



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

**AGENDA**

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10:00 a.m., Tuesday, December 5, 2017  
625 Fisgard St., Victoria  
Room 488

	<u>Att. #</u>
1. Approval of Agenda	
2. Auditor's Planning Address Heather Crowe, KPMG presentation	17-16
3. Correspondence –	
a) Letters from CRD Board to Municipalities regarding land for modular housing	17-17
b) Letters from CRD Board to Municipalities regarding land for affordable housing.	17-18
c) Letter from Ellen Tarshis, Executive Director, Community Living Victoria	17-19
4. Approval of Minutes of October 31, 2017	17-20
5. Mortgage Renewal – Rotary House	PPS/CRHC 2017-33
6. Tenant Engagement Report	PPS/CRHC 2017-34
7. Administration and Development Services Budget	PPS/CRHC 2017-35
8. Operating Budget	PPS/CRHC 2017-36
9. Management Report	PPS/CRHC 2017-37
10. 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 and	
(a) personal information about an identifiable individual who holds or is being considered for a position as an officer, employee or agent of the municipality or another position appointed by the municipality.	
11. Adjournment	



# Capital Region Housing Corporation

Audit Planning Report  
For the year ended December 31, 2016

*KPMG LLP*

January 24, 2017

[kpmg.ca/audit](http://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
<p>Fraud risk from revenue recognition</p>	<p>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.</p>	<p>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</p>
<p>Fraud risk from management override of controls</p>	<p>This is a presumed fraud risk. We have not identified any specific additional risks of management override relating to this audit.</p>	<p>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.</p>

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

# 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.

Commence year end planning  
October 2016

Audit plan discussion with  
Finance Committee January  
24, 2017

October 2017

Audit strategy discussions  
based on debrief of audit  
March 2017

November 2016

Interim fieldwork late November 2016

Meet with management to debrief  
planning issues

February 2017

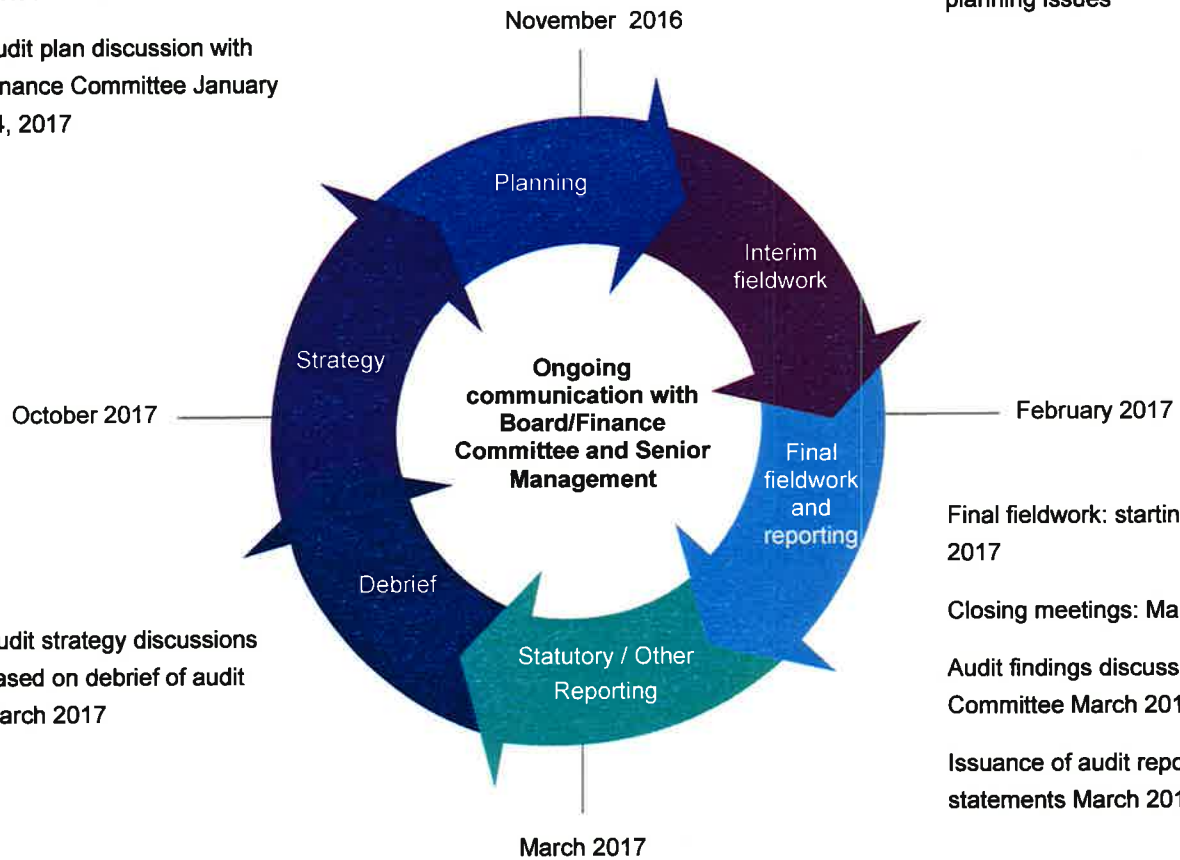
Final fieldwork: starting February  
2017

Closing meetings: March 2017

Audit findings discussion with Finance  
Committee March 2017

Issuance of audit report on financial  
statements March 2017

March 2017



# Appendices

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**Appendix 1: Audit quality and risk management**

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**Appendix 2: KPMG's audit approach and methodology**

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**Appendix 3: Required communications**

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**Appendix 4: Data & analytics in audit**

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**Appendix 5: Expanded Auditor Reporting**

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**Appendix 6: Current developments**

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# 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
<p>Related Party Transactions and Inter-entity Transactions</p>	<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"> <li>• the terms and conditions underlying the transactions;</li> <li>• the financial significance of the transactions;</li> <li>• the relevance of the information; and</li> <li>• the need for the information to enable users' understanding of the financial statements and for making comparisons.</li> </ul> <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>
<p>Assets, Contingent Assets and Contractual Rights</p>	<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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Making a difference...together

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October 27, 2017

File: 0400-50  
Local Government

Electoral Area Directors  
Municipal Corporate Officers

**Via E-Mail**

Dear Electoral Area Directors and Municipal Corporate Officers:

**RE: REQUEST TO LOCAL GOVERNMENTS FOR PROPOSED SITES IN THE CAPITAL REGION THAT COULD ACCOMMODATE THE PROVINCE'S MODULAR HOUSING INITIATIVE**

At its October 11, 2017 Board meeting the Capital Regional District (CRD) Board passed the following resolution:

*That the Hospitals and Housing Committee recommends that the Capital Regional District Board:*

- a) *Directs staff to engage member local governments and report back by no later than December 2017 with proposed sites in the region for the installation of new modular housing with supports for the homeless as proposed in the September Provincial Budget Update.*

The CRD, in partnership with the Greater Victoria Coalition to End Homelessness (Coalition), conducted a [Point in Time \(PiT\) count](#) which concluded there were 1,387 people experiencing homelessness in region on the night of February 10, 2016. This pervasive issue is not only in the capital region but is also being experienced in regions and municipalities across the province.

Due to this issue, in September 2017 [the Province announced](#) an investment of \$291 million over two years to build 2,000 modular supportive housing units across B.C. for people who are homeless or at risk of homelessness. The Province will also provide more than \$170 million over three years to provide 24/7 staffing and support services for these units. This initiative will include a mix of permanent and temporary units.

