



CRHC
The Capital Region's Housing Corporation

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

AGENDA

10:00 a.m., Tuesday, January 24, 2017
625 Fisgard St., Victoria
Room 488

	<u>Item/Report Number</u>
1. Approval of Agenda	
2. Approval of Minutes of December 6, 2016	17-02
3. Auditor's Annual Address Randy Decksheimer, KPMG (see attached presentation)	17-03
4. CRHC 2017 updated Five Year Capital Plans 2015-2019	PPS/CRHC 2017-01
5. LeBlond Strata – Strata Council Representatives	PPS/CRHC 2017-02
6. Operational Plan 2017	PPS/CRHC 2017-03
7. Turnover and Vacancy Report 2016	PPS/CRHC 2017-04
8. Management Update	PPS/CRHC 2017-05
9. Adjournment	



**Minutes of a Meeting of the Capital Region Housing Corporation Board of Directors
Held December 6, 2016 in Room 488, 625 Fisgard St, Victoria, BC**

PRESENT: **Directors:** D. Screech (Chair); L. Helps; P. Leblond (alternate D. Howe); R. Cooper; J. Carline; B. Braude; C. Plant
 Staff: K. Lorette; C. Culham; D. Metcalf; R. Loukes; R.Sharma
 Absent: D. Howe
 Guest: Miko Betanzo
 Recorder K. Kusnyerik

The meeting was called to order at 10:01a.m.

L.Helps arrived 10:01a.m.

1. APPROVAL OF AGENDA

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

CARRIED

2. APPROVAL OF THE MINUTES OF OCTOBER 25, 2016

C. Culham discussed that she met with legislative services and confirmed that CRHC's Shareholder meeting schedule currently will not need to change to align with the 2 year term of CRD Directors.

It was **MOVED** by Director Braude, **SECONDED** by Director Cooper
That the minutes of October 25, 2016 be approved as circulated.

CARRIED

3. DRAKE ROAD DEVELOPMENT UPDATE

C.Culham presented to the staff report.

It was **MOVED** by Director Helps **SECONDED** by Director Braude
Receives Drake Road Development update for information.

CARRIED

4. 3816 CAREY RD. DEVELOPMENT – PRE-DEVELOPMENT BUDGET

C.Culham presented the staff report. It was discussed that interviews are currently being held for the Manager of Major Capital Projects who will oversee this project. In the interim CitySpaces has been retained until March 31, 2017.

C.Plant arrived at 10:15a.m.

C.Culham reviewed the composition of the new development as discussed in detail at the June 10, 2016 special board meeting.

R.Loukes stepped out at 10:20a.m. and returned at 10:20a.m.

It was **MOVED** by Director Helps, **SECONDED** by Director Braude
Approve the 3816 Carey Road development project proposed pre-development budget of \$165,000 to be funded from the CRHC cash equity contribution to the project.

CARRIED

M.Benezo left the meeting at 10:23a.m.

5. 2016 UBCM GRANT (Connections) – Final Report

C.Culham presented the final report to be submitted for the Union of BC Municipalities (UBCM). She discussed that many initiatives were continuing post project. The Directors expressed their pleasure with the outcomes of this project.

It was discussed that the UBCM grant was one time funding and may not be applied for again by CRHC for this type of initiative. Director Helps suggested that we continue to reference the data collected in the tenant survey. She also requested that the title community outcomes on page six of the report be changed to community activities.

It was **MOVED** by Director Carline, **SECONDED** by Director Cooper That the Union of BC Municipalities 2016 Age-friendly Community Planning & Project Grants Final Report be received for information.

CARRIED

6. TENANT ENGAGEMENT TASK FORCE IMPLICATIONS REPORT

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

- a) That a Tenant Engagement Framework be approved for 2017 with a budget of \$50,000 and that staff report back to the Board with an evaluation and recommendations of the Tenant Engagement Framework in 2017.
- b) That staff review the current landscape services and report back to the Board on how to improve the current services including a review of potential models of service delivery in 2017.

The following friendly amendments were made to the Tenant Engagement Framework noted in the motion:

- Tenant centered units as homes and projects as communities.
- Page. 5 phase 1 #4 increase community building and belonging.
- Phase 3 increase in sense of belonging and consecutiveness.

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

- a) That the Tenant Engagement Framework be amended as follows:
 - Tenant centered units as homes and projects as communities.
 - Page. 5 phase 1 #4 increase community building and belonging.
 - Phase 3 increase in sense of belonging and consecutiveness.
- b) That the Tenant Engagement Framework be approved as amended for 2017 with a budget of \$50,000 and that staff report back to the Board with an evaluation and recommendations of the Tenant Engagement Framework in 2017.
- c) That staff review the current landscape services and report back to the Board on how to improve the current services including a review of potential models of service delivery in 2017.

CARRIED

7. BOARD EVALUATION PROCESS

C.Culham reviewed the report and discussed that the process would be in confidence with support of CRD's legislative services department.

R.Loukes exited the meeting at 10:57am

It was discussed that in future years the survey would be circulated in September so that Director input could be discussed prior to the end of the year and the potential end of

Director's terms. 2016 would be an exception with the survey being circulated shortly, for discussion.

R.Loukes returned at 11:01am

R.Loukes circulated a full copy of the survey that had been scanned incorrectly for the Director's review.

It was **MOVED** by Director Plant, **SECONDED** by Director Helps
That the Board Evaluation Process be approved as presented.

CARRIED

R.Sharma arrived at 11:05am

6. 2016/2017 ADMINISTRATIVE BUDGETS

C.Culham presented the 2016/2017 Administrative Budget.

It was **MOVED** by Director Carline **SECONDED** by Director Braude
That the Capital Region Housing Corporation Board of Directors approves the 2017 Capital Region Housing Corporation Administration Budget.

CARRIED

7. 2016/2017 OPERATING BUDGETS

C.Culham presented the 2016/2017 Operating Budget.

L.Helps left the meeting at 11:27a.m.

It was **MOVED** by Director Carline **SECONDED** by Director Braude
That the Capital Region Housing Corporation (CRHC) Board of Directors

- a) approves the Capital Region Housing Corporation 2017 Operating Budgets for the Umbrella Operating Agreement portfolio, Parry Place, Village on the Green and Vergo; and
- b) authorizes any 2016 operating surplus to be transferred to the appropriate Portfolio Stabilization Reserves.

CARRIED

8. PROPERTY MANAGEMENT REPORT

It was **MOVED** by Director Carline **SECONDED** by Director Braude
Receive the property management report for information.

9. ADJOURNMENT

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

The meeting was adjourned at 11:38a.m.

David Screech, Chair

Kristine Kusnyerik, Recorder



Capital Region Housing Corporation

Audit Planning Report
For the year ended December 31, 2016

KPMG LLP

January 24, 2017

kpmg.ca/audit



The contacts at KPMG in connection with this report are:

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At KPMG, we are **passionate** about earning your **trust**. We take deep **personal accountability**, individually and as a team, to deliver **exceptional service and value** in all our dealings with you.

At the end of the day, we measure our success from the **only perspective that matters – yours**.

Executive summary

Audit and business risk

Our audit is risk-focused. In planning our audit we have taken into account key areas of focus for financial reporting.

See pages 4 and 5.

KPMG team

The KPMG team will be led by Randy Decksheimer. He will be supported by Heather Crow, Senior Manager. Subject matter experts will be involved where considered necessary to ensure our approach is appropriate and robust.

Effective communication

We are committed to effective and timely reporting of issues to Christine Culham, Senior Manager, management and the Finance Committee.

Audit Materiality

Materiality has been determined based on estimated total revenue. We have determined materiality to be \$395,000 for the year ending December 31, 2016 (2015 - \$370,000).

See page 6.

Independence

We are independent and have extensive quality control and conflict checking processes in place. We provide transparency on all services and follow any Finance Committee approved protocols.

Annual inquiries of the Finance Committee

Professional standards require that during the planning of our audit we obtain your views on the risk of fraud.

- Are you aware of, or have you identified any instances of, actual, suspected, possible, or alleged non-compliance of laws and regulations or fraud, including misconduct or unethical behaviour related to financial reporting or misappropriation of assets? If so, have the instances been appropriately addressed and how have they been addressed?
- What are your views about fraud risks in the entity?
- How do you provide effective oversight of programs and controls to prevent, detect and deter fraud, including oversight over internal controls management has established to mitigate fraud risks?
- Is the committee aware of tips or complaints regarding the entity's financial reporting and, if so, what are the responses to such tips and complaints?

