for the Mount View Heights Campus of Care project. Currently there are four other properties that have been developed at Mt. View Heights: Olympic Vista (Cool-Aid), Vergo (CRHC), Carey Place (Baptist Housing) and the Heights (Baptist Housing).



3816 CAREY RD

It is zoned CD-2 MV Comprehensive Development under Saanich By-law 8200. Subzone A – 3816 Carey Road

The principal permitted uses are identified in the zoning bylaw as: (i) Apartment; (ii) congregate housing; (iii) residential care; (iv) retail sales, office and personal service incidental to a permitted use; and (v) accessory buildings and structures.

b) Drake Rd. , Salt Spring Island

In April 2016, the CRHC Board of Directors directed staff to determine the feasibility of the CRHC acting as developer and operator of the Drake Rd. property on Salt Spring Island (SSI). The CRD owns land at 161 Drake Road on SSI that was assumed from School District #64 for the development of affordable housing. In order for the project to move forward, the Drake Road Steering Committee requested the CRHC take on the development and operations of Drake Road. The current proposal is for Phase 1, which is the development of 26 units of affordable rental housing. This project falls within the mandate of the CRHC and supports the identified need of the development of affordable rental housing on SSI. The CRHC is currently completing a feasibility study to determine the viability of their participation in the development on Drake Rd.

Redevelopment



Figure 1 Source Bing

MICHIGAN

a) Michigan Square

Michigan Square was built in 1985 through a design---build contract for a little over \$4 million. The project consists of 62 units in four blocks, including the original heritage listed building with nine units, a stacked townhouse building with nine units, and two 22---unit apartment buildings atop a parking garage.

Located in James Bay, the soil conditions of the site required that the building be constructed on piles. Over the years, the building has encountered water penetration issues, especially on the ground level units.

Recognizing the cost of remediation, and potential deferred maintenance costs, the option of a new building is relatively attractive. It would provide a completely new structure with new units, and enclosed balconies in an excellent location.⁵

⁵ RENEWAL OPTIONS | Capital Region Housing Corporation | April 2014, p. 4

a) Campus View

CitySpaces assessed the redevelopment potential of the Campus View site in 2008 and 2014 and has been identified as a potential candidate for densification, given its low density. The 1.25-acre site, which currently contains 12 attached housing units, could accommodate a three or four-storey apartment building. This would require a rezoning. An appropriate zone could be RA-3 (Apartment Zone), which would permit up to four storeys, with a permitted density of 1.2 FSR, and a site coverage of 35%. This zone would permit up to 65 two-bedroom units at about 1,000 square feet gross size.⁶



CAMPUS VIEW

SOURCE: CRD REGIONAL COMMUNITY ATLAS

7. CRHC Dividend for Regional Housing First Initiative (RHFI)

The CRHC received a tax exemption on the 23 properties owned by the CRD in 2016. This exemption resulted in a tax savings for the CRHC. The CRD reviewed options in collaboration with the CRHC to minimize the property tax revenue reduction impact to the municipalities through investment in the RHFI.

In March 2016, the CRHC Board of Directors, passed a motion in principal supporting the use of a housing dividend for the RHFI.

THE AMOUNT OF THE ANNUAL
DIVIDEND IS UP TO \$400K AND
SHOULD AMOUNT TO THE
PURCHASE OF APPROXIMATELY 30
UNITS OF RENT GEARED TO
INCOME HOUSING BY THE CRD.

In order to provide the dividend to the CRD, its sole shareholder, the CRHC must ensure that it complies with the provisions of the CRHC – BC Housing Umbrella Operating Agreement, and the CRD must assure the CRHC that the dividend will be used by the CRD to advance the management and development of affordable housing. The dividend will be used for debt servicing over a 25 year period for the purchase of housing units for individuals in core housing need.

⁶ RENEWAL OPTIONS | Capital Region Housing Corporation | April 2014 p. 7

C. FINANCIAL MODELLING

Scenario analysis is a useful tool to help understand the potential risks and benefits of proposed strategies.

1. Scenario Baseline Assumptions

Below are the assumptions used when creating the different scenarios:

- a) **Financial Plan only includes UOA agreement properties** (42 properties, 1209 units)
 - 2019 CRHC will renegotiate UOA focusing on building cross subsidization.
- b) **BC Housing Fixed Subsidy Revenue**
 - CMHC fixed subsidy payments will expire 2018-2021 as mortgages mature.
 - BC Housing fixed subsidy will expire 2022-2031 as operating agreements expire.
 - Homes BC fixed subsidy will be reduced by annual mortgage payments as mortgages mature 2031-2037. Residual subsidy, if any, will expire 2056-2062 as operating agreements expire.
- c) **Operating expenses** will increase annually by the inflation rate of 2%. 2016 baseline budget reviewed controllable operating expenses to achieve efficiencies.
- d) **Tenant revenue**
 - Market units rent increases annually by 1.0%-1.5% depending on original funding program.
 - Rent geared to income (RGI) units' increase annually by 0.5%.
- e) **RGI ratio** is 70% RGI and 30% low end market.
- f) **Annual CRHC dividend payment** up to a maximum of \$400,000.
- g) **Replacement Reserve contribution**
 - Currently is contributed at \$65 per unit under the 2015-2019 five year capital plan, equal to an annual amount of \$943,020.
 - As of 2020, annual contribution will match annual expenditure of \$2,000,000.

2. Scenarios

There are three scenarios that will be reviewed to address the strategic priorities of the Board of maintaining the current RGI levels within the portfolio, maintenance of the housing stock, and investment in development:

#1 Scenario: The "baseline" scenario includes the assumptions above and the only change to the CRHC current situation is that in 2021, the annual contribution to the replacement reserve will match the annual expenditure of \$2,000,000.