BC Housing will be working with various municipalities to determine how they may also benefit from this initiative. The program includes temporary modular developments as well as design build projects that can be used to deliver permanent housing.

The CRD Board is requesting that local governments support the response to the growing issue of homelessness within the region by identifying any potential sites that could be used for the installation of either temporary or permanent modular housing options in partnership with the provincial government.

Please reply by December 1, 2017 if your municipality or electoral area has lands available that could be used for this purpose.

Should you have any questions or concerns, please do not hesitate to contact me.

Sincerely,



**Robert Lapham**  
**Chief Administrative Officer**

cc: Barbara Desjardins, Chair, CRD Board  
David Howe, Chair, Hospitals and Housing Committee  
David Screech, Chair, Capital Region Housing Corporation  
Kevin Lorette, General Manager, Planning and Protective Services  
Christine Culham, Senior Manager, Regional Housing  
Karla Campbell, Senior Manager, Salt Spring Island Administration



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October 27, 2017

File: 0400-50  
Local Government

Electoral Area Directors  
Municipal Corporate Officers

**Via E-mail**

Dear Electoral Area Directors and Municipal Corporate Officers:

**RE: REQUEST TO LOCAL GOVERNMENTS TO IDENTIFY LANDS IN THE CAPITAL REGION THAT COULD BE MADE AVAILABLE FOR AFFORDABLE AND MARKET RENTAL HOUSING PURPOSES**

At its October 11, 2017 Board meeting, the Capital Regional District (CRD) Board passed the following resolution:

*Therefore Be It Resolved That the Chair of the Capital Region Housing Corporation and the CRD Chief Administrative Officer enter into discussions with local governments and other governmental agencies with a view to identifying lands that could be made available for affordable and market rental housing purposes.*

The Capital Region Housing Corporation (CRHC) is a wholly owned subsidiary of the CRD under the authority of the Land Banking and Housing By-law 3712 of the CRD.

The CRHC owns and operates 1,286 units of non-profit housing in 45 communities across seven municipalities.

The CRD has the ability to land bank under the Land Banking and Housing authority.

Funding Opportunities

Through access to land, the CRD/CRHC in partnership with municipalities and electoral areas can be better positioned to access funding and increase opportunities to affordable housing in the region. Currently there are opportunities to invest in affordable housing by all levels of government:

- The CRD, BC Housing and Island Health entered into a partnering agreement in May 2016 to invest \$60 million in mixed market housing through the Regional Housing First Program.
- In September 2017, the Province announced an investment of \$208 million over four years to build 1,700 new units of affordable housing across the Province for a wide variety of populations, including low-to-moderate renters, seniors and adults with developmental disabilities or mental health challenges.
- The Federal Government will be releasing the National Housing Strategy this fall. It is anticipated that there will be investments in affordable housing funding programs in the 2018-2019 Federal budget.

Please advise if your municipality or electoral area has lands available for affordable and market rental housing purposes and provide consideration on entering into a partnership with the CRD.

The Chair of the Capital Region Housing Corporation and I would be pleased to meet with you to discuss this further. Should you have any questions or concerns, please do not hesitate to contact me.

Sincerely,



**Robert Lapham**  
**Chief Administrative Officer**

cc: **Barbara Desjardins, Chair, CRD Board**  
**David Howe, Chair, Hospitals and Housing Committee**  
**David Screech, Chair, Capital Region Housing Corporation**  
**Keyin Lorette, General Manager, Planning and Protective Services**  
**Christine Culham, Senior Manager, Regional Housing**  
**Karla Campbell, Senior Manager, Salt Spring Island Administration**



November 23, 2017

CRHC Board of Directors  
Sent by email

Dear Board of Directors:

On December 16, 1955, a group of dedicated parents founded what is now called Community Living Victoria (CLV). Today, as the largest non-profit community living service provider on Vancouver Island, Community Living Victoria provides a range of support services to children, youth and adults with developmental disabilities and their families.

Our work is guided by our values, experience and history and draws from strong roots in the community. Community Living Victoria recognizes the rights of everyone to have a full range of life choices, including access to education, affordable and appropriate housing, leisure options, gainful employment and participation in the community. A healthy community encourages the involvement of everyone.

My request is that people with intellectual disabilities be prioritized for 6 units of housing through the CRD housing registry.

CLV's supports include Autism and youth services, family support, employment, day services, community homes and other residential services. We have a relationship with BC Housing (BCMHC) through our 14 group homes and management of 35 portable rental subsidies. We also have 6 units in partnership with Pacifica Housing in BCMHC's Queens Avenue building and provide support to people who are living in their own apartments throughout Greater Victoria. In addition, we have relationships throughout Greater Victoria with numerous landlords, property management companies and housing providers.

People with disabilities face many barriers, including isolation, loneliness and poverty. While the recent increase to Disability Benefits was welcome, it does not allow people to live a life free of poverty. They are often forced to live in substandard housing and are unable to afford the necessities that others would consider essential. We know that having a safe and secure home is critical to individual well-being. Without subsidized affordable



housing, people with developmental disabilities are at risk of being homeless. We have been supporting an increasing number of individuals who are homeless and who face additional barriers due to their disability. They are very vulnerable and subject to being taken advantage of by others.

Feel free to contact me if you require any further information. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "e. tarshis". The signature is written in a cursive style with a small initial "e." followed by the name "tarshis".

Ellen Tarshis

Executive Director



**Minutes of a Meeting of the Capital Region Housing Corporation Board of Directors  
Held October 31, 2017 in Room 488, 625 Fisgard St, Victoria, BC**

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**PRESENT:** **Directors:** B.Desjardins (CRD Chair) D. Screech; B. Braude; S. Price (by phone);  
W. McIntyre (by phone);  
**Absent:** J. Carline; R. Cooper; G. Young  
**Staff:** R.Lapham; K.Lorette; C. Culham; R. Loukes;  
**Recorder:** K. Kusnyerik

The meeting was called to order at 10:03a.m.

Staff will inquire if the CRD board chair holds voting rights under the CRHC Articles of Incorporation.

**1. APPROVAL OF AGENDA**

It was **MOVED** by Director Price, **SECONDED** by Director Braude  
That the agenda be approved as circulated.

**CARRIED**

**2. APPROVAL OF THE MINUTES OF OCTOBER 3, 2017**

It was **MOVED** by Director Braude, **SECONDED** by Director Price  
That the minutes of October 3, 2017 be approved as circulated.

**CARRIED**

**3. COMMON AREA LAUNDRY EQUIPMENT LEASING AND SERVICES**

C.Culham presented the staff report and discussed that staff are recommending an amended recommendation that would allow C.Culham and K.Lorette to negotiate non-material changes to the contract. Any material changes would need to be brought back to the Board at a future meeting.

C.Culham discussed that staff would be required to obtain laundry services from this contractor as possible if CRHC's portfolio were to expand to the Gulf Islands.

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

Approve Coinamatic as the successful proponent and the contract #RFP 161-17 in substantially the form presented; and

Authorize the General Manager of Planning and Protective Services and the Senior Manager, Regional Housing to negotiate the final terms.

**CARRIED**

A friendly amendment was noted on pg.1 and 7 of the laundry contract. The contract states Mississauga BC when it should read Mississauga ON.