This Audit Planning Report should not be used for any other purpose or by anyone other than the Finance Committee. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Planning Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Audit approach

Professional standards presume the risk of fraudulent revenue recognition and the risk of management override of controls exist in all companies.

The risk of fraudulent recognition can be rebutted, but the risk of management override of control cannot, since management is typically in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Professional requirements	Why	Our audit approach
Fraud risk from revenue recognition	This is a presumed fraud risk. There are generally pressures or incentives on management to commit fraudulent financial reporting through inappropriate revenue recognition when there is an expectation to maintain a balanced budget from year to year.	Evaluation and testing controls related to recording of journal entries Detailed testing and recalculation of revenue balances Detailed cut-off testing of revenues with large or unusual reconciling items Detailed testing of journal entries at period end and subsequent to year end
Fraud risk from management override of controls	This is a presumed fraud risk. We have not identified any specific additional risks of management override relating to this audit.	As the risk is not rebuttable, our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include testing of journal entries and other adjustments, performing a retrospective review of estimates and evaluating the business rationale of significant unusual transactions.

Audit approach

We did not identify any areas with significant financial reporting risks.

Areas of audit focus include the following:

Financial Statement Caption	Our audit approach
Cash and Investments	<ul style="list-style-type: none"> • Confirm year end balances with financial institutions • Review year end bank reconciliations and cut-off
Capital Assets	<ul style="list-style-type: none"> • Review and recalculate the capital asset continuity schedule • Review a sample of capital asset additions including the underlying source documentation
Accounts Payable	<ul style="list-style-type: none"> • Perform cut-off testing to ensure all expenses relating to fiscal 2016 have been recorded • Review and recalculate significant accruals at yearend
Mortgages Payable	<ul style="list-style-type: none"> • Confirm all yearend mortgage balances with respective lenders • Recalculate current vs. long term portion of loans
Revenue	<ul style="list-style-type: none"> • Perform substantive analytical procedures comparing actual tenant rent contributions to budgeted and prior year mounts • Confirm mortgage subsidies, rent subsidies and operating agreement funding with BC Housing and CMHC • Select a sample of new subsidized tenants and verify qualification and selection process
Expenses	<ul style="list-style-type: none"> • Perform substantive analytical procedures comparing actual expenses to budgeted and prior year amounts • Review cut-off at year end to ensure expense have been recorded in the correct period • Perform analytical procedures over the interest expense by developing expectations based on loan balances and interest rates
Replacement Reserve Fund	<ul style="list-style-type: none"> • Test a sample of replacement reserve expenditures to ensure they are recorded in accordance with the operating agreements

Materiality

Professional standards require us to re-assess materiality at the completion of our audit based on period-end results or new information in order to confirm whether the amount determined for planning purposes remains appropriate.

Our assessment of misstatements, if any, in amounts or disclosures at the completion of our audit will include the consideration of both quantitative and qualitative factors.

The first step is the determination of the amounts used for planning purposes as follows.

The determination of materiality requires professional judgment and is based on a combination of quantitative and qualitative assessments including the nature of account balances and financial statement disclosures.

Materiality determination	Comments	Amount
Metrics	Relevant metrics include revenue, and expenses.	
Benchmark	Based on an estimate of revenues for the year. This benchmark is consistent with the prior year (2015 - \$15.3 million).	\$15.8 million
Materiality	Determined to plan and perform the audit and to evaluate the effects of identified misstatements on the audit and of any uncorrected misstatements on the financial statements. The corresponding amount for the prior year's audit was \$370,000.	\$400,000
% of Benchmark	The corresponding percentage for the prior year's audit was 2.4%	2.5%
Performance materiality	Used 75% of materiality, and used primarily to determine the nature, timing and extent of audit procedures. The corresponding amount for the prior year's audit was \$277,000.	\$300,000
Audit Misstatement Posting Threshold (AMPT)	Threshold used to accumulate misstatements identified during the audit. The corresponding amount for the previous year's audit was \$18,500.	\$20,000
	Different threshold used to accumulated reclassification misstatements.	\$40,000

Value for fees

In determining the fees for our services, we have considered the nature, extent and timing of our planned audit procedures as described above. Our fee analysis has been reviewed with and agreed upon by management.

Our fees are estimated as follows:

	Current period (budget)	Prior period (actual)
Audit of the annual financial statements	\$32,400	\$32,400

Matters that could impact our fee

The proposed fees outlined above are based on the assumptions described in the engagement letter.

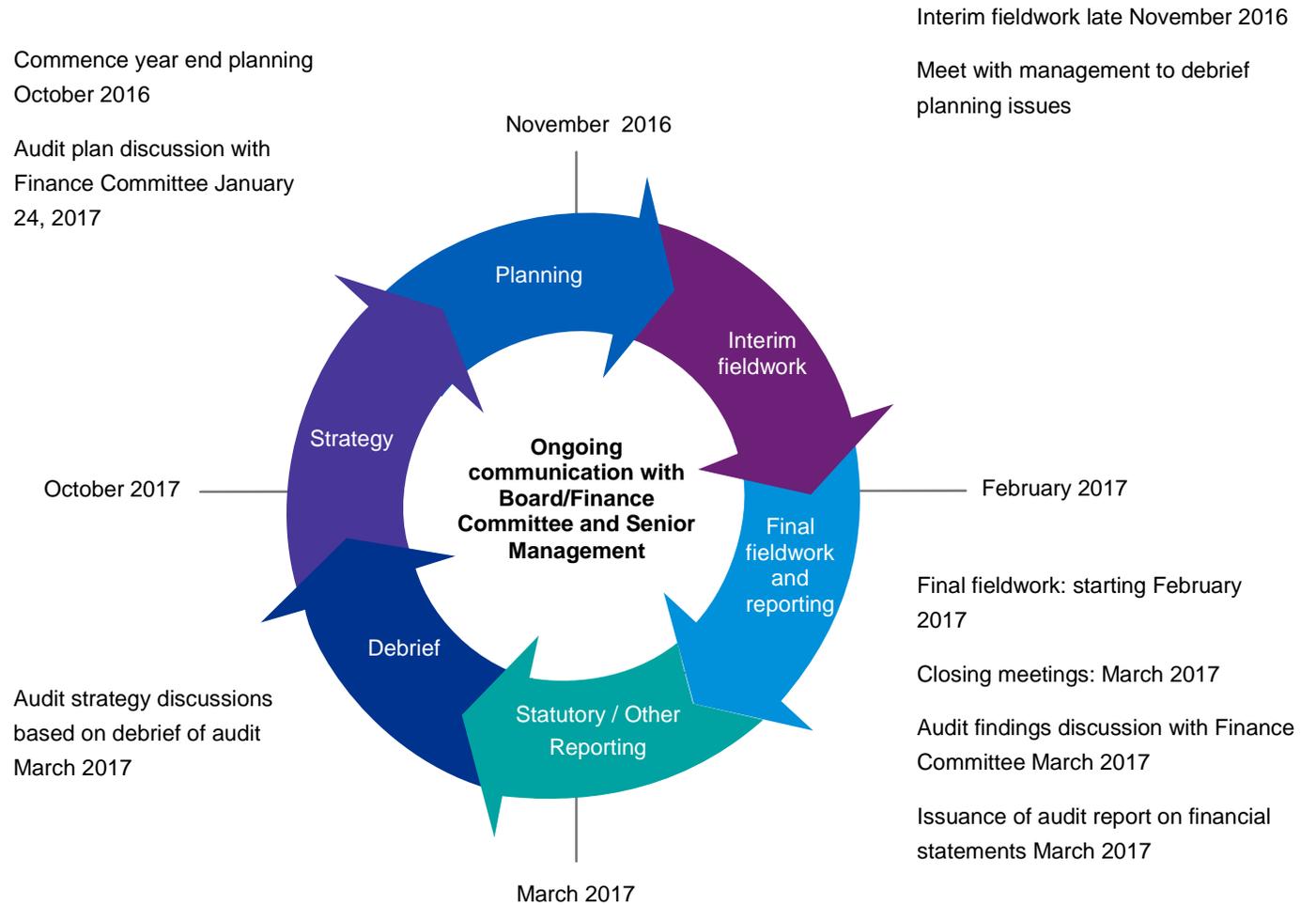
The critical assumptions, and factors that may cause a change in our fees, include the timing of our work if delayed or significant changes in the quality of working papers prepared. We do not anticipate any such issues.