#2 Scenario: The second scenario includes: the baseline assumptions; and

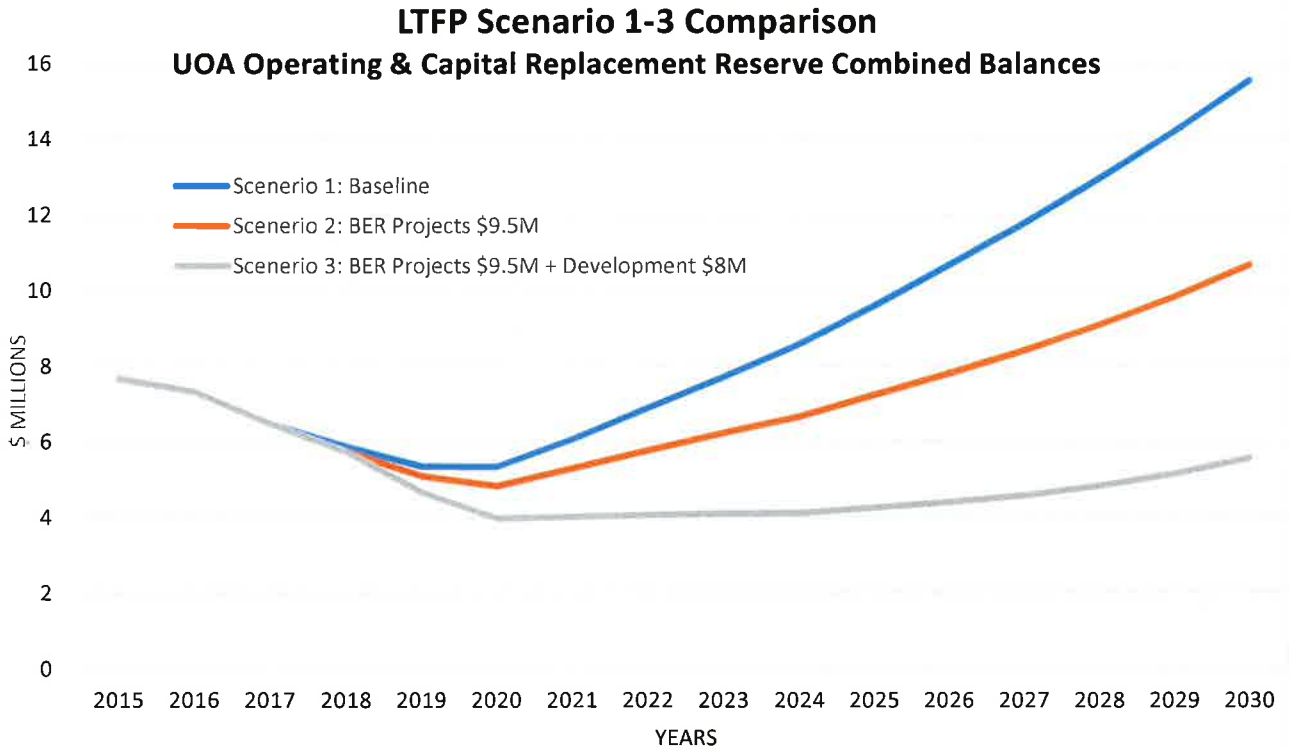
- debt servicing costs for five BER projects to be completed between 2017 and 2025 at a cost of \$9.5M over 35 years amortization at 4% interest rate.

#3 Scenario: The third scenario includes:

- the baseline assumption;
- the debt servicing costs for five BER projects to be completed between 2017 and 2025 at a cost of \$9.5M over 35 years amortization at 4% interest rate; and
- the debt servicing costs for potential \$8M contributions to development or redevelopment projects over 35 years amortization at 4% interest rate.

Table 2: Scenarios

Scenario	Description	UOA Combined Reserve Balances 2015	UOA Combined Reserve Balances 2030
#1	a. Baseline Assumptions	\$7.6M	\$15.5M
#2	a. Baseline Assumptions b. 5 BERs - \$9.5M (2017-2025, every two years) 35 year amortization @ 4% = P&I: \$505K annually	\$7.6M	\$10.6M
#3	a. Baseline Assumptions b. 5 BERs - \$9.5M(2017-2025, every two years) c. Development debt financing - \$8M starting in 35 year amortization @ 4% = P&I: \$425K annually	\$7.6M	\$5.5M



CAPITAL REGION HOUSING CORPORATION
LONG TERM FINANCIAL PLAN AND ASSET MANAGEMENT STRATEGY 2016-2030

Table 1. Scenario 1-3 UOA Operating & Capital Replacement Reserve Combined Balances

Year	Scenario 1: Baseline	Scenario 2: BER Projects \$9.5M	Scenario 3: BER \$9.5M & Development \$8M Projects
2015	\$7,659,000	\$7,659,000	\$7,659,000
2016	\$7,315,000	\$7,315,000	\$7,315,000
2017	\$6,456,000	\$6,456,000	\$6,456,000
2018	\$5,851,000	\$5,724,000	\$5,724,000
2019	\$5,337,000	\$5,082,000	\$4,657,000
2020	\$5,325,000	\$4,815,000	\$3,965,000
2021	\$6,049,000	\$5,284,000	\$4,008,000
2022	\$6,878,000	\$5,757,000	\$4,057,000
2023	\$7,699,000	\$6,222,000	\$4,096,000
2024	\$8,566,000	\$6,653,000	\$4,103,000
2025	\$9,577,000	\$7,228,000	\$4,253,000
2026	\$10,648,000	\$7,795,000	\$4,395,000
2027	\$11,757,000	\$8,399,000	\$4,573,000
2028	\$12,943,000	\$9,080,000	\$4,829,000
2029	\$14,192,000	\$9,824,000	\$5,148,000
2030	\$15,538,000	\$10,666,000	\$5,565,000

Appendices G, H, and I: Scenario 1, 2 and 3 - CRHC 2015-2030 UOA Operating Revenue and Expenses

D. CURRENT FINANCING AND FUNDING OPTIONS FOR THE CRHC

1. Financing Options

If the CRHC generates more revenue than expenses, CRHC may be able to borrow against the positive cash flow to fund major capital expenses and/or development.⁷ With the UOA, the CRHC is able to maintain surpluses as long as it funds the Capital Plan as approved by BC Housing. While under operating agreements, CRHC would need to get permission from BC Housing to refinance.