**4. Quarterly Financial Update – Third Quarter**

C.Culham presented the staff report and discussed the challenges with the ILBC portfolio containing one building Parry Place since this is the only assisted living building under

CRHC's portfolio. A report will be brought back to the Board to discuss future options for Parry Place.

It was **MOVED** by Director Price, **SECONDED** by Director Braude  
Receives the Quarterly Report for information.

**CARRIED**

**5. Turnover and Vacancy Quarterly Report – Third Quarter**

It was **MOVED** by Director Braude **SECONDED** by Director Price  
Receive the Third Quarter 2017 Turnover and Vacancy Report for information.

**CARRIED**

**6. Management Report**

C.Culham presented the staff report.

It was discussed that the Westview Project will be presented at the Committee of the Whole meeting in late November. Staff will confirm the date with the District of Saanich and inform the Board of this date via email.

R. Loukes stepped out at 10:25am.

R. Loukes returned at 10:27am.

C.Culham will inquire with BC Housing why there was a drop in the Housing Registry waitlist numbers in October.

It was **MOVED** by Director Braude **SECONDED** by Director Price  
Receive the Management Report for information.

**CARRIED**

**7. ADJOURNMENT**

It was **MOVED** by Director Price, **SECONDED** by Director Braude  
That the meeting the adjourned.

**CARRIED**

The meeting was adjourned at 10:28.

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David Screech, Chair

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Kristine Kusnyerik, Recorder



**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS  
MEETING OF DECEMBER 5, 2017**

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**SUBJECT**     **Mortgage Renewal – Rotary House**

**ISSUE**

BC Housing Management Commission (BCHMC) requires the Capital Region Housing Corporation (CRHC) Board of Directors to authorize BCHMC to act on behalf of CRHC to renew the mortgage for Rotary House and authorize any two members of the Executive Committee to sign the required documentation.

**BACKGROUND**

Rotary House is a 41 unit apartment community built under the Homes BC program in 1993. The existing mortgage is secured by Canada Mortgage and Housing Corporation (CMHC) at a rate of 4.37% and is due for renewal on March 1, 2018.

The Rotary House Operating Agreement states that at the expiry of the loan term, CRHC is required to secure the loan balance in accordance with the BCHMC requirements. BCHMC will publish tender calls to interested CMHC approved lenders to secure the best interest rate and terms available in the market. The estimated principal at renewal is \$1,771,281.93. Ten years will remain on the mortgage when it renews in March 2018.

**ALTERNATIVES**

1. Approves the resolution required by British Columbia Housing Management Commission to renew the mortgage for Rotary House and authorizes any two members of the Capital Region Housing Corporation Executive Committee to sign any documents related to the mortgage renewal.
2. Directs staff to review other options with the British Columbia Housing Management Commission to renew the mortgage for Rotary House.

**IMPLICATIONS**

Below are the recent tender rates BCHMC has obtained for 10 year mortgage terms:

December 2017:	2.08%
September 2017:	2.02%
June 2017:	1.51%

As per the Rotary House Operating Agreement, in order to pursue other financing options, CRHC would require permission from BCHMC. If given permission by BCHMC, CRHC would be required to go to tender to borrow from a commercial bank. Examples of current posted rates for a 10 year fixed term mortgage for Scotiabank is 6.19% and Vancity is 6.10%.

Another option for CRHC is to pursue financing through the Municipal Finance Authority (MFA). The current loan rate for MFA is 2.88%. The Capital Regional District (CRD) Board is authorized

to borrow an amount or amounts not exceeding the sum of \$25 million under the Temporary Loan By-law 3774 (amended in 2014 as By-law 3985). In order to borrow through MFA there would need to be an amendment to the by-law to increase the borrowing allowance as the \$25 million has already been allocated to the purchase of the 22 properties from CRHC and to the Regional Housing First Program.

**CONCLUSION**

As per the Rotary House Operating Agreement, BCHMC is required to secure the loan on behalf of CRHC at expiry of the loan term. BCHMC will tender the mortgage renewal to lenders to secure the best interest rate and terms available in the market. The December rate was 2.08% is much lower than current posted market rates and MFA.

**RECOMMENDATIONS**

Approves the resolution required by British Columbia Housing Management Commission to renew the mortgage for Rotary House and authorizes any two members of the Capital Region Housing Corporation Executive Committee to sign any documents related to the mortgage renewal.



Christine Culham  
Senior Manager  
Capital Region Housing Corporation



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



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bchousing.org

CAPITAL REGION HOUSING CORPORATION  
(the "Borrower")

**CERTIFIED COPY OF RESOLUTION OF DIRECTORS**

BE IT RESOLVED:

That the Borrower hereby irrevocably authorizes British Columbia Housing Management Commission ("BCHMC") to act on its behalf to renew the mortgage presently held by Canada Mortgage Housing Corporation (the "Mortgage") for the project located at 1855 Quadra St, BC (BCHMC File no. 54401 / 509/ CMHC# 16575474).

BE IT FURTHER RESOLVED:

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

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

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

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

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



**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS  
MEETING OF DECEMBER 5, 2017**

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**SUBJECT**      **Tenant Engagement Pilot Project Update**

**ISSUE**

In December 2016, the Capital Region Housing Corporation Board (CRHC) of Directors approved a motion requesting that the Tenant Engagement Framework (The Framework, Appendix A) 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 Framework in 2017.

**BACKGROUND**

**History of Tenant Engagement at the CRHC**

In the 1990's, CRHC was involved in tenant engagement activities through a Community Liaison position. These activities included the Resident Recreation Activity Program (RRAP) program and "People, Plants and Homes" and were funded through BC Housing. Around 1998, funding ended for non-profit housing provider tenants and was delivered "only to individuals living in public housing managed directly by BC Housing". At approximately the same time, there was a leadership change at the CRHC and the Community Liaison position was reorganized into a property manager position responsible for housing subsidized tenants and managing social complaints on behalf of the organization. Although tenant engagement was still recognized in the job description, it was not considered an operational priority.

Since 1998, the CRHC has been involved in some tenant engagement activities that have mostly been initiated by other organizations. The two most longstanding initiatives, with varying levels of success, are the Crime-Free Multi-Housing program and the Energy Conservation Assistance Program (ECAP) program. The Crime-Free Multi-Housing program is delivered by Saanich and Victoria Police Services which is currently in 20 "crime-free" CRHC communities. The ECAP is delivered through Fortis BC and provides tenant outreach promoting services and products that increase energy efficiencies at no cost to the CRHC or tenants.

Until recently CRHC's relationship with tenants has been similar to that of a private landlord. Interaction with tenants has been limited to the landlord's responsibilities in the Residential Tenancy Act (RTA) and the Tenancy Agreement.

In 2016, staff undertook the "Connections" program, an Age-friendly Community Project, that was developed to increase awareness of the barriers senior tenants face in participating and engaging in social and recreational activities in the broader community, and to identify how to eliminate these barriers in order to improve the residents' health outcomes and quality of life. This was funded through a grant from the Union of British Columbia Municipalities (UBCM). Some of the activities within the communities that began during this project are being sustained.

Examples of these are:

- The Food Access Pilot Project is operating in two communities in partnership with the Food Share Network and Lifecycles through a Community Foundation grant.
- Silver Threads is doing outreach and programs in the seniors' buildings.