Audit cycle and timetable

Our key activities during the year are designed to achieve our one principal objective:

To provide a robust audit, efficiently delivered by a high quality team focused on key issues.

Our timeline is in line with the prior year.



Appendices

Appendix 1: Audit quality and risk management

Appendix 2: KPMG's audit approach and methodology

Appendix 3: Required communications

Appendix 4: Data & analytics in audit

Appendix 5: Expanded Auditor Reporting

Appendix 6: Current developments

Appendix 1: Audit quality and risk management

KPMG maintains a system of quality control designed to reflect our drive and determination to deliver independent, unbiased advice and opinions, and also meet the requirements of Canadian professional standards.

Quality control is fundamental to our business and is the responsibility of every partner and employee. The following diagram summarises the six key elements of our quality control systems.

Visit our [Audit Quality Resources](#) page for more information including access to our audit quality report, [Audit quality: Our hands-on process](#).

- Other controls include:
 - Before the firm issues its audit report, Engagement Quality Control Reviewer reviews the appropriateness of key elements of publicly listed client audits.
 - Technical department and specialist resources provide real-time support to audit teams in the field.
- We conduct regular reviews of engagements and partners. Review teams are independent and the work of every audit partner is reviewed at least once every three years.
- We have policies and guidance to ensure that work performed by engagement personnel meets applicable professional standards, regulatory requirements and the firm's standards of quality.



- All KPMG partners and staff are required to act with integrity and objectivity and comply with applicable laws, regulations and professional standards at all times.
- We do not offer services that would impair our independence.
- The processes we employ to help retain and develop people include:
 - Assignment based on skills and experience;
 - Rotation of partners;
 - Performance evaluation;
 - Development and training; and
 - Appropriate supervision and coaching.
- We have policies and procedures for deciding whether to accept or continue a client relationship or to perform a specific engagement for that client.
- Existing audit relationships are reviewed annually and evaluated to identify instances where we should discontinue our professional association with the client.

Appendix 2: KPMG's audit approach and methodology

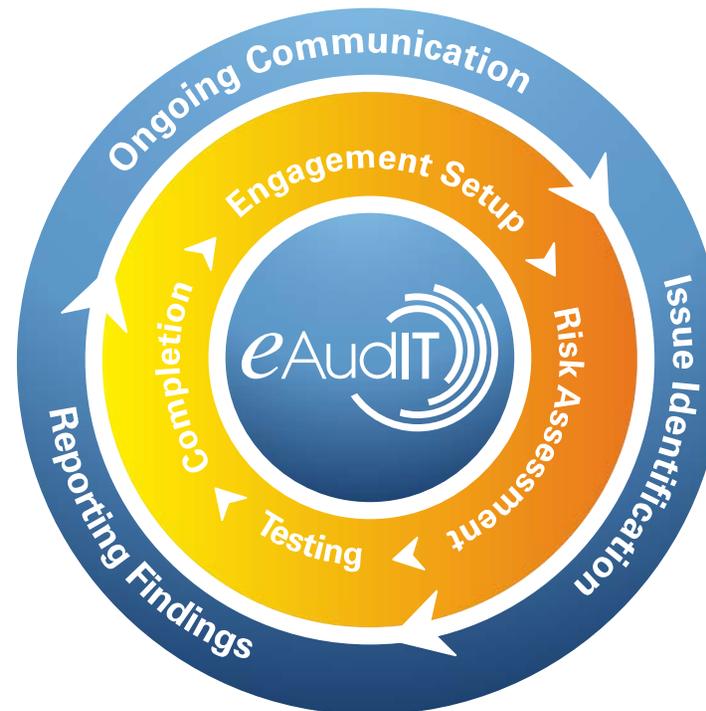
Technology-enabled audit workflow (eAudit)

Engagement Setup

- Tailor the eAudit workflow to your circumstances
- Access global knowledge specific to your industry
- Team selection and timetable

Completion

- Tailor the eAudit workflow to your circumstances
- Update risk assessment
- Perform completion procedures and overall evaluation of results and financial statements
- Form and issue audit opinion on financial statements
- Obtain written representation from management
- Required Finance Committee communications
- Debrief audit process



Risk Assessment

- Tailor the eAudit workflow to your circumstances
- Understand your business and financial processes
- Identify significant risks
- Plan the use of KPMG specialists and others including auditor's external experts, management experts, internal auditors, service organizations auditors and component auditors
- Determine audit approach
- Evaluate design and implementation of internal controls (as required or considered necessary)

Testing

- Tailor the eAudit workflow to your circumstances
- Perform tests of operating effectiveness of internal controls (as required or considered necessary)
- Perform substantive tests

Appendix 3: Required communications

In accordance with professional standards, there are a number of communications that are required during the course of our audit. These include:

- **Engagement letter** – the objectives of the audit, our responsibilities in carrying out our audit, as well as management’s responsibilities, are set out in the engagement letter and any subsequent amendment letters as previously provided. The terms of the engagement have not changed.
- **Audit planning report** – as attached
- **Required inquiries** – professional standards require that during the planning of our audit we obtain your views on risk of fraud and other matters. We make similar inquiries to management as part of our planning process; responses to these will assist us in planning our overall audit strategy and audit approach accordingly
- **Management representation letter** – we will obtain from management certain representations at the completion of the annual audit. In accordance with professional standards, copies of the representation letter will be provided to the Finance Committee
- **Audit findings report** – at the completion of our audit, we will provide a report to the Finance Committee

Appendix 4: Data & analytics in audit

Turning data into value

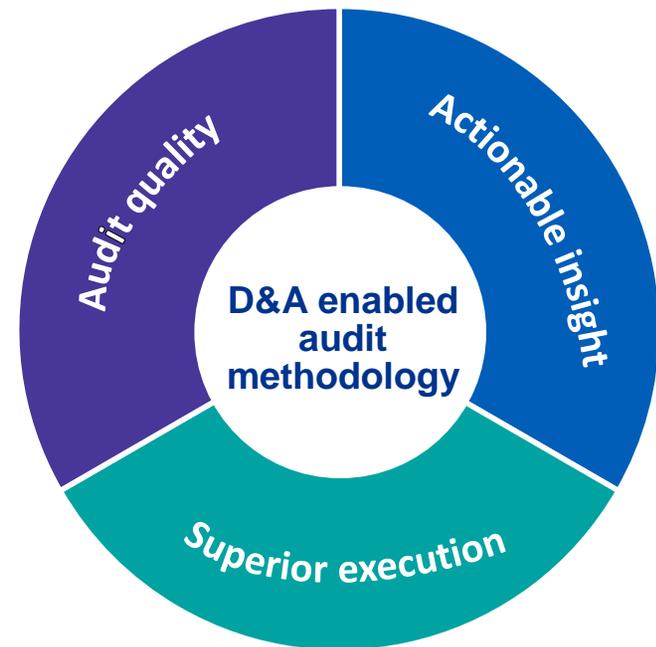
KPMG continues to make significant investments in our Data & Analytics (D&A) capabilities to help enhance audit quality and provide actionable insight to our clients by unlocking the rich information that businesses hold.

When D&A is applied to the audit, it enables us to test complete data populations and understand the business reasons behind outliers and anomalies.

Advancements in D&A tools allow us to analyze data at more granular levels, focusing on higher risk areas of the audit and developing insights you can then leverage to improve compliance, potentially uncover fraud, manage risk and more.

KPMG is enhancing the audit

The combination of our proven industry experience, technical know-how and external data allows us to focus our audit on the key business risks, while providing relevant insights of value to you.



For the audit

Audit quality

- Automated testing of 100% of the population
- Focuses manual audit effort on key exceptions and identified risk areas

For your business

Actionable insight

- Helping you see your business from a different perspective
- How effectively is your organization using your systems?

Appendix 5: Expanded Auditor Reporting

In response to investors demanding more than a binary pass/fail opinion from the auditors' report, the new and revised auditor reporting standards have introduced significant changes to the traditional report we provide.

What's new?

The new standards are intended to provide greater insight and transparency for users of financial statements.

The most significant changes to the audit report impacting listed entities include:

- description of key audit matters; and
- disclosure of the name of the engagement partner.

Other changes impacting listed and non-listed entities include moving the audit opinion to the first section of the report and expanding descriptions of the auditors' and management's responsibilities with respect to the audited financial statements.