See Appendix F for more detailed information on the program frameworks for the following financing and funding options available to the CRHC.

1.1 Community Partnership Initiative (CPI) – BC Housing

Through the Community Partnership Initiatives (CPI) program, BC Housing provides interim financing, and arranges long-term financing for non-profit societies and organizations to create self-sustaining, affordable housing developments. It has also been used to fund BER projects.

⁷ Expiring Operating Agreements Guide, BC Housing - BCNPHA, Page 27



CRHC currently is under one CPI operating agreement with BC Housing for the Heathers BER. Although this was a grant of up to \$2M, it was financed through the CPI. It is a 35 year operating agreement whereby the terms of the original operating agreement take precedent but when it expires in 2028, the CPI operating agreement will take over. The CPI agreement for the Heathers is from 2014 to 2048 and only includes an operating subsidy to cover

the cost of the 2nd mortgage.

There have been recent positive discussions with BC Housing regarding the use of the CPI financing for BERs. CRHC would not necessarily receive a grant but would be able to make use of the low cost financing though CPI for properties that are still under operating agreements that may not be able to get refinanced by more traditional financial institutions due to the restrictions of the operating agreement and lack of income/surplus available by the affected property.

1.2 CMHC Direct Lending

CMHC provides direct lending loans to the CRHC federally assisted housing properties. Additional second mortgages are available for these properties but with reduced amortization periods matching the maturity date of the original 35 year mortgages.



Many of the CRHC mortgages under the CMHC direct lending program will be maturing as the expiring operating agreements mature. It would still be beneficial to look at the option of CMHC direct lending for some of the properties that require BER projects with mortgages maturing after 2030.

1.3 Municipal Finance Authority (MFA)

The CRHC does not have the authority to borrow through the MFA directly but can request the CRD to borrow on the CRHC's behalf. The CRD currently has the authority to borrow up to \$25 million under the Land Banking and Housing Service for the purpose of land assembly, either private or public, and public housing under By-Law 3715. The CRD has been estimating an interest rate of 4% for anticipated borrowings over the next five years.

In 2014, the CRD exercised its borrowing authority for the purchase of 22 parcels of land from the Provincial Rental Housing Corporation (PRHC) in the interest of the CRHC. The land cost was approximately \$9.5 million, leaving approximately \$15.5 million available. Recently, the remaining loan authorization balance has been allocated to the Regional Housing First Program (RHFP).

An amendment to the By-Law would be required to authorize any future borrowings for CRHC purposes.

1.4 Financial Institutions

Homes BC funded properties and CRHC No Operating Agreement properties are funded through financial institutions such as Banks, Trust Companies, Credit Unions and mortgage companies.

CRHC's six properties under Homes BC original operating agreements are tendered and managed through BC Housing. Also the Heathers and Leblond BER second mortgages are under this funding scheme.



VERGO

Currently CRHC has two properties (Vergo and Village on the Green) with mortgages, not tendered through BC Housing but directly through CRHC, held by Vancouver City Savings Credit Union (VanCity). The mortgage financing model undertaken with VanCity is based on the cross collateral condition which allows flexibility for new development. Vergo requires the Village on the Green cross collateral status as the Vergo revenue is not yet sufficient to be self-sustaining.

Cross collateral financing is an option to look at for BER project and development financing if the CRHC does not want to enter into any new operating agreements with BC Housing. A cost benefit analysis should be undertaken to determine whether the benefit of the interests rates available under BC Housing CPI are worth the encumbrance of the operating agreement.

1.5 Alternate Financing Options

Alternate Financing Options for the Capital Regional District Report to be presented at CRD Finance Committee, June 2016. This report will be presented to the CRHC board in June 2016.

1.6 Budget 2016: Federal Funding Announcements

The federal government has committed to the funding of affordable housing infrastructure. The details of the operationalization of these funds have not yet been provided.

Affordable Rental Housing

To encourage the construction of affordable rental housing, Budget 2016 proposes to invest \$208.3 million over five years, starting in 2016–17, in an Affordable Rental Housing Innovation Fund, to be administered by the Canada Mortgage and Housing Corporation.

Canada Mortgage and Housing Corporation will also consult with stakeholders on the design of an Affordable Rental Housing Financing Initiative to provide low-cost loans to municipalities and

housing developers for the construction of new affordable rental housing projects. Up to \$500 million in loans would be available each year for five years.⁸

2. Funding Programs (Regional, Provincial, Federal)

Aside for funding for homelessness programs under the Regional Housing First Program (RHFP) and the Homelessness Partnering Strategy (HPS), there are no ongoing operational dollars associated with the capital funding. Therefore, in the case of new development, the provider is responsible for ongoing sustainability of the property. The opportunities for regional and provincial investment in housing include BC Housing or CRD ownership of their equity contribution. The federal investment in Affordable Housing (IAH) will be distributed through the Provinces to address Provincial priorities. The CRHC will be able to apply to all of these funding programs to support the development of affordable housing and to achieve the priority of increasing the housing stock by 30 rent geared to income units.

An exciting announcement of the federal government is Renewal and Repair funding for aging housing stock. This could have a significant impact on the CRHC’s ability to receive grants in lieu of debt financing for the identified priority BERs.



IN 2016, THE REGIONAL, PROVINCIAL AND FEDERAL GOVERNMENTS HAVE MADE ANNOUNCEMENTS OF SIGNIFICANT CAPITAL INVESTMENT IN AFFORDABLE HOUSING.

2.1 Regional Housing First Program (RHFP)

The RHFP stems from a Partnering Agreement between the CRD, BC Housing and Island Health to substantially address chronic homelessness in the capital region through \$60 million in capital investments in affordable and supportive housing developments. Island Health has committed as necessary to the provision of appropriate health and support services. Priorities will be developed through the Community Plan and the funding will be distributed through an annual expression of interest (EOI). The initial EOI is anticipated in the fall of 2016.