**Tenant Engagement Task Force**

In January 2016, the CRHC Board of Directors struck the Tenant Engagement Task Force (Task Force) to examine possible tenant engagement measures. The Task Force reported back to the CRHC Board of

Directors on October 4, 2016. The Task Force noted two main areas for improvement: the need for increased tenant engagement and improved landscaping services.

### **Tenant Engagement Pilot Project**

As a result of the work of the Task Force and the success of the “Connections” program, in December 2016, staff recommended a one year pilot project to develop and evaluate the Framework.

### **ALTERNATIVES**

1. Approve an additional 1.0 full time equivalent (FTE) in the 2018 Administrative Budget for increased tenant engagement services for \$84,810.
2. Maintain current level of services for tenant engagement.

### **IMPLICATIONS**

#### **Objectives**

The objectives of the framework are to:

1. Increase activities that foster a more informed tenant population;
2. Increase consultation and collaboration with tenants in decision-making;
3. Increase engagement with tenants requiring support and referrals for a variety of health and wellness issues; and
4. Increase a sense of belonging and connectedness in CRHC communities.

#### **Outcomes of the Tenant Engagement Pilot Project**

##### **Phase 1: Development**

Phase one Tenant Engagement Pilot Project (TEPP) was to include the development of policies and procedures that would be implemented broadly across the CRHC tenant population to meet the objectives outlined in the Framework.

The Framework was introduced at the December 2016 CRHC Board meeting and completed in June 2017. The Framework focused on developing CRHC principles of tenant engagement which includes: *Respectful staff-tenant relationships, transparency, consistency, appropriate engagement, inclusiveness and responsiveness*. All staff were trained in the principles of the Framework by August 2017.

The Framework then outlined different approaches to engagement, along a continuum: *Inform, consult, involve, collaborate and empower*.

##### **Phase 2: Implementation**

Phase two of the TEPP included the implementation of the Framework. This included outreach to six identified communities, examining if and how they would like to be engaged. The six communities chosen were a mix of adult buildings (seniors and people living with disabilities) and family communities. Engagement was not assumed or required by tenants, but the opportunity was made available by way of public meetings - “Tenant Engagement Cafés” (Cafés), in writing, and/or by phone. Prior to the second and third Cafés, written summaries of outcomes of the prior engagements were circulated to all tenants within the community through a newsletter to ensure opportunities for all members to become engaged throughout the process.

Cafés were designed to collect information, to inform tenants of CRHC policies, to direct them towards addressing a key issue in the building in collaboration with CRHC, and to improve the sense of connection in the building by meeting new neighbours.

Throughout the process the Tenant Engagement Coordinator also engaged with CRHC staff to better understand the history, policies, financial implications and potential options. As necessary, other staff (Property Managers, Caretakers, Senior Manager, Tenant Services) were involved in the meetings and/or development of the solution.



Phase 3: Evaluation

The adult buildings and communities where there was an emerging issue, like safety, had the greatest participation. Engagement in family communities proved more difficult due to lack of appropriate meeting space, times of meetings and the ability for families to prioritize engagement. Staff determined that engagement for family communities in the future would need to be done differently.

Safety, social issues (social activities, groups, inclusion and conflict resolution) and maintenance issues (recycling/garbage, gardens) were areas that were prioritized by tenants for continued engagement. There was consistent feedback from tenants for the need for CRHC to provide ongoing information regarding service standards and that service needs to be consistent and transparent.

Tenant feedback also reinforced the need for greater staff support in connecting communities and individuals to community supports to address increasingly complex health and wellness issues. Such complexity is also apparent in the nature of reports or complaints tenants and staff bring forward. Such cases also require more intensive response to support individuals and household in maintaining successful tenancies or in finding more appropriate housing. Throughout the TEPP process, staff were able to prevent four evictions through intensive intervention with tenants who historically may have lost their housing due to lack of staff resources.

Through an increase in staff resources by 1.0 FTE for tenant engagement, staff would be able to continue the activities in the pilot project and have identified specific goals for 2018:

Objective	2018 Deliverables
<b>Increase activities that foster a more informed tenant population</b>	<ul style="list-style-type: none"> <li>• Develop Customer Services Standards</li> <li>• Quarterly Newsletter</li> <li>• Update Tenant Handbook</li> <li>• Staff Training to ensure consistency in service delivery and service standards</li> </ul>
<b>Increase consultation and collaboration with tenants in decision-making</b>	<ul style="list-style-type: none"> <li>• Continue issue-based tenant engagement</li> <li>• Consult tenants when updating policies and processes i.e. amenity space, pets</li> </ul>
<b>Increase engagement with tenants requiring support and referrals for a variety of health and wellness issues</b>	<ul style="list-style-type: none"> <li>• Increase and sustain community and health service partnerships to support tenants</li> <li>• Develop Tenant retention policy</li> </ul>
<b>Increase a sense of belonging and connectedness in CRHC communities</b>	<ul style="list-style-type: none"> <li>• Increase barrier-free programs delivered in communities</li> <li>• Develop Tenant Association/Social Circle Framework</li> </ul>

**Financial Implications**

In 2017, \$50,000 was allotted for TEPP. Due to staff retirement, the phase 1 of the project began in March 2017 rather than January. Only \$27,000 was spent in 2017. In the Administration budget, staff are recommending that the remaining \$23,000 be allocated for 2018 for continuation of the services until the staff transition is complete and \$8,000 to continue having Lifecycles deliver the food program in three communities for 2018. The Lifecycles program was being funded through a one-year grant by the Community Foundation. In December, it will no longer have funding. Currently it is being offered every two weeks in two communities. In 2018, it would increase to every two weeks in three communities and evaluated annually.

In 2018, the increased costs including salary and benefits for a new 1.0 FTE will be \$84,810. This will be funded through an increase to the management fees of the 45 properties.

**Capital Regional District Staff Establishment Chart**

Each year, the Chief Administrative Officer provides the Capital Regional District (CRD) Board of Directors with the annual staff establishment as it relates to the organizational structure and financial plan. This listing, called the Staff Establishment Chart (SEC), outlines the number of regular FTE positions by department and division. The level of staffing included as FTEs corresponds with the core service levels and work program requirements of the organization.

As part of the Service Plan review process with the standing committees and commissions, CRD departments present organizational charts and current and requested staffing numbers for approval. Once reviewed by the appropriate committee/commission, these are then presented to the CRD Board as part of the budget review. The SEC provides a summary presentation of the staffing numbers reviewed by committees/commissions, for final approval.

This will be brought forward to the CRD Board for decision in December 2017 and will be informed by the CRHC Board of Directors decision.

**CONCLUSION**

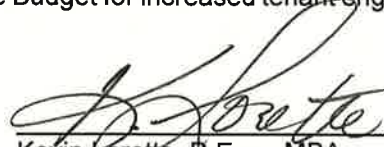
Through the increased staff capacity, the CRHC will be able to proactively engage tenants on policies and in developing or improving services. CRHC will be able to increase and sustain partnerships with community organizations that will be able to support individual tenant needs as well as increased programs delivered within CRHC communities. Developing CRHC's capacity to effectively respond to tenant and community issues has the greatest potential to ensure tenants are appropriately housed and supported, thereby improving individual tenancies, community relations, and people's overall satisfaction. In the Administration budget, staff are recommending the continuation of the services until the staff transition is complete and to support the ongoing provision of the Lifecycles program.

**RECOMMENDATION**

Approve an additional 1.0 FTE in the 2018 Administrative Budget for increased tenant engagement services for \$84,810.