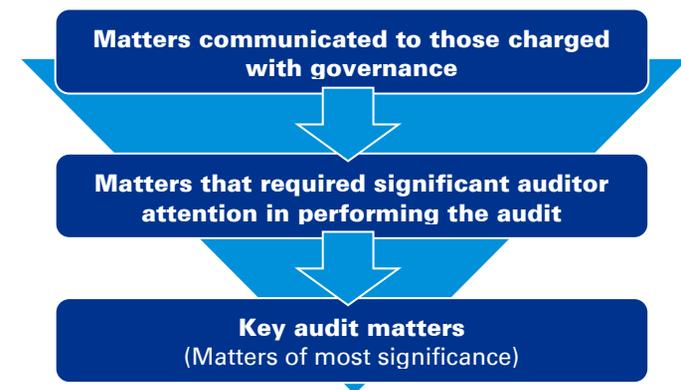
When are the new requirements effective?

While the new standards have already been issued by the International Auditing and Assurance Standards Board, effective for 2016 calendar year-end, they have yet to be adopted as Canadian Auditing Standards (CASs).

The Auditing and Assurance Standards Board in Canada continues to deliberate the new standards including possible effective dates and whether to allow for early application. It is expected, however, that the new auditor reporting standards will be approved in late 2016/early 2017 with an effective date of 2018 calendar year-end audits with possible staggered implementation for certain types of entities.

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period.

We will be required to include in our auditors' report why the key audit matter is of most significance and what procedures we performed to address the matter.



Appendix 6: Current developments

Public Sector Accounting Standards:

The following is a summary of current Public Sector Accounting Standards developments:

Standard	Summary and implications
Related Party Transactions and Inter-entity Transactions	<p>Two new Handbook sections were approved in December 2014, effective for fiscal years beginning on or after April 1, 2017.</p> <p>Related parties include entities that control or are controlled by a reporting entity, entities that are under common control and entities that have shared control over or that are subject to shared control of a reporting entity.</p> <p>Individuals that are members of key management personnel and close members of their family are related parties. Disclosure of key management personnel compensation arrangements, expense allowances and other similar payments routinely paid in exchange for services rendered is not required.</p> <p>Determining which related party transactions to disclose is a matter of judgment based on assessment of:</p> <ul style="list-style-type: none"> • the terms and conditions underlying the transactions; • the financial significance of the transactions; • the relevance of the information; and • the need for the information to enable users' understanding of the financial statements and for making comparisons. <p>A related party transaction, with the exception of contributed goods and services, should normally be recognized by both a provider organization and a recipient organization on a gross basis.</p> <p>Related party transactions, if recognized, should be recorded at the exchange amount. A public sector entity's policy, budget practices or accountability structures may dictate that the exchange amount is the carrying amount, consideration paid or received or fair value.</p>
Assets, Contingent Assets and Contractual Rights	<p>Three new Handbook sections were approved in March 2015, effective for fiscal years beginning on or after April 1, 2017.</p> <p>The intended outcome of the three new Handbook Sections is improved consistency and comparability.</p> <p>The standard includes enhanced guidance on the definition of assets and disclosure of assets to provide users with better information about the types of resources available to the public sector entity.</p> <p>Disclosure of contingent assets and contractual rights is required to provide users with information about the nature, extent and timing of future assets and potential assets and revenues available to the public sector entity when the terms of those contracts are met.</p>

Restructuring Transactions	<p>A new Handbook section was approved in March 2015, effective for fiscal years beginning on or after April 1, 2018.</p> <p>A restructuring transaction is a transfer of an integrated set of assets and/or liabilities, together with related responsibilities for program delivery or administrative operations, that does not involve a payment or other consideration that approximates the fair value of what is transferred.</p> <p>The new standard requires the transferor remove the assets and liabilities transferred from its books at their carrying amount at the restructuring date. The recipient would recognize the assets and liabilities received at their carrying amount with applicable adjustments at the restructuring date. Both the transferor and the recipient would recognize the net effect of the transfer and any compensation involved as revenue or an expense.</p> <p>Restructuring-related costs are recognized as expenses when incurred.</p> <p>Financial information prior to the restructuring date would not be restated.</p>
Revenue	<p>PSAB is proposing a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement. A Statement of Principles was issued in 2013 and comments are currently under deliberation.</p> <p>Adoption of these principles would result in a need to assess current accounting policies.</p> <p>In the case of revenues arising from an exchange, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations.</p> <p>For unilateral revenues, recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.</p>
Asset Retirement Obligations	<p>A new standard is under development addressing the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. Retirement costs would be recognized as an integral cost of owning and operating tangible capital assets. PSAB current contains no specific guidance in this area.</p> <p>In August 2014, a Statement of Principles was issued with responses and feedback solicited by November 2014.</p> <p>PSAB is currently deliberating responses and an exposure draft is under development, expected for release in 2016.</p>
Conceptual Framework	<p>A consultation paper was issued on the conceptual framework and closed in August 2015. A Statement of Principles anticipated in 2016 which includes a number of presentation recommendations to enhance accountability objective of public sector financial statements.</p> <p>A new "Statement of Comprehensive Financial Results" replaces the Statement of Operations and Statement of Remeasurement Gains and Losses.</p> <p>Revenues and expenses to be grouped to show the net results of services.</p> <p>Below net results of services, non-operating items presented such as: grants recognized for the acquisition of tangible capital assets, unrealized remeasurement gains and losses, and unusual transactions.</p> <p>Grants received for the purpose of a tangible capital asset used to provide services for a defined number of years proposed to be recognized in operating revenue as the liability is settled.</p>
Invitation to Comment	<p>PSAB is seeking feedback on an invitation to comment – Serving Public Interest – Improving Information for Accountability and Decision-Making. A draft strategic plan for 2017-2020 has been published, with feedback being accepted until October 2016.</p>

Cyber Security, Is your organization at risk?

Cyber-attacks are an inevitable part of life today, and the financial and reputational costs of not being prepared against such attacks are significant. Cyber-attacks are being launched against all forms of valuable information including both financial and non-financial data sources. Estimates suggest the global financial impact of cybercrime is US\$114 billion; companies are thought to bear almost 80% of those costs. The nature of these attacks and the perpetrators behind them are always changing. Hacktivists, organized criminals, competitors, and even rogue governments are mounting attacks with a high level of sophistication and persistence. These perpetrators have different motives, however are common in that they are looking to either disrupt or better themselves by stealing another entities data.

Patching servers and installing intrusion detection systems is no longer enough to protect your critical assets and business processes. Cyber Security has never been solely about IT; it has always been a business issue first. To survive and prosper requires a business-wide understanding of the threats, safeguards, and responses involved. Key elements to consider include:

- Preparing your people, processes, infrastructure and technology to resist an attack
- Detecting the attack and initiating your response
- Containing and investigating the attack
- Recovering from an attack and resuming business operations
- Reporting on and improving security

Organizations should be reviewing their organization and considering Cyber Risks. Key data that may be identified includes student, banking, payroll data etc.

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**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS
JANUARY 24, 2017**

SUBJECT Capital Region Housing Corporation 2017 Updated Five Year Capital Plans 2015- 2019

ISSUE

To update the Capital Region Housing Corporation (CRHC) Board of Directors on the status of the 2015-2019 Capital Plans for the three operating agreement portfolios: Umbrella Operating Agreement (UOA) 42 buildings; ILBC Operating Agreement (Parry Place) and the No Operating Agreement (NOA) Portfolio. Additionally, to update the Board on the status of the Renewal, Redevelopment and Development Strategy (2016-2021)

BACKGROUND

CRHC was authorized in December 2014 to sign a UOA with BC Housing Management Commission (BCHMC) for a five year term (2015-2019). The UOA consolidated 42 of the existing operating agreements for our Canada Mortgage and Housing Corporation (CMHC), BCHMC and Homes BC properties into one agreement.

In January 2015, the CRHC Board of Directors approved the UOA 2015-2019 Capital Plan and it was subsequently approved by BCHMC for a maximum value of \$11m over the five year period. CRHC is required to update the plan every year for final annual expenditures and any amendments for the remaining plan years.

Under UOA, the *“CRHC will be free to complete work in accordance with the approved Capital Plan throughout the five year period with no further approval by BC Housing, provided that annual capital expenditures are within 10% of the approved Capital Plan.”*¹

To be consistent with the UOA timeline, the CRHC Board approved the 2015-2019 Capital Plans for ILBC (Parry Place) and the NOA Portfolio in February 2016.