2.2 Provincial Investment in Affordable Housing (PIAH)

Applications for the PIAH program are due June 15, 2016. Project funding sources are in the form of flexible project applicant equity contributions, BC Housing PIAH equity contribution that requires BC Housing unit ownership, and/or CPI mortgage financing.

The funding will be distributed over a five-year period through an annual EOI process:

2016-17	2017-18	2018-19	2019-20	2020-21
\$50 million	\$50 million	\$75 million	\$90 million	\$90 million

⁸ http://chra-achru.ca/sites/default/files/chra_budget_highlights_march_22_2016-en.pdf

2.3 Budget 2016: Federal Funding Announcements

The federal government has committed to the funding of affordable housing infrastructure. The details of the operationalization of these funds have not yet been provided.

Renewal and Repair

*To support these necessary retrofits and renovations, Budget 2016 proposes to provide \$573.9 million over two years, starting in 2016–17. This investment will help address the increasing demand for repairs as social housing units age, and will also improve efficiency and reduce energy use, lowering utility costs and making housing more affordable.*⁹

Investment in Affordable Housing Initiative

*To support the construction of new affordable housing units, the renovation and repair of existing affordable housing, measures to support housing affordability such as rent supplements, and measures to foster safe, independent living, the Government will invest \$504.4 million over two years, starting in 2016–17.*¹⁰

Seniors

*Budget 2016 proposes to provide \$200.7 million over two years, starting in 2016–17, to support the construction, repair and adaption of affordable housing for seniors. While funding will be provided under the Investment in Affordable Housing initiative, provinces and territories will not be required to cost-match these investments.*¹¹

E. CONCLUSION

The Capital Region Housing Corporation (CRHC) identified the need to undertake a long term financial plan and asset management strategy to provide insight into future financial capacity so that strategies can be developed to achieve long-term sustainability.

The CRHC is in a good position to be able to meet the priorities identified by the CRHC Board of Directors of maintaining RGI levels, renewing the aging housing stock and developing new affordable housing to meet the needs of the capital region.

The CRHC has an comprehensive understanding of the remediation needs of its portfolio and has identified potential development opportunities, some that are shovel-ready and is well positioned to take advantage of the funding opportunities for both the renewal of housing by the federal government as well as an investment in the creation of housing by the regional, provincial and federal governments.

⁹ http://chra-achru.ca/sites/default/files/chra_budget_highlights_march_22_2016-en.pdf

¹⁰ http://chra-achru.ca/sites/default/files/chra_budget_highlights_march_22_2016-en.pdf

¹¹ http://chra-achru.ca/sites/default/files/chra_budget_highlights_march_22_2016-en.pdf

Appendix A

Appendix A
 List of CRHC Properties

Name of Property	Year Completed	Original Operating Agreement
Portage Place	Aug-83	CMHC
Campus View Court	Sep-83	CMHC
Royal Oak Square	Mar-84	CMHC
Oakwinds	Feb-85	CMHC
James Yates Gardens	Oct-84	CMHC
Pinehurst	Feb-85	CMHC
The Brambles	Jun-85	CMHC
The Terraces	May-85	CMHC
Michigan Square	Sep-85	CMHC
Olympic View	Apr-86	CMHC
Swanlea	Dec-85	CMHC
Firgrove	Feb-86	CMHC
Beechwood Park	Feb-86	CMHC
Grey Oak Square	Apr-86	CMHC
Willowdene	Sep-87	CMHC
Rosewood	Oct-88	CMHC
Gladstone	Jan-89	CMHC
Camosun Place	Mar-89	CMHC
Parkview	May-89	CMHC
Carey Lane	Aug-89	BCHMC
Colquitz Green	Nov-89	BCHMC
Springtide	May-90	BCHMC
Greenlea	Feb-90	BCHMC
Arbutus View	Jul-90	BCHMC
Amberlea	May-90	BCHMC
Cloverhurst	May-90	BCHMC
Hamlet	Oct-90	BCHMC
Viewmont	Aug-91	BCHMC
Creekside	Apr-92	BCHMC
The Birches	Aug-92	BCHMC
Caledonia	Apr-93	BCHMC
The Heathers	Apr-93	BCHMC
Heron Cove	Oct-93	BCHMC
Castenea Place	Feb-95	BCHMC
Leblond Place	Sep-96	BCHMC
Rotary House	Nov-06	BCHMC
Cairns Park	Dec-96	Homes BC
Kings Place	Dec-96	Homes BC
Carillon Place	Jul-98	Homes BC
Brock Place	Jan-00	Homes BC
Harbour Lane	Oct-01	Homes BC
Tillicum Station	Jul-02	Homes BC
Parry Place	Jul-08	ILBC
Village on the Green	May-84	No Operating Agreement
Vergo	Aug-12	No Operating Agreement

Appendix B

Capital Region Housing Corporation (CRHC) Board Strategic Priorities 2016-2019

Mission Statement: The CRHC's mission is to develop and manage affordable housing within the capital region for low income households.

Priority Area	Goals	Objectives	Key Performance Indicators
Management	Be a good and responsible landlord to those who rent accommodation with the CRHC	<ol style="list-style-type: none"> 1. Ensure the CRHC is operating efficiently and effectively 2. Maintain financial sustainability of the CRHC 3. Ensure the CRHC Housing stock is adequately maintained 4. Maximize subsidized units 5. Ensure Tenant satisfaction 	<ol style="list-style-type: none"> 1. a) Annual staff performance planning and evaluation b) Annual Board survey 2. Increase net revenue by 1.5 % annually 3. Strive to complete one additional building envelope remediation by 2019 4. a) Review tenant eligibility policy in 2016 b) Maintain at least 70% rent geared to income in 42 Umbrella Operating agreement properties 5. Implement a tenant satisfaction survey with an annual improvement in tenant satisfaction index
Development	Increase CRHC housing stock to benefit households in core housing need	<ol style="list-style-type: none"> 1. Develop strategy to increase development capacity 2. Develop priorities to address housing needs 3. Implement strategy to increase housing for households in core housing need 	<ol style="list-style-type: none"> 1. Adopt strategy by 2016 2. Develop priorities by 2016 3. Increase housing stock by at least 30 rent geared to income units by 2019