Christine Culham  
Senior Manager  
Capital Region Housing Corporation



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

Attachments:

Appendix A: Tenant Engagement Framework (The Framework)



# Principles & PRACTICES

FOR ENGAGING TENANTS

June 2017







# Units as Homes; Projects as Communities

— CRHC Philosophy

Tenant engagement is a concept that has been gaining ground across Canadian non-profit housing societies and corporations in recent years. Increasingly, housing providers are recognizing the benefits of actively and meaningfully involving tenants in the work of planning, monitoring, and contributing to the quality of life in the communities in which they live.

The Capital Regional Housing Corporation (CRHC) is a tenant-centred and responsible landlord. We regard our tenants as “partners”, not “customers”.

We have prepared this booklet to reinforce CRHC’s commitment to engaging tenants in a coordinated, informed, and consistent manner, and in which all of our employees can play an important role.

- The primary purpose of this material is to prepare and equip our management, property managers, caretaker, tenant and community services teams to effectively engage with tenants. Additionally, this material will be used for the orientation of new staff, as well as ongoing training for existing staff.
- Front-line staff who work with individuals and families who live in CRHC communities are the public face of CRHC. Every day, we rely on them to convey our commitment to the Corporation’s Vision, Mission, and Value Statement.

# What Does Being “Tenant-Centred” Look Like?





# The Context of Engagement at CRHC

In the early 1990s, CRHC hired a half-time Community Liaison worker who was responsible for tenant associations, as well as other outreach programs. The Corporation supported these associations in many of its communities through funding from BC Housing.

By 1998, there was a change in leadership, and the tenant associations became less of a priority. When BC Housing discontinued all funding for non-profit housing providers, tenant associations gradually became less active, or lapsed entirely. Only one tenant association remains at the Springtide Apartments in Esquimalt.

In 2017, CRHC will begin to develop a one-year pilot project to develop and evaluate a new tenant engagement program. Four seniors, and three family communities will be involved.

**1** Phase 1 will develop policies and methods that could be implemented broadly across all of CRHC's communities. The goals of this phase include:

- Increase activities that foster a more informed tenant population;
- Increase consultation and collaboration with tenants in decision-making; and

- Increase engagement with tenants requiring support and referrals for a variety of health and wellness issues.

**2** Phase 2 will involve development of a tenant empowerment model, in which tenants could be responsible for guiding processes, and making decisions that impact their communities via Tenant Advisory Groups or Committees.

**3** Phase 3 will include an evaluation of the framework. Also, when the model is in place, there will be a need to invest in education and training for tenants in order to have effective participation. Similarly, training opportunities will be provided for management and staff.

*“We value honesty, integrity, reliability, and openness.*

*We work collaboratively with the stakeholders, community partners, and our tenants to build safe, vibrant and accessible communities, where our tenants can feel a sense of pride and belonging.”*

— CRHC Value Statement





## What are the Benefits of Engaging Our Tenants?

- Tenants are provided with greater dignity and pride in their homes, as well as a stronger sense of community;
- Tenants are more likely to take better care of their homes and common spaces, resulting in less wear and tear on units, and, in some instances, less vandalism; and
- Higher tenant satisfaction is likely to lead to a more stable tenant population, lower rental arrears, less turnover, and, subsequently, reduced operating expenses.
- Communities where there is a positive atmosphere also tend to attract new tenants when units become vacant.

## What are Our Tenants Key Issues?

- Maintenance and repair of buildings and common property;
- Safety and security; and
- Connectedness to their community.

# Principles of Engaging with Our Tenants

## RESPECTFUL

Relationships between our staff and tenants are based on mutual learning, understanding, and the desire to identify interests, solutions, and priorities. Tenants are recognized and respected for their participation. Building a trust relationship, based on respect and honesty, between staff and tenants is essential.

## TRANSPARENT

The purpose, goals and level of the engagement are shared with our tenants. Information is relevant, and conveyed simply. The tenants' roles, and how their input will be used are clear. Input from the process is shared with our tenants. Transparency involves being candid, and willing to acknowledge staff mistakes and misunderstandings.

## CONSISTENT

Ideally, but depending on the topic or issue, there will be regular engagement opportunities with our tenants within their communities.

## APPROPRIATE

Methods of engaging are appropriate to the topic or issue. There will be different levels of participation — only a small percentage are likely to become actively involved. Everyone does not have to be actively involved for tenant engagement to work.

## INCLUSIVE

All tenants who have a stake in the topic or issue are welcomed, including youth in our family housing communities.

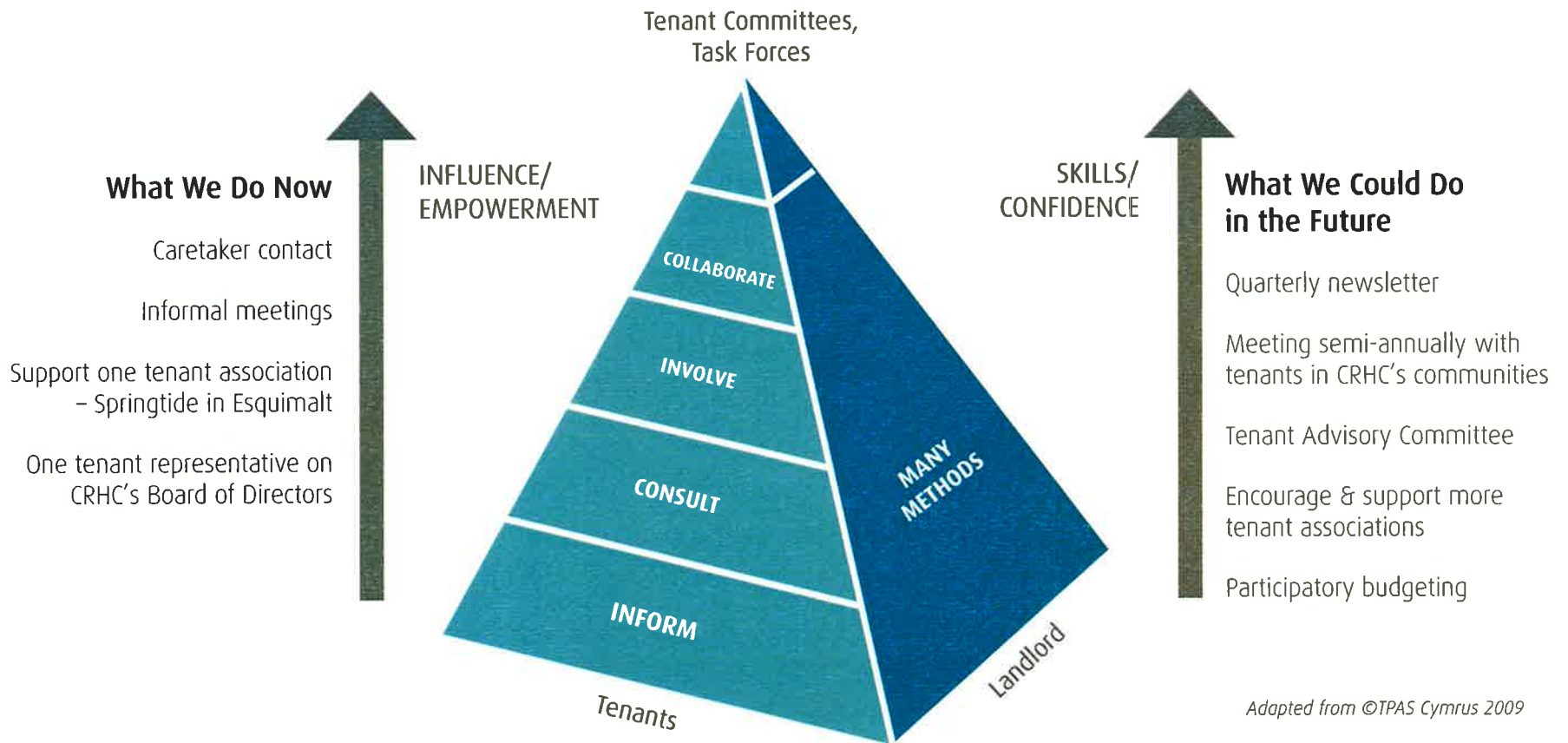
## RESPONSIVE

Our tenants know who is responsible for an engagement process. Information and outcomes of the engagement are shared with participants in a timely manner, as well as how the input will be used in policies and other actions. Commitments are honoured to agreed upon actions.