The Heathers Building Envelope Remediation (BER) is almost complete. It was funded through a BCHMC forgivable mortgage under the Community Partnership Initiative (CPI).² The outstanding item is landscaping. It will be completed in 2017.

In August 2016, the CRHC Board of Directors approved Renewal, Redevelopment and Development Strategy (2016-2021) that identified two development projects (3816 Carey Rd. Saanich and 161 Drake Rd., Salt Spring Island), two redevelopment projects (Michigan Square and Campus View) and two Buildings Envelope Remediation (Caledonia and Carey Lane).

ALTERNATIVES

1. Receive:
 - a) CRHC 2017 updated Umbrella Operating Agreement Five Year Capital Plan 2015-2019;
 - b) ILBC Operating Agreement (Parry Place) 2017 updated Five Year Capital Plan 2015-2019;
 - c) No Operating Agreement Portfolio 2017 updated Five Year Capital Plan 2015-2019; and
 - d) Status update of the Renewal, Redevelopment and Development Strategy (2016-2021).

2. Refer back to staff for revisions.

¹ BC Housing – Capital Region Housing Umbrella Agreement 2015-2019, p. 2

² <https://www.bchousing.org/partner-services/funding-opportunities-for-housing-partners/community-partnership-initiative>

FINANCIAL IMPLICATIONS

Detailed information for the 2015-2019 Capital Plans and Capital Plans Funding Strategies for the UOA, NOA and ILBC (Parry Place) Portfolios can be found in:

Appendix A: 2017 UOA Updated Capital Plans (2015-2019)

Appendix B: 2017 NOA and ILBC Updated Capital Plans (2015-2019)

Appendix C: Status update of the Renewal, Redevelopment and Development Strategy (2016-2021)

UOA Portfolio Capital Funding Strategy

For 2016, the approved amount for the UOA Capital Plan was \$2,276,390. The estimated actual expenditures for 2016 are \$1,786,000. The variance is an unspent \$490,390 which is above the required +/-10% variance of the approved 2016 plan.

There are four main reasons why the variance is not within the required 10% of the approved 2016 plan:

1. Challenges accessing contractors to do wood repair work: Staff were required to tender the contracts for the fencing, deck and stair work several times and the market could not absorb the work. Staff had to postpone approximately \$145,000 worth of fencing and decking work until 2017.
2. Campus View Roof: Campus View was approved for redevelopment in 2016. A new roof for Campus View had been included in the 2016 capital plan. Instead staff moved forward with repairs for the roof which came in \$60,000 under the original budget.
3. Mechanical components: are replaced based on potential failure or health and safety issues. Approximately \$40,000 was not required in 2016.
4. Vacancy rate: Much of the unit repairs are completed at turnover. Due to the low vacancy rate, Staff's inability to project the units that will be vacated, and unspent money allocated to asbestos abatement, the routine replacement expenditures for unit component work was \$245,000 less than the projected budget.

Annually staff review capital priorities and have reallocated the unspent \$490,390 into the remaining 2017-2019 Plan years. CRHC staff have contacted BCHMC to confirm that the unspent funds can be transferred to the remaining years (2017-2019) of the five year plan.

In order to ensure that staff meet the projected capital spending for 2017 within the required +/-10% variance, staff have identified the following measures:

1. Fencing and deck repair work: The scope of work has already been developed which will allow the projects to be tendered much earlier in the season.
2. Unit routine replacement: Staff prioritize unit routine replacement at unit turnover, which is more cost effective. However, in 2016 there were only 121 vacancies compared to an average of 161 over the last five years. Staff have introduced processes to increase unit routine replacement through improvements to the tenant request response system.
3. Rooves: There are three rooves that will be completed this year.

Contributions to the UOA Portfolio Replacement Reserve (PRR) (Appendix B)

UOA Operating surpluses are deposited annually into the UOA Portfolio Stabilization Reserve (PSR). Under the UOA these operating surpluses are required to be used in the following order: a) to fund the approved five year capital plan, b) to pay for costs directly relating to a project, and c) in any other way the CRHC chooses to advance the management and development of affordable housing.

In January 2015, the Board approved a funding strategy to ensure there was sufficient revenue available for the 2015-2019 UOA Capital Plan of \$11m. The plan is funded through a replacement reserve contribution of \$65 per month per unit.

In 2016:

- \$943,030 was transferred from the operating budget to the PRR.

- \$300,000 was transferred from the PSR into the PRR.

ILBC (Parry Place) Capital Funding Strategy

The ILBC Capital Plan is funded through an annual replacement reserve (RR) contribution of \$16,600 (adjusted annually for CPI) approved by BCHMC. The estimated December 31, 2016 balance of the ILBC RR is \$26,760. Staff have updated the Capital Plan based on routine replacement needs identified through annual inspections of unit and building components. Note: Parry Place’s exterior siding was painted in 2015.

NOA Portfolio Capital Funding Strategy

The two NOA buildings (VoG and Vergo) are independent of BCHMC operating agreements. Staff have updated the Capital Plan based on routine replacement needs identified through annual inspections of unit and building. The plan is funded through a replacement reserve contribution of \$65 per month per unit which is consistent with the UOA portfolio. The estimated December 31, 2016 balance of the NOA PRR is \$318,390.

Renewal, Redevelopment and Development Strategy (2016-2021)

The current performance indicators in the CRHC 2016-2019 Strategic Plan identifies that CRHC increase the rent geared to income units by 30 and complete at least one building envelope remediation (BER). Four potential development projects and two building envelope remediation projects have been identified by staff to meet the performance indicators of the Board.

Development

3816 Carey Road	In October, 2016, BCHMC announced the selection of the 3816 Carey Road project to proceed under the Investment in Housing Innovation Program (IHI). This grant will be secured by a forgivable mortgage and restrictive covenant linked back to an operating agreement. CRHC engaged CitySpaces Consulting Ltd. to act on their behalf to advance the project through the necessary planning steps to gain Provisional Project Approval (PPA) by March 31, 2017. The PPA milestone is administered by BC Housing to prove out the project’s feasibility in terms of financial, regulatory and community implications. (Appendix C)
161 Drake Rd. SSI	Drake Rd. is a proposed 80 unit affordable housing project on SSI. The CRD is currently applying for Community Works Funding (CWF) to complete an Alternative Water Feasibility Study which will be going to the Capital Regional District Board of Directors for approval on February 8, 2017. The CRHC is currently preparing a project development application to be submitted to BCHMC.

Redevelopment

Campus View Court (2249 McCoy Rd.)	This is an existing 12 unit CRHC project built on a 1.25 acre site in 1983. This site will allow for densification as well as the potential to explore options of acquiring nearby land. The CRHC is currently preparing a project development application to be submitted BCHMC.
Michigan Square (330-336 Michigan St.)	This is an existing 62 unit CRHC project on a site of 1.19 acres. Michigan Square has been identified as a site requiring extensive remediation and has been slated as a site for redevelopment. The CRHC is currently preparing a project development application to be submitted BCHMC.

Renewal

Caledonia (1211 Gladstone Ave.)	Caledonia and Carey Lane have been identified as two CRHC properties that are in critical disrepair. This identification comprises of two input sources: building condition assessment reports and estimates by CRHC staff. Staff are currently discussing the option of cross collateral financing with BCHMC Staff for the BER project(s) through CPI.
Carey Lane (3910 Carey Road)	

The CRHC Long Term Financial and Asset Management Plan (LTFAMP), June 2016 identified that when the CRHC generates more revenue than expenses, the CRHC may be able to borrow against the positive cash flow to fund major capital expenses and/or development. Prior to the UOA, there were strict guidelines applied by BCHMC regarding allowable expenditures due to the calculation of the subsidy allocation. The UOA allows CRHC greater latitude regarding expenditures and therefore has increased capacity to determine spending priorities. CRHC is able to maintain surpluses as long as it funds the Capital Plan as approved by BCHMC. In April 2017, staff will be presenting an update of the LTFAMP and Renewal, Redevelopment and Development Strategy (2016-2021) to the CRHC Board of Directors.

CONCLUSION

The UOA Capital Plan 2015-2019 was approved in January 2015 by the CRHC Board of Directors and subsequently by BCHMC. In 2016, CRHC did not achieve the requirement that 2016 capital expenditures are within the required +/-10% variance of 2016 Capital Plan budget year. CRHC staff have contacted BCHMC to confirm that the unspent funds can be transferred to the remaining years (2017-2019) of the five year plan.