Appendix B

**CAPITAL REGION HOUSING CORPORATION
LONG TERM FINANCIAL PLAN AND ASSET MANAGEMENT STRATEGY 2016-2030**

Appendix C

**CAPITAL REGION HOUSING CORPORATION
UPDATED FIVE YEAR CAPITAL PLANS (2016-2019)**

APPENDIX C

	2015 Plan	2015 Actuals	2016 Plan	2017 Plan	2018 Plan	2019 Plan	Updated 2015-2019 Plan
UOA FIVE YEAR CAPITAL PLAN (2015-2019)							
Routine Replacement Reserve Expenditures							
Unit Components							
Cabinets & Countertops	199,500	213,047	229,500	229,500	249,000	249,000	1,170,047
Electrical - Baseboard Heaters	18,320	13,166	28,460	29,800	34,680	34,800	140,906
Electrical - Light Fixtures & Bath Fans	22,200	33,806	20,980	21,950	20,800	22,420	119,956
Flooring - Carpet	210,000	170,902	250,000	245,890	250,150	192,110	1,109,052
Flooring - Vinyl	95,000	78,585	127,470	119,520	130,470	94,770	550,815
Hot Water Tanks	32,500	51,916	33,120	35,825	36,760	42,200	199,821
Interior Paint	185,000	178,556	196,500	201,450	193,050	177,350	946,906
Plumbing Fixtures - Toilets & Sinks	47,900	50,502	47,900	48,250	48,400	48,800	243,852
Plumbing Fixtures - Tub/Taps and Surrounds	97,000	82,874	105,000	116,400	123,670	121,250	549,194
Refrigerators	41,470	49,460	32,600	35,600	41,410	45,820	204,890
Stove	54,240	46,650	58,740	17,890	22,670	45,550	191,500
Unit Asbestos Abatement	36,000	4,600	36,000	36,000	36,000	32,000	144,600
Window Coverings	46,520	43,376	41,980	38,000	36,450	33,580	193,336
Total Unit Components	1,085,650	1,017,390	1,208,250	1,176,075	1,223,510	1,139,650	5,764,875
Building Components							
BECA - 13 CMHC/Homes BC Buildings	50,000	42,302	40,000	0	0	40,000	122,302
Decks & Stairs	49,500	33,981	35,000	20,000	12,000	29,000	129,981
Exterior - Other	7,500	42,860	9,970	9,800	6,890	0	69,520
Exterior Paint	200,200	238,084	117,800	315,000	214,300	260,000	1,145,184
Fencing	175,500	70,537	176,000	91,000	154,500	15,000	507,037
Flooring (Common Area)	57,050	35,893	37,500	65,000	36,500	13,000	187,893
Interior Paint (Common Area)	66,500	64,430	20,700	3,500	3,200	60,500	152,320
Paving/Sidewalk	50,800	66,372	29,000	30,900	32,800	14,000	173,072
Play Equipment	71,500	71,788	115,000	130,000	100,000	45,000	461,788
Roof - 2015 actuals inc. Royal Oak total contract value	297,000	319,485	311,420	322,000	210,500	390,000	1,553,405
Total Building Components	1,025,550	985,722	892,390	987,200	770,690	866,500	4,502,502
Mechanical Components							
Boilers	77,900	87,938	59,350	15,400	0	19,500	182,188
Kings Boiler - CELP Grant & Fortis Rebate	0	-30,955	0	0	0	0	-30,955
Elevator	0	6,990	75,400	120,000	46,000	110,000	358,390
HVAC Systems	25,000	0	41,000	68,000	72,000	42,000	223,000
Total Mechanical Components	102,900	63,973	175,750	203,400	118,000	171,500	732,623
Total Routine Replacement Reserve Expenditures	2,214,100	2,067,085	2,276,390	2,366,675	2,112,200	2,177,650	11,000,000
UOA 2015 (Underspent) Variance included in 2016-2018	0	-147,015	47,790	13,575	85,650	0	0
ILBC FIVE YEAR CAPITAL PLAN (2015-2019)							
Total Routine Replacement Reserve Expenditures	74,800	72,280	4,240	22,940	1,240	31,240	131,940
NOA FIVE YEAR CAPITAL PLAN (2015-2019)							
Total Routine Replacement Reserve Expenditures	59,405	51,160	41,820	50,860	100,610	49,510	293,960
Building Envelope Remediation (BER)							
Heathers construction completion date Sept, 2016 (BCHMC approved CIP forgivable mortgage upto \$2M)	Capital Budget	2015 Actuals	2016 Plan	2017 Plan	2018 Plan	2019 Plan	Updated 2015-2019 Plan
	1,287,120	160,810	1,126,310	0	0	0	1,287,120
Total Building Envelope Remediation Expenditures	1,287,120	160,810	1,126,310	0	0	0	1,287,120
Combined Routine Replacement and BER Expenditures	3,635,425	2,351,335	3,448,760	2,440,475	2,214,050	2,258,400	12,713,020

Prepared by CRHC Jan 19, 2016

Appendix D

STANDARDIZED LIST OF REPLACEMENT ITEMS
Including Estimated Useful Life

Category	Item	Life Years		
		Family	Seniors	Special Needs
APPLIANCES	Dishwasher	12	15	12
	Dryer	13	16	13
	Fridge	14	17	14
	Wall Oven	12	15	12
	Stove Top	12	15	12
	Stoves	12	15	12
	Washer	13	16	13
FLOORING	Carpet	5	7	5
	Linoleum/Vinyl	10	14	10
	Carpet - Common Areas	7	10	7
	Linoleum/Vinyl - Common Areas	16	20	16
HEATING	Furnace	13	16	13
	Boiler	20	20	20
	Electric Heat	20	20	20
	Hot Water Tanks	10	10	10
	Water/Oil Pumps	20	20	20
INTERIOR STRUCTURE	Air Conditioning	11	14	11
	Central Air Conditioning - Common Areas	15	20	15
	Countertops	15	20	15
PAINTING	Exterior Paint	8	8	8
	Exterior Film Painting	8	8	8
	Interior Painting - Common Areas	5	7	5
	Interior Painting	5	7	5
PAVING	Driveways Paving	15	15	15
ROOFING	Roof	22	22	22
WINDOW COVERINGS	Blinds	7	11	7
	Drapes	8	10	8
	Awning	5	7	5
EXTERIOR STRUCTURE	Balcony Coverings	15	15	15
	Deck and Deck Coverings	10	10	10
	Fencing	10	10	10
	Playground Equipment	10	10	10
	Security Gate	15	20	15
OTHER	Fresh Water Pump	12	12	12
	Sewage/Pressure/Relay	20	20	20