# Approaches & Practices to Engage with Our Tenants

The approach to engagement can run the gamut from informing through to empowering — as shown in the accompanying graphic. Different activities will be attractive to different communities. Some tenants will be comfortable with formal activities, while others will prefer those that are more informal.

## PYRAMID OF PARTICIPATION



## EXAMPLE

Ottawa Community Housing has both a Tenant Advisory Group (TAG) and tenants groups.

TAG is made up of eight OCH tenant volunteers — four chosen by tenants and four by the Board of Directors. The group reviews and provides input on policies and programs to the OCH Board and senior management. The Chair of TAG also participates as an OCH Board Director.

Tenant groups, tenant associations, or less formal tenant circles work together with their neighbours, OCH, and partner agencies to build healthy, safe, and inclusive communities

OCH may provide funding, insurance, and valuable resources to a start-up tenant association.

Tenant involvement can range in extent and depth, and take on various forms, including:

- **Quarterly or monthly newsletter** profiling a community, or an individual champion;
- **Regularly scheduled meetings** between management and tenants, at least twice a year, to discuss operating costs, budgeting, proposed rent changes, and any new policies adopted by the Board of Directors;
- **Tenant advisory committees.** These committees are set up to advise the management and Board on a regular basis. They may also be created to deal with particular issues, such as security.
- **Tenant associations.** While these are the governance model for housing co-operatives, they can also operate in non-profit housing situations. An association elects its own representatives, often organizes social events, and provides management with feedback on issues and problems, as well as potential solutions. These associations can provide on-the-ground information that can help reduce costs in a number of ways, such as:
  - Identifying repairs and maintenance needs;
  - Working on building improvement projects; and
  - Mobilizing community volunteers to beautify the landscape, grow a vegetable garden, clean common spaces, and provide security.



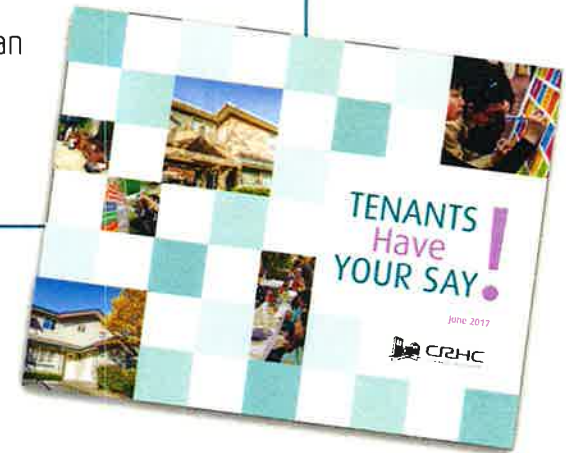
- **Tenant participation on the Board of Directors.** As members of a Board, a tenant represents the views of other residents, and participates directly in the decision-making process. For example, in Ontario, it was mandated that a third of non-profit housing Board members be tenants. (CHRC's Board has one tenant member).
- **Participatory budgeting.** This process is a form of direct democracy, in which community members decide on the allocation of a portion of municipal or institutional funding. For example, Toronto Community Housing has had a participatory budgeting process across its projects since 2001. In 2016, a total of \$5 million was allocated in its participatory budgeting process, with \$4.23 million dedicated to general capital items, and \$750,000 to safety projects.

# Research Sources

- BC Housing
- CityHousing Hamilton
- Centretown Citizens Ottawa Corporation
- Ottawa Community Housing
- Toronto Community Housing
- University of Birmingham:  
Tenant Involvement in Governance

## NOTE

CRHC will be preparing a companion booklet — **Tenants Have Your Say!** — that focuses on what tenants can expect from the Corporation, and how they can influence and be involved in decision-making.







With the assistance of CitySpaces Consulting Ltd.





**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS  
MEETING OF DECEMBER 5, 2017**

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**SUBJECT      2018 CRHC Administration and Development Services Budgets**

**ISSUE**

To provide the CRHC Board of Directors a review of estimated revenues and expenditures for the 2017 operating year; to present the 2018 Administration and Development Services Budgets; and to provide the 2017 outcomes of the Strategic Priorities.

**BACKGROUND**

**Administration Budget**

The Administration budget includes costs to the CRHC associated with overall administration such as salaries and benefits, CRD allocations, consultants, legal fees, telephones and office supplies etc. The main source of funding for the Administration budget are the management fees charged to the buildings. In the Administration budget, the management fees are seen as revenue and in the building operating budgets, the management fees are represented as expenditures. Other sources of revenue include management fees from the third parties, operating interest income and transfers from the Administration Stabilization Reserve and Capital Surplus.

The Administration Stabilization Reserve was created through surplus development fees that CRHC received throughout its history of developing affordable housing. The Administration Stabilization Reserve currently has a balance of \$918,463.

The Capital Surplus is the combined unspent capital funding of \$1,344,000. This resulted from the Village on the Green (VOG) cash equity proceeds of \$825,000 and additional Vergo cash equity proceeds of \$519,000. This fund was to be available for future CRHC building developments. In 2016, the Board approved \$1,000,000 of the Capital Surplus be allocated to the Westview development.

**Development Services Budget**

In response to the 2016-2019 Strategic Plan, the CRHC Board approved the CRHC Portfolio Renewal, Redevelopment and Development Strategy. Through this strategy there was a requirement to increase development capacity through the hiring of a Manager of Capital Projects.

During the pre-development phase of a potential capital project, the cost of the salary and overhead for the staff member would be recovered through the Administration Stabilization Reserve. The goal was to recover the development services costs from the projects once they were approved.

In 2017, this budget was presented as a one line item within the Administration budget. Currently four projects have been identified: Westview, Michigan Square, Caledonia and Drake Rd.. This resulted in the Development Services budget being more complex, therefore staff are presenting this budget separate from the Administration budget.

**ALTERNATIVES:**

1. a) Receive the Strategic Priorities 2017 update for information.
- b) Approve the Capital Region Housing Corporation 2018 Administration Budget.
- c) Approve the Capital Region Housing Corporation 2018 Development Services Budget.
- d) Direct staff to apply for Seed Funding for the Caledonia project.
- e) Direct staff to use the Capital Surplus for 2017 Development Services costs.