Staff has prepared Capital Plans for the NOA Portfolio and ILBC - Parry Place to align with the 2015-2019 UOA Portfolio Capital Plan for consistency.

RECOMMENDATION

Receive:

- a) CRHC 2017 updated Umbrella Operating Agreement Five Year Capital Plan 2015-2019;
- b) ILBC Operating Agreement (Parry Place) 2017 updated Five Year Capital Plan 2015-2019;
- c) No Operating Agreement Portfolio 2017 updated Five Year Capital Plan 2015-2019; and
- d) Status update of the Renewal, Redevelopment and Development Strategy (2016-2021).



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- Attachments: Appendix A: 2017 UOA Updated Capital Plans (2015-2019)
Appendix B: 2017 NOA and ILBC Updated Capital Plans (2015-2019)
Appendix C: Status update of the Renewal, Redevelopment and Development Strategy (2016-2021)

**CAPITAL REGION HOUSING CORPORATION
2017 UPDATED FIVE YEAR CAPITAL PLANS (2015-2019)**

APPENDIX A

	2015	2016	2016	2017	2018	2019	Updated
	Actuals	Plan	Estimated	Plan	Plan	Plan	2015-2019
							Plan
UOA FIVE YEAR CAPITAL PLAN (2015-2019)							
Routine Replacement Reserve Expenditures							
Unit Components							
Cabinets & Countertops	214,161	229,500	188,640	229,500	249,000	249,000	1,130,301
Electrical - Baseboard Heaters	13,165	28,460	15,105	29,800	34,680	32,800	125,550
Electrical - Light Fixtures & Bath Fans	32,422	20,980	27,517	21,950	20,800	22,420	125,109
Flooring - Carpet	170,902	250,000	133,019	245,890	250,150	192,110	992,071
Flooring - Vinyl	78,585	127,470	62,091	119,520	130,470	94,770	485,436
Hot Water Tanks	51,916	33,120	84,562	35,825	36,760	42,200	251,263
Interior Paint	178,556	196,500	185,550	201,450	193,050	177,350	935,956
Plumbing Fixtures - Toilets & Sinks	50,502	47,900	44,290	48,250	48,400	48,800	240,242
Plumbing Fixtures - Tub/Taps and Surrounds	82,874	105,000	86,164	116,400	123,670	121,250	530,358
Refrigerators	49,460	32,600	32,948	35,600	41,410	45,820	205,238
Stoves	46,650	58,740	49,092	17,890	22,670	45,550	181,852
Unit Asbestos Abatement	4,600	36,000	10,013	39,000	42,000	42,000	137,613
Window Coverings	43,326	41,980	44,080	38,000	36,450	33,580	195,436
Total Unit Components	1,017,119	1,208,250	963,071	1,179,075	1,229,510	1,147,650	5,536,425
Building Components							
BECA - 13 CMHC/Homes BC Buildings	42,573	40,000	41,282	0	20,000	20,000	123,855
Decks & Stairs	33,981	35,000	10,157	35,000	12,000	29,000	120,138
Exterior - Other	44,242	9,970	17,718	41,620	9,000	0	112,580
Exterior - Signs	0	0	0	60,200	60,200	60,200	180,600
Exterior Paint	238,084	117,800	160,897	115,000	163,300	325,450	1,002,731
Fencing	70,537	176,000	55,892	180,000	148,500	33,000	487,929
Flooring (Common Area)	35,893	37,500	4,026	100,090	36,500	13,000	189,509
Interior Paint (Common Area)	64,420	20,700	32,938	3,500	3,200	60,500	164,558
Paving/Sidewalk	66,372	29,000	64,853	38,900	28,800	14,000	212,925
Play Equipment	71,788	115,000	73,850	130,000	100,000	100,000	475,638
Roof	240,703	311,420	242,662	576,035	387,500	300,000	1,746,900
Total Building Components	908,593	892,390	704,275	1,280,345	969,000	955,150	4,817,363
Mechanical Components							
Boilers	87,938	59,350	69,340	40,200	0	0	197,478
Elevator	6,990	75,400	45,427	54,430	46,000	110,000	262,847
HVAC Systems	0	41,000	3,887	68,000	72,000	42,000	185,887
Total Mechanical Components	94,928	175,750	118,654	162,630	118,000	152,000	646,212
Total Routine Replacement Reserve Expenditures	2,020,640	2,276,390	1,786,000	2,622,050	2,316,510	2,254,800	11,000,000
UOA 2015-2016 (Underspent) Variances included in 2017-2019	(46,445)	0	(490,390)	255,375	204,310	77,150	0
ILBC FIVE YEAR CAPITAL PLAN (2015-2019)							
Total Routine Replacement Reserve Expenditures	72,727	4,240	24,280	16,240	7,940	32,740	153,927
NOA FIVE YEAR CAPITAL PLAN (2015-2019)							
Total Routine Replacement Reserve Expenditures	51,160	41,820	37,930	65,860	412,610	51,010	618,570
Building Envelope Remediation (BER)							
Heathers: construction Sept, 2016; landscape 2017 (BCHMC approved CIP forgivable mortgage upto \$2M)	181,864	1,287,120	1,019,036	25,000	0	0	1,225,900
Future BER projects: currently under review	0	0	0	0	0	0	0
Total Building Envelope Remediation Expenditures	181,864	1,287,120	1,019,036	25,000	0	0	1,225,900
Combined Routine Replacement and BER Expenditures	2,326,391	3,609,570	2,867,246	2,729,150	2,737,060	2,338,550	12,998,397

**CAPITAL REGION HOUSING CORPORATION
2017 UPDATED CAPITAL PLANS (2015-2019) FUNDING STRATEGIES**

APPENDIX B

UOA CAPITAL PLAN (2015-2019) FUNDING STRATEGY

UOA Portfolio Stabilization (Operating) Reserve		2015	2016	2017	2018	2019	2015-2019 Total
(A)	Beginning Balance	1,527,650	1,076,272	2,101,392	3,235,312	4,270,550	1,527,650
(B)	Annual Building Operating Surplus	948,622	1,325,120	1,133,920	1,000,000	1,000,000	5,407,662
(C)	Reallocation Matured Mortgage P&I Payments	0	0	0	35,238	230,850	266,088
(D)	Future BER mortgage payments	0	0	0	0	0	0
(E)	Discretionary Transfer to Replacement Reserve	(1,400,000)	(300,000)	0	0	0	(1,700,000)
(F)	CRHC Commitment to CRD RHFP (max \$400,000)	0	0	0	0	(320,000)	(320,000)
(G)	Estimated Ending Balance	1,076,272	2,101,392	3,235,312	4,270,550	5,501,400	5,501,400

UOA Capital Replacement Reserve Fund (RRF)		2,015	2,016	2,017	2,018	2,019	2015-2019 Total
(H)	Beginning Balance	6,183,252	6,578,428	6,141,070	4,540,130	3,222,060	6,183,252
(I)	Annual Transfer from Building Operating Fund	820,691	943,020	943,020	943,020	943,020	4,592,771
(J)	CELP Grant & Fortis Rebate - Kings Boiler	29,397	0	0	0	0	29,397
(K)	Annual Interest Income	165,728	105,622	78,090	55,420	33,430	438,290
(L)	Annual Capital Replacement Expenditures	(2,020,640)	(1,786,000)	(2,622,050)	(2,316,510)	(2,254,800)	(11,000,000)
(M)	Discretionary Transfer from Stabilization Reserve	1,400,000	300,000	0	0	0	1,700,000
(N)	Estimated Ending Balance	6,578,428	6,141,070	4,540,130	3,222,060	1,943,710	1,943,710

ILBC - PARRY CAPITAL PLAN (2015-2019) FUNDING STRATEGY

ILBC Portfolio Stabilization (Operating) Reserve		2015	2016	2017	2018	2019	2015-2019 Total
(A)	Beginning Balance - includes prior year adjustments	(5,631)	14,443	16,553	16,553	16,553	(5,631)
(B)	Annual Building Operating Surplus	20,074	2,110	0	0	0	22,184
(C)	Discretionary Transfer to Replacement Reserve	0	0	0	0	0	0
(D)	Estimated Ending Balance	14,443	16,553	16,553	16,553	16,553	16,553