Appendix F: Financing and Funding Options Available to the CRHC

Community Partnership Initiative (CPI) – BC Housing

Through the Community Partnership Initiatives (CPI) program, BC Housing provides interim financing, and arranges long-term financing for non-profit societies to create self-sustaining, affordable housing developments. BC Housing's capacity to provide financing with favourable terms is the cornerstone of the program.

Interim Construction Financing

BC Housing can provide interim construction financing for the development of affordable housing which includes new construction and the purchase of existing buildings to preserve affordability. Interim financing may be approved up to 100% of the construction cost to complete the affordable housing project.

Take-out Financing

Long-term take-out loans replace interim financing, such as a short-term construction loan. BC Housing may also help eligible non-profit housing partners obtain take-out financing. BC Housing will obtain low interest rates and favourable terms through a competitive tender and selection process. All approved BC Housing take-out loans will have low cost Canada Mortgage and Housing Corporation (CMHC) loan insurance.

Security

Depending on the type of project, BC Housing will typically require the following security registered on title:

- *Execution and registration of BC Housing's standard mortgage security package.*
- *A Section 219 restrictive covenant.*
- *An operating agreement or affordable housing agreement with BC Housing.¹²*

CMHC Direct Lending

As a federal Crown corporation, CMHC can obtain funds through borrowings from the Department of Finance under the Crown Borrowing Framework, at a lower cost than can a private lender. In addition, the interest rates charged by CMHC do not include a profit margin. CMHC can then pass on these savings to the social housing sponsors by charging lower interest rates resulting in reduced federal subsidy requirements.

CMHC lends to eligible social housing sponsors as mortgages on their projects come up for renewal.¹³

¹² http://www.bchousing.org/resources/Partner_Resources/Program_Resources/CPI_Program_Framework.pdf

¹³ http://www.cmhc-schl.gc.ca/en/inpr/ashopoad/ashopoad_005.cfm

Municipal Finance Authority

MFA borrowing process

Twice a year (generally in the Spring & Fall following the Annual General Meeting-in late March, and Semi-Annual Meeting-in late September, respectively) the MFA will fund the loan requests of clients which have been vetted through all appropriate approval processes.

Once a loan has been approved, clients can generally expect funding to occur in April for the Spring Issue or October for the Fall Issue.

Proceeds on a loan request will be 99.00% of the gross amount of the loan. 1.00% is deducted by the MFA for security against loan default (this is held in trust by the MFA in its Debt Reserve Fund and will be refunded to clients, with interest, at loan expiry).

Each new issue will generally be for a 10 year term, which means the lending rate will be set from the date of funding for a period of 10 years. Members have the option to borrow for periods ranging from of 5 to 30 years, therefore, any terms that exceed the 10 year period will have the lending rate reset starting in year 11. Interest payments will be required semi-annually; with the first interest payment being 6 months after proceeds are received. Interest costs over the life of the loan are based on the original amount borrowed.¹⁴

Provincial Investment in Affordable Housing (PIAH)

The PIAH program is a commitment of \$355 million to create more than 2,000 affordable rental housing units in British Columbia.

In April 2016, BC Housing issued a call for Expressions of Interest (EOI) to partner with municipalities, non-profit housing providers, community groups and the private sector throughout B.C.

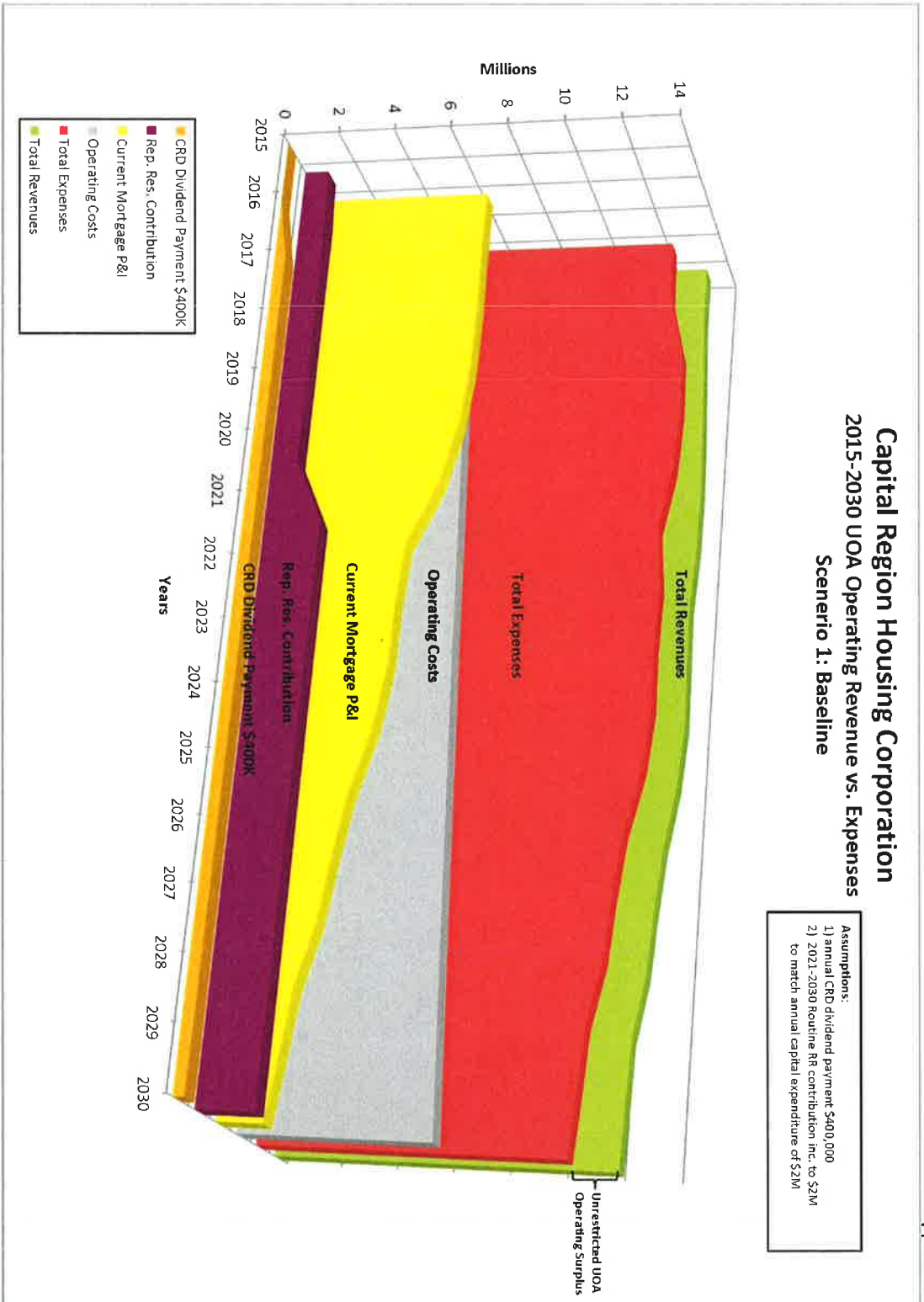
Through the PIAH program, individuals with low to moderate income will have access to additional affordable rental housing options across the province.