2. Request that staff amend the 2017 Administration and Development Services Budgets as directed.

**IMPLICATIONS**

**2017 Strategic Priorities (Appendix A):**

The Board of Directors implemented the 2016-2019 Strategic Priorities. In order to measure results, the Board introduced key performance indicators. The CRHC met the key performance indicators as outlined in Appendix A.

**Administration Budget (Appendices B and B.1):**

In 2017, there was a -1.9% variance in Administrative revenues. This is a result of the Tenant Engagement Pilot Project being deferred from January to March 2017 due to staff changes and therefore \$23,000 that was allocated has remained unspent. This was offset by reduced project costs. There was a deficit of \$4,270.

In 2018, there is a proposed increase of 4.3%. This is due to anticipated contract settlements in CUPE and Exempt salaries, increases in CRD allocations and the addition of 1.0 FTE for tenant engagement services.

Explanations for budget line variances over or under 10% can be found in Appendix B.1.

**Development Services Budget (Appendix C)**

Staff are recommending that the revenue for Development Services be resourced from the Capital Surplus rather than the Administration Stabilization Reserve.

In 2017, the estimated actuals for the Development Services budget are \$131,000 with a variance of -3.9%. Staff are proposing a budget of \$409,100 to fund for 2018.

Westview

In 2016 Westview was approved for Investment in Housing Innovation funding through BC Housing. CRHC's equity contribution to the project was the land, through a leasehold agreement with the CRD, and an equity contribution through the Capital Surplus for \$1m. All expenses for Westview, as it is now in the development stage, are taken out of this \$1m. Only the salary and overhead for staff for Westview is in the Development Services budget. The other expenses are in the Westview capital budget.

Drake Rd., Michigan Square, Caledonia

The balance in the Capital Surplus at the beginning of 2017 was \$1,344,000. In 2017, \$30,000 was expended for the project management of the three other development projects. Staff are proposing that \$205,000 will be needed in 2018 in order to bring the three projects to the funding application stage. See Table 1.

Table 1

	<b>2017</b>	<b>2018</b>
<b>Beginning Balance Capital Surplus Funds</b>	1,344,000	314,000
2017 Westview Capital Project Commitment	(1,000,000)	0
2017 Requested: Michigan Square, Drake, Caledonia	(30,000)	(205,000)
<b>End Balance Capital Surplus Funds</b>	314,000	109,000

Other sources of funding for the remaining balance in the Development Services budget include CMHC Seed Funding and project management fees for the Ashlar Manor building envelope remediation.

**CONCLUSION**

The Administration budget includes costs to the CRHC associated with overall administration. The main source of funding for the Administration budget are the management fees charged to the buildings. In 2018, there is a proposed increase of 4.3% due to anticipated contract settlements in CUPE and Exempt salaries, increases in CRD allocations and the addition of 1.0 FTE for tenant engagement services.

In 2017, the estimated actuals for the Development Services budget are \$131,000 with a variance of -3.9%. Staff are proposing a budget of \$409,100 to fund 2018 activities. These will be funded through the Capital Surplus, CMHC Seed Funding and project management fees for the Ashlar Manor building envelope remediation.

**RECOMMENDATIONS**

1. a) Receive the Strategic Priorities 2017 update for information.
- b) Approve the Capital Region Housing Corporation 2018 Administration Budget.
- c) Approve the Capital Region Housing Corporation 2018 Development Services Budget.
- d) Direct staff to apply for Seed Funding for the Caledonia project.
- e) Direct staff to use the Capital Surplus for 2017 Development Services costs.



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Attachments: Appendix A, B, B.1, C

**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	Outcomes
Management	<b>Be a good and responsible landlord to those who rent accommodation with the CRHC</b>	Ensure the CRHC is operating efficiently and effectively	<ul style="list-style-type: none"> <li>a) Annual staff performance planning and evaluation</li> <li>b) Annual Board survey</li> </ul>	<ul style="list-style-type: none"> <li>a) Completed performance appraisals and performance planning with all staff to align with strategic priorities in January 2017.</li> <li>b) Presented Board evaluation process for CRHC Board review in December 2017</li> </ul>
		Maintain Financial Sustainability of the CRHC	Increase (tenant rent) revenue by 1.5 % annually	Increased (tenant rent) revenue by 2.6% in 2017
		Ensure the CRHC Housing stock is adequately maintained	Strive to complete one additional building envelope remediation (BER) by 2019	<ul style="list-style-type: none"> <li>a) Received approval from BC Housing to use CPI financing for BERs</li> <li>b) Reviewed Caledonia for BER. Concluded to explore potential redevelopment opportunities instead.</li> </ul>
		Maximize subsidized units	<ul style="list-style-type: none"> <li>a) Review tenant eligibility policy in 2016</li> <li>b) Maintain at least 70% rent geared to income in 42 Umbrella Operating agreement properties</li> <li>c) Average days vacant should be under 30 days.</li> </ul>	<ul style="list-style-type: none"> <li>a) Completed in 2016</li> <li>b) Met target</li> <li>c) Average days vacant for 2017 is estimated at 27 days.</li> </ul>
		Ensure Tenant satisfaction	Implement a tenant satisfaction survey with an annual improvement in tenant satisfaction index	Completed in 2016, will repeat in 2018 using 2016 as the benchmark.
Development	<b>Increase CRHC housing stock to benefit households in core housing need</b>	Develop strategy to increase development capacity	Adopt strategy by 2016	Updated 2016 strategy in 2017.
		Develop priorities to address housing needs	Develop priorities by 2016	Completed in 2016.
		Implement strategy to increase housing for households in core housing need	Increase housing stock by at least 30 rent geared to income units by 2019	Westview project was approved for funding in 2016, development permit received in November 2017. Three development/redevelopment projects in feasibility phase.