ILBC Capital Replacement Reserve Fund (RRF)		2015	2016	2017	2018	2019	2015-2019 Total
(E)	Beginning Balance	88,454	33,646	26,760	28,280	38,270	88,454
(F)	Annual Transfer from Building Operating Fund	16,600	16,932	17,270	17,270	17,270	85,342
(G)	Annual Interest Income	1,319	462	489	660	400	3,331
(H)	Annual Capital Replacement Expenditures	(72,727)	(24,280)	(16,240)	(7,940)	(32,740)	(153,927)
(I)	Discretionary Transfer from Stabilization Reserve	0	0	0	0	0	0
(J)	Estimated Ending Balance	33,646	26,760	28,280	38,270	23,200	23,200

NOA - VILLAGE & VERGO CAPITAL PLAN (2015-2019) FUNDING STRATEGY

NOA Portfolio Stabilization (Operating) Reserve		2015	2016	2017	2018	2019	2015-2019 Total
(A)	Beginning Balance	80,953	79,125	91,365	98,705	0	80,953
(B)	Annual Building Operating Surplus	(1,828)	12,240	7,340	0	0	17,752
(C)	Discretionary Transfer to Replacement Reserve	0	0	0	(98,705)	0	(98,705)
(D)	Estimated Ending Balance	79,125	91,365	98,705	0	0	0

NOA Capital Replacement Reserve Fund (RRF)		2015	2016	2017	2018	2019	2015-2019 Total
(E)	Beginning Balance	310,973	308,939	318,390	299,580	27,575	310,973
(F)	Annual Transfer from Building Operating Fund	41,900	41,900	41,900	41,900	41,900	209,500
(G)	Annual Interest Income	7,226	5,481	5,151	0	324	18,182
(H)	Annual Capital Replacement Expenditures	(51,160)	(37,930)	(65,860)	(412,610)	(51,010)	(618,570)
(I)	Discretionary Transfer from Stabilization Reserve	0	0	0	98,705	0	98,705
(J)	Estimated Ending Balance	308,939	318,390	299,580	27,575	18,790	18,790

CAPITAL REGION HOUSING CORPORATION
2017 Updated Renewal, Redevelopment and Development (2016-2021) Funding Strategy

APPENDIX C

3816 Carey Rd. is the only active project with assigned funding.

NEW DEVELOPMENT FUNDING STRATEGY

3816 Carey Road Development Project \$17.7M		2016	2017	2018	2019	2020	2021	2016-2021 Total
(A)	Land Leased from CRD	2,500,000	0	0	0	0	0	2,500,000
(B)	CRHC Equity Contribution - Predevelopment	0	165,000	0	0	0	0	165,000
(C)	CRHC Equity Contribution - Capital Project Manager	0	141,600	70,800	0	0	0	212,400
(D)	CRHC Equity Contribution - balance of \$1M	0	622,600	0	0	0	0	622,600
(E)	BC Housing Contribution (forgiveable mortgage)	0	6,156,662	0	0	0	0	6,156,662
(F)	Saanich Estimated Contribution	0	0	128,000	0	0	0	128,000
(G)	CRHC Mortgage	0	0	7,965,000	0	0	0	7,965,000
(H)	Total Cost of Project	2,500,000	7,085,862	8,163,800	0	0	0	17,749,662

Note: CRHC equity contribution from CRHC Unspent Capital Funding Surplus



**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS
MEETING OF JANUARY 24, 2017**

SUBJECT **LeBlond Strata - Strata Council Representatives**

BACKGROUND

LeBlond Place is located in the Selkirk Waterfront development. This building includes 13 family townhouses, 28 apartments for seniors, a four-bedroom group for persons requiring 24 hour care, underground parking and a commercial office space.

The property was developed in partnership with Jawl Holdings Ltd., and is comprised of three strata lots under the LeBlond Strata. Lot #1 is Capital Region Housing Corporation (CRHC) units and parking and represents 93.7%. Lot #2 is the commercial offices and Lot #3 is the residual parking and is owned by Selkirk Waterfront Properties.

CRHC is responsible for the management of the strata including maintenance of the common areas and administration. Part of that administrative work includes preparation of the annual operating budget and compliance with the *Strata Property Act*; specifically maintaining a replacement reserve and ensuring that the annual general meeting (AGM) requirements are met.

By mutual agreement, the parties have decided to waive holding an AGM, and in its place a resolution is prepared respecting the business of the AGM.

In 2006, the CRHC Board of Directors passed a resolution that deemed to appoint the Senior Manager and the Executive Committee as representatives of Lot #1 to the LeBlond Strata Council after each successive AGM of the LeBlond Strata Council unless the appointments are revoked by resolution of the CRHC Board of Directors.

ALTERNATIVES

1. 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.
2. Revoke the appointment of the Senior Manager and Executive Committee and appoint new representatives.

RECOMMENDATION

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.



 Christine Culham
 Senior Manager
 Capital Region Housing Corporation



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



**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS
MEETING OF JANUARY 24, 2017**

SUBJECT **Operational Business Plan 2017**

PURPOSE

The purpose of this report is to provide information to the Capital Region Housing Corporation (CRHC) Board of Directors regarding the operational business plan for 2017.

BACKGROUND

The CRHC Board of Directors is responsible for the oversight of the operations of the CRHC. The CRHC Board of Directors guides the long term planning needed through the development of the Strategic Priorities.

In December 2015, the CRHC Board of Directors approved the CRHC 2016-2019 Strategic Priorities.

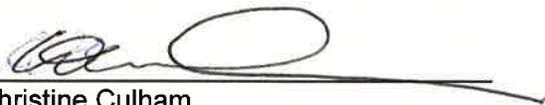
These goals are then turned into a business plan by senior CRHC staff that will guide the work of staff for 2017.

CONCLUSION

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

RECOMMENDATION

Receive this report for information.


Christine Culham
Senior Manager
Capital Region Housing Corporation


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

Attachment: Appendix A - CRHC Operational Business Plan 2017

2017 CRHC Operational Plan

Priority Area	Goals	Objectives	Strategies	Timeline	Key Performance Indicators
Management	Be a good and responsible landlord to those who rent accommodation with the CRHC	Ensure the CRHC is operating efficiently and effectively	IT Business Review Phase 2	1 st quarter - design 2 nd quarter: implementation	a) Annual staff performance planning and evaluation b) Annual Board survey
			Performance Management	1 st and 4 th quarter Coaching ongoing	
			Implement Board Survey	4 th quarter	
		Maintain Financial Sustainability of the CRHC	Long Term Financial and Asset Management Plan (LTFAMP) Update	1 st quarter	Increase net revenue by 1.5 % annually
			Alternative Sources of Financing Report	1 st quarter	
			Procurement Processes Alignment	1 st quarter: Phase 1 2 nd quarter: Phase 2	
			Field Services Review	1 st quarter-4 th quarter	
		Ensure the CRHC Housing stock is adequately maintained	Landscape Review	1 st quarter	Strive to complete one additional building envelope remediation by 2019
			Michigan Square Redevelopment Strategy	2 nd quarter: Board report 1 st quarter	
			Caledonia, Carey Lane BERS	1 st quarter: Plan	
Routine Replacement Capital Plan	Review tenant eligibility policy	1 st quarter: Calendar and Strategy 2 nd quarter	a) Review tenant eligibility policy in 2016 b) Maintain at least 70% rent geared to income in 42 Umbrella Operating agreement properties		
	Implement Tenant Engagement Framework Pilot Project	1 st quarter: Phase 1 2 nd and 3 rd quarter: Phase 2 4 th quarter – Phase 3		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	Develop strategy to increase development capacity	161 Drake Rd. – PIAH application	Adopt strategy by 2016 Develop priorities by 2016	
			Michigan Square – PIAH application		
		Campus View – PIAH application	Development, Redevelopment and Renewal Report (CRHC Board, August 2016)		
		3815 Carey Rd.			Increase housing stock by at least 30 rent geared to income units by 2019

**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS
MEETING OF JANUARY 24, 2017**

SUBJECT Turnover and Vacancy Report 2016

ISSUE

This report provides information on the activity and performance results in the areas of turnover, vacancy and move-ins for 2016 and to provide an update on the Fourth Quarter vacancy performance.

BACKGROUND

Vacancy

Vacancy activity is a key performance area and provides information on the occupancy level of the housing stock.

The performance indicator for this activity is the number of days vacant which is the number of days that units are not occupied and are incurring vacancy loss (no rental revenue at that point in time).