The funding is being generated from the Non-Profit Asset Transfer (NPAT) program initiated in 2014, whereby BC Housing is transferring select land and buildings to non-profit housing providers. All net proceeds from the NPAT program will be reinvested into affordable housing.¹⁵

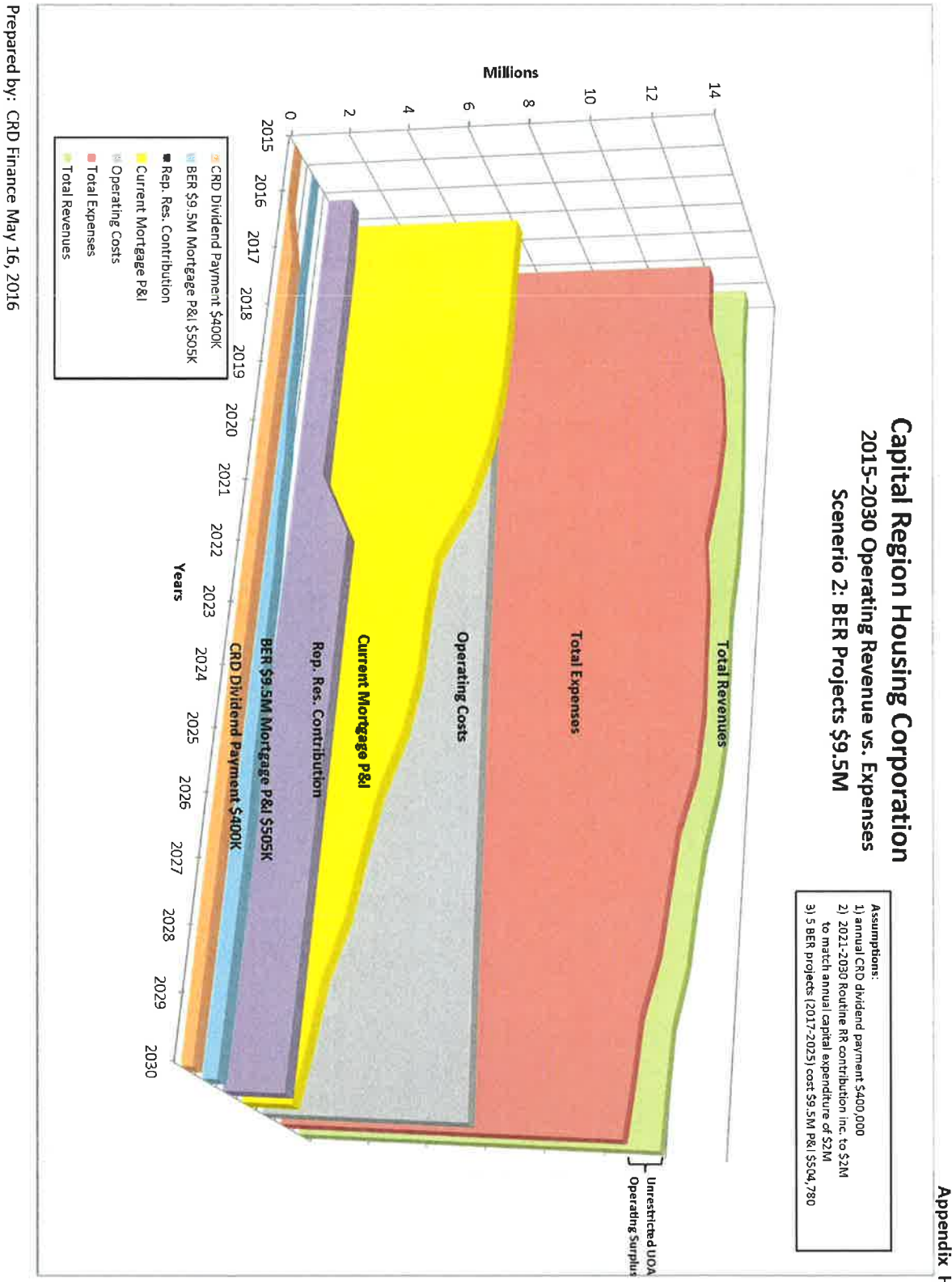
¹⁴ <http://mfa.bc.ca/clients/long-term-borrowing>

¹⁵ <http://bchousing.org/Initiatives/Creating/PIAH>

Appendix G

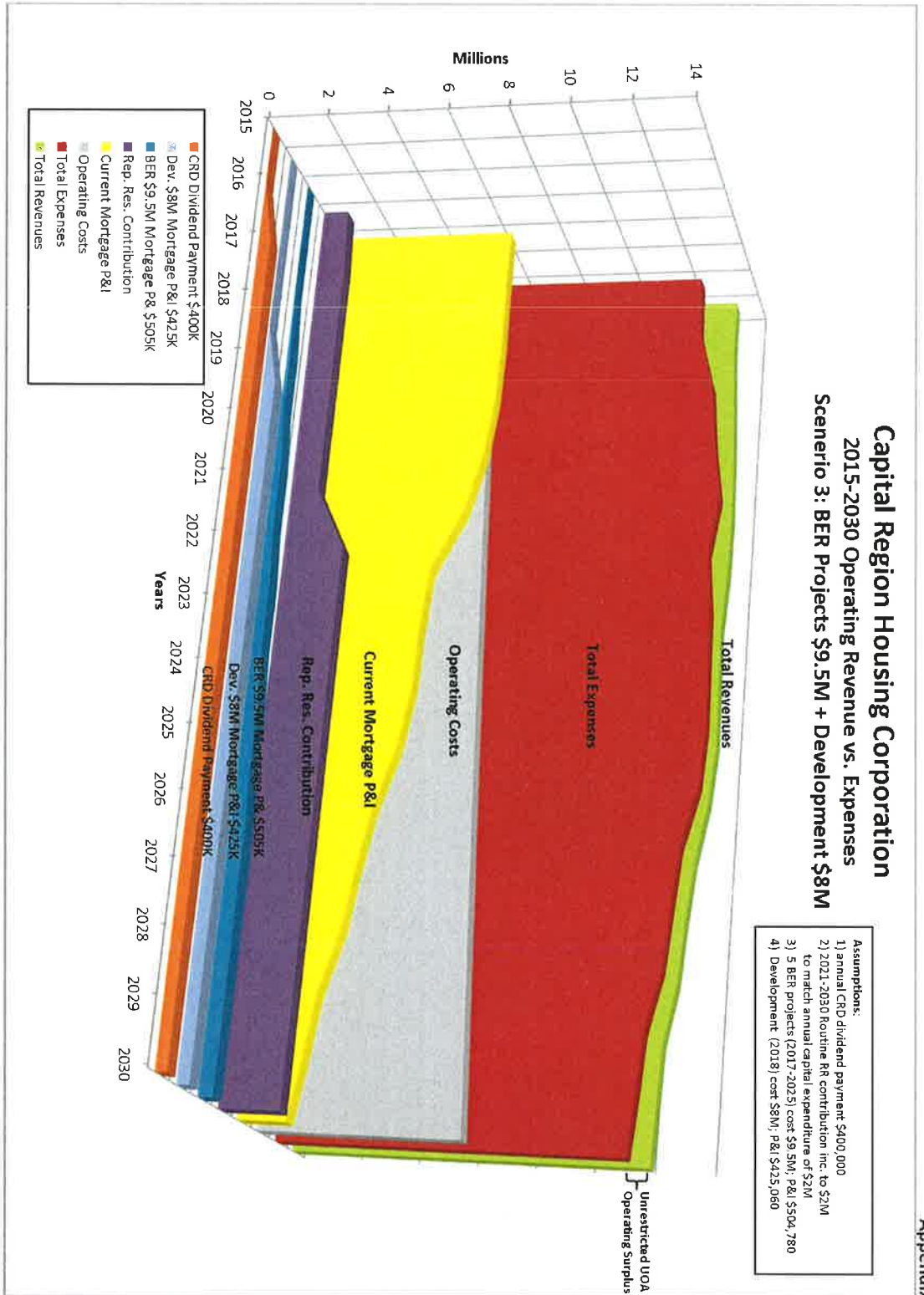


Appendix H



Appendix I

Prepared by: CRD Finance May 16, 2016



Appendix I



**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS
MEETING OF MAY 24, 2016**

SUBJECT **Property Management Report**
Updated since the last report of April 26, 2016

BCH REGIONAL REGISTRY WAITLIST STATISTICS

Category	May 2016	April 2016	May 2015
Total Registry Units	3,299	3,299	3,265
Applicants			
Family	520	515	411
Seniors	601	592	534
Persons with Disabilities	383	365	363
Wheelchair Modified	59	51	54
Singles	42	43	41
Total	1,605	1,566	1,403

BUILDING ENVELOPE REMEDIATION & RELATED CAPITAL IMPROVEMENTS

The Heathers Building Envelope Remediation

The contractor Integrity Wall Systems, has completed window and door installations. The colour coat of the stucco finish is being applied. The staff net has been removed from around the building allowing more light into the interior spaces.

Parry Kitchen Renovation

The expansion of the dining room into the old serving kitchen area is complete allowing the service provider to use the new kitchen space in a serving capacity. We are awaiting the final inspection by the City of Victoria and once this approval is received, meal preparation will begin on site.

STAFF

Training

Nine staff participated in the second session of Mental Health First Aid training. The two day program was presented by the CRD using outside trainers.

Field Service Review

All staff have participated in the first rounds of staff input. The input collected was by way of email questionnaires, interviews and on site activity mapping. Additional valuable information is being recognized as part of the tenant engagement surveys.

FINANCIAL REPORTING: APRIL, 2016 CHEQUES/EFTS OVER \$50,000

Vendor	Issued	Expenditure	Notes
Canpro Construction	April 28, 2016	\$ 54,614.39	Parry Kitchen Draw#3
Integrity Exteriors	April 28, 2016	\$232,048.07	Heathers BER Draw#5



Don Metcalf
Operations Manager
Capital Region Housing Corporation