In 2015, the Board set a target that that the Capital Region Housing Corporation (CRHC) should achieve an average of less than 30 days vacant.

Table 1: Vacancy Rates

Year	Period	Number of units vacated	Days Vacant	Average days vacant	CRHC Vacancy Rate
2016	January 1, 2016 – December 31, 2016	121	3,392	28.0	0.70%
2015	January 1, 2015 – December 31, 2015	119	8,155	68.5	1.67%

Table 2: Breakdown of Vacant Units by Type

Year	Period	Number of subsidized Units vacated (913 units)	Number of non-subsidized vacated (373 units)	Total
2016	January 1, 2016 – December 31, 2016	86	35	121
2015	January 1, 2015 – December 31, 2015	77	42	119

Housed

The housed totals include applicants who have accessed housing through the Housing Registry; market rent tenants and internal transfers that were granted during the reported period.

Table 3: Number of Household Housed

Year	Period	Number of Households housed
2016	January 1, 2016 – December 31, 2016	146
2015	January 1, 2015 – December 31, 2015	175

RECOMMENDATION

That the 2016 Turnover and Vacancy report be received for information.



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Planning and Protective Services
Concurrence



**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS
MEETING OF JANUARY 24, 2017**

SUBJECT Management Update

ISSUE

This report provides monthly operations, capital and project updates to the Capital Region Housing Corporation (CRHC) Board of Directors.

Operations Update

a) Maintenance and Facilities Management

- Due to the colder weather in December and January, staff have been very active in the care of their sites to maintain safety on all the pedestrian areas on sites.
- Waste Removal: The waste removal services transitioned as of January 1, 2017. The new service provider, Waste Management, has bins in place and full service is underway.
- The Interior Paint project at Rosewood is completed.

b) Human Resources

Paul Kitson was appointed as Manager, Major Capital Projects for the CRHC. His start date is January 23, 2017.

c) Occupational Health and Safety

CRHC has implemented a hearing conservation program for caretaking staff who occasionally work with noisy equipment on sites.

d) The Housing Registry Waitlist Statistics

The number of households on the Housing Registry Waitlist has increased by 20.7% since December 2016. The “singles” category has seen greatest increase with 59% followed by “family” households at 27%.

Table 1. Capital Region Housing Registry Waitlist Statistics

Category	January 2017	December 2016	January 2016
Total Registry Units	3,294	3,299	3,299
Applicants			
Family	585	572	460
Seniors	680	676	579
Persons with Disabilities	420	418	367
Wheelchair Modified	63	63	56
Singles	70	68	44
Total	1,818	1,797	1,506

Capital Projects Update

a) The Heathers

This project has completed except for the landscape remediation. The landscape work has been specified and staff are preparing a tender.

b) 3816 Carey Rd.

- See Appendix A

Project Updates

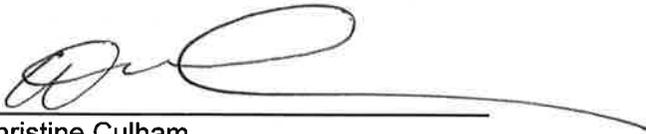
a) IT Project: Implementation of an enhanced SAP system to better meet operational requirements of CRHC.

The discovery phase of the project was completed in November. Currently the project is in the design phase with prototype showings occurring with staff. iPad training is ongoing with Maintenance staff and intensive training on the enhanced system will begin just prior to "Go Live". The "Go Live" date is tentatively set for May, 2017

Financial Reporting

Table 2. November/December cheques/EFTS OVER \$50,000

Vendor	Issued	Expenditure	Notes
City of Victoria	December 22, 2016	\$54,401.55	Water utility invoices
Apex Steel and Gas	December 28, 2016	\$67,706.24	Boilers/Hot Water tanks



Christine Culham
Senior Manager, Regional Housing

Attachment: Appendix A – 3816 Carey Rd. Project Update Report January 16, 2017

3816 CAREY ROAD



CRHC

The Capital Region's Housing Corporation

Subject: Project Update Report 001
To: C. Culham
Date: January 16, 2017

P R O J E C T U P D A T E

This report summarizes the current status of the project including project activity generally between October, 2016 and January, 2017.

Background

In October, 2016, BC Housing announced the selection of the 3816 Carey Road project to proceed under the Investment in Housing Innovation Program (IHI). This grant will be secured by forgivable mortgage and restrictive covenant linked back to an operating agreement. CRHC engaged CitySpaces Consulting Ltd. to act on their behalf to advance the project through the necessary planning steps to gain Provisional Project Approval (PPA). The PPA milestone is administered by BC Housing to prove out the project's feasibility in terms of financial, regulatory and community implications. Gaining PPA commits the provincial grant to the project and requires CRHC to achieve and confirm a number of criteria. Broadly, this includes:

1. Procuring a project team (Architect, Landscape Architect, and civil, electrical, mechanical, transportation and structural engineers).
2. Developing schematic building and site plans
3. Confirming environmental site integrity (a clean site) via a Phase 1 Environmental Site Assessment (ESA)
4. Confirming suitable geotechnical conditions for site development
5. Confirming suitable regulatory conditions for site development (suitable zoning or gaining rezoning)
6. Carrying out sufficient community consultation to canvass community support
7. Providing scheduling, capital budget and operating budget estimates
8. Submitting a development permit application

Project Team

By way of board approval, CRHC secured the initial project development funding (PDF) of \$165,000.00 at the December 6th, 2016 board meeting. The PDF forms part of the CRHC's equity contribution of \$1,000,000.00 to the project. Since this time, the entire design team has been secured under contract for the duration of the PPA process. The consultant contract amounts account for the majority of estimated costs associated with the PPA process and have come in under budget by approximately \$10,000.00. While some miscellaneous costs are still anticipated, the remaining PDF funds are sufficient to meet the PPA requirements.

Plan Development

The development of the schematic plans are in their second revision and are on track to be complete by the first week of February. Joe Newell Architects have provided draft floor plan layouts for a four storey, 74-79 unit, wood frame building with underground parking. Further iterations of the plans will confirm number of

units, extent of underground parking and provide a general understanding of the proposed building from both a plan and elevation perspective.

Due Diligence Reports

Both the environmental and geotechnical site assessments were previously carried out during the original site subdivision for the Heights Residential Care Facility and the CRHC's Vergo affordable Housing. An amendment to the initial geotechnical report has been completed, updating the report relative to the current building code. A letter of assurance has been requested of the environmental consultant who provided the initial ESA, but has yet to be received. No issues are anticipated with this letter of assurance.

Community Consultation

A community Consultation event is planned for the second week of February, 2017. At this event, CRHC will share initial plan renderings with adjacent neighbours, Baptist Housing, and local community groups. Community support is anticipated given that initial plans envisioned a 6 storey residential care facility to be located on the site, where now the maximum height will be 4.

Schedule and Budget

BC Housing requires the full submission of all PPA requirements by the first week of March. At the same time, or shortly thereafter, a development permit (DP) application will be submitted to Saanich. Following BC Housing's PPA approval and Saanich's DP approval, which can take up to four weeks for the former and 16 weeks for the latter, CRHC will move to advance the project into a working drawing stage. Working drawings are suitable for a building permit application and for construction tendering and will take approximately 5-6 months to complete. The tendering process typically accounts for another month and the building permit approval can take from 1 to 2 months. Given this timeframe, a contract to commence construction (ground breaking) could occur as early at November, 2017 or as late as February, 2018. The size of the project dictates the construction duration. At this early stage this is estimated as ranging from 16 to 20 months, meaning project completion around March 2019 or October, 2019.

The overall budget for the project is currently \$17,750,000.00. This is broken down as follows:

Capital Regional Housing Corporation	Land Value	\$2,500,000
	Financial Equity	\$1,000,000
District of Saanich	Affordable Housing Fund (estimate)	\$128,000
BC Housing	Equity Purchase	\$6,156,662
Mortgage	Maximum based on BC Housing Debt Coverage Ratio of 1.1	\$7,965,000
ESTIMATED TOTAL PROJECT COST		\$17,749,662

While the overall project size is still being finalized, as well as the number of units, this figure is likely to fluctuate. An operating budget and gross capital budget were prepared as part of the initial BC Housing IHI application and from this early analysis, the project remains feasible.

Weekly meetings are held among the Development consultant, Architect and CRHC team, and the project is advancing on schedule and on budget. BC Housing has shared their confidence for the project and by all accounts, we are on track for a successful addition to the CRHC housing portfolio.