**CAPITAL REGION HOUSING CORPORATION  
2018 ADMINISTRATION BUDGET**

**APPENDIX B**

	2017 Board Approved (A)	2017 Estimated Actuals (B)	2017 \$ Variance (C)	2017 % Variance (D)	2018 CRHC Proposed (E)	2018 Budget \$ Change (F)	2018 Budget % Change (G)
<b>REVENUE</b>							
Management Fees - UOA CMHC	343,138	343,138	(0)	0.0%	387,553	44,415	12.9%
Management Fees - UOA BCHMC	523,424	523,424	0	0.0%	590,204	66,780	12.8%
Management Fees - UOA Homes BC	124,925	124,925	(0)	0.0%	141,095	16,170	12.9%
Management Fees - ILBC	24,720	24,720	0	0.0%	25,214	494	2.0%
Management Fees - No Operating Agreement	45,427	45,427	0	0.0%	51,307	5,880	12.9%
Management Fees - Others	88,126	88,126	0	0.0%	88,724	598	0.7%
Management Fees - Tenant Engagement Pilot Project	50,000	27,000	(23,000)	0.0%	23,000	(27,000)	-54.0%
Service Fees - Housing Agreements	150	0	(150)	-100.0%	150	0	0.0%
Interest Income	100,000	96,500	(3,500)	-3.5%	100,000	0	0.0%
Miscellaneous Revenue - NSF s/c	1,050	2,010	960	91.4%	2,383	1,333	127.0%
Transfer from Stabilization Reserve - CRD IT Project	69,450	69,280	(170)	-0.2%	20,000	(49,450)	-71.2%
Recovery from Capital Surplus - Manager Capital Prj	0	0	0	0.0%	0	0	0.0%
<b>TOTAL REVENUE</b>	<b>1,370,410</b>	<b>1,344,550</b>	<b>(25,860)</b>	<b>-1.9%</b>	<b>1,429,630</b>	<b>59,220</b>	<b>4.3%</b>
<b>EXPENDITURES</b>							
Salaries & Benefits - CRHC Administration Staff	772,340	776,650	(4,310)	-0.6%	865,000	92,660	12.0%
Salary & Overhead Exp - Manager, Capital Projects	0	0	0	0.0%	0	0	0.0%
Salary & Program Exp - Tenant Engagement Project	50,000	27,000	23,000	0.0%	23,000	(27,000)	-54.0%
Training (includes related travel costs)	11,300	8,300	3,000	26.5%	11,300	0	0.0%
CRD Regional Housing Allocation	144,590	144,590	0	0.0%	155,590	11,000	7.6%
CRD Administration Allocation	143,180	143,180	0	0.0%	164,328	21,148	14.8%
CRD Office Rental Allocation	52,170	54,526	(2,356)	-4.5%	62,010	9,840	18.9%
CRD Computer Support Allocation	61,550	52,570	8,980	14.6%	59,970	(1,580)	-2.6%
Consultants	15,000	12,260	2,740	18.3%	15,000	0	0.0%
Legal Fees	5,000	13,050	(8,050)	-161.0%	5,000	0	0.0%
Audit Fees	2,000	2,000	0	0.0%	2,000	0	0.0%
Insurance	1,680	1,644	36	2.1%	1,722	42	2.5%
Telephone	12,400	12,850	(450)	-3.6%	13,460	1,060	8.5%
Advertising	500	800	(300)	-60.0%	500	0	0.0%
Stationery	7,000	9,000	(2,000)	-28.6%	8,000	1,000	14.3%
Courier Services	600	350	250	41.7%	600	0	0.0%
Credit Bureau	1,000	0	1,000	100.0%	0	(1,000)	-100.0%
Subscriptions & Memberships	2,250	1,900	350	15.6%	2,250	0	0.0%
Postage	3,200	3,200	0	0.0%	3,200	0	0.0%
Printing/Photographics	5,000	5,300	(300)	-6.0%	5,000	0	0.0%
Photocopier Supplies & Rental	2,200	2,200	0	0.0%	2,200	0	0.0%
Miscellaneous	2,000	2,000	0	0.0%	2,000	0	0.0%
Bank Service Charges	1,000	1,000	0	0.0%	2,500	1,500	150.0%
Transfer to Equipment Replacement Reserve	5,000	5,000	0	0.0%	5,000	0	0.0%
Capital Purchases - New office equipment	0	0	0	0.0%	0	0	0.0%
Special Project - SAP Real Estate Training	69,450	69,450	0	0.0%	20,000	(49,450)	-71.2%
<b>TOTAL EXPENDITURES</b>	<b>1,370,410</b>	<b>1,348,820</b>	<b>21,590</b>	<b>1.6%</b>	<b>1,429,630</b>	<b>59,220</b>	<b>4.3%</b>
<b>TOTAL ADMINISTRATION Surplus/(Deficit)</b>	<b>0</b>	<b>(4,270)</b>	<b>(4,270)</b>		<b>0</b>		
<b>Beginning Balance Corporation Stabilization Reserve</b>		992,183			918,463		
2017 Approved transfer: CRD IT Project costs to date		(69,450)			(20,000)		
<b>End Balance Corporation Stabilization Reserve</b>		<b>918,463</b>			<b>898,463</b>		

**Notes:**

See Appendix B.1

To be approved at December 5, 2017 Board meeting

## Administrative Budget Variances

## Appendix B.1

2017 Budget Variances: +/- 10% variances between 2017 approved budget line items and estimated actuals.

### REVENUES

Budget line	\$ Variance	% Variance	Rationale
Housing Agreements	(150)	100	Administration of Housing Agreement on behalf of District of Saanich. Service fee for administration of turnovers. No turnover in 2017.
NSF Revenue	960	91.4	Increased revenue due to successful collection efforts by staff.

### EXPENDITURES

Budget line	\$ Variance	% Variance	Rationale
Training	3,000	26.5	Staff benefitted from CRD in house training opportunities.
CRD computer support allocation	8,980	14.6	Allocated resources as required.
Consultants	2,740	18.3	Staff purchased consultant services as required.
Legal Fees	(13,050)	(161)	Increased activities regarding land, legal opinions
Advertising	(300)	(60)	Community Board member Advertisement in Times Colonist
Stationary	(2000)	(28.6)	Increased staff requiring increased stationary
Courier services	250	41.7	Annual fluctuations in usage
Credit Bureau	1,000	100	Did not perform any credit checks
Subscriptions and memberships	350	15.6	Allocated resources as required

2018 Budget Changes: +/- 10% variances changes from 2017 approved budget line times to 2018 proposed budget.

### REVENUES

Budget line	\$ Change	% Change	Rationale
UOA Management Fees CMHC	44,415	12.9	Staff increment and contract increases Increased serves for Tenant Engagement
UOA Management Fees BCHMC	66,870	12.8	Staff increment and contract increases Increased serves for Tenant Engagement
UOA Management Fees Homes BC	16,170	12.9	Staff increment and contract increases Increased serves for Tenant Engagement
Management Fees NOA	5,880	12.9	Staff increment and contract increases Increased serves for Tenant Engagement
Management Fees - TEPP	(27,000)	(54)	Remaining funding from approved \$50,000 in 2017 for TEPP Continuation of project until staff transition complete & Lifecycles
NSF	1,333	127	Increase due to 2017 collection performance
CRD IT Project	(49,450)	(71.2)	\$20,000 additional configuration and training. Project budget \$150,000; remaining balance est. 42,500 at Dec 31, 2017.

### EXPENDITURES

Budget line	\$ Change	% Change	Rationale
Salaries & Benefits - CRHC Administration Staff	92,660	12	Staff increment and contract increases Increased serves for Tenant Engagement
Management Fees - TEPP	(27,000)	(54)	Remaining funding from approved \$50,000 in 2017 for TEPP Continuation of project until staff transition complete & Lifecycles

**Administrative Budget Variances**

**Appendix B.1**

CRD Regional Housing Allocation	11,000	7.6	Staff reclassification
CRD Administration Allocation	21,148	14.8	Increased charge due to increased services
CRD Office Rental Allocation	9,840	18.9	Additional office space required to house development services and increased tenant engagement services
Stationary	1,000	14.3	Increase to reflect trends in spending
Credit Bureau	0	100	No longer perform credit checks
Bank Services Charge	2,500	150	Increase to due to implementation of credit card collections of chargebacks
Special Project - SAP Real Estate Training	(49,450)	(71.2)	Additional configuration and training. Project budget \$150,000; remaining balance est. 42,500 at Dec 31, 2017

**CAPITAL REGION HOUSING CORPORATION  
2018 DEVELOPMENT SERVICES BUDGET**

APPENDIX C

	2017 Board Approved (A)	2017 Estimated Actuals (B)	2017 \$ Variance (C)	2017 % Variance (D)	2018 CRHC Proposed (E)	2018 Budget \$ Change (F)	2018 Budget % Change (G)
<b>REVENUE</b>							
Capital Surplus Funds - Westview Capital Project	136,300	96,000	(40,300)	-29.6%	60,000 (2)	(76,300)	-56.0%
Project Management Fees - Ashlar BER	0	5,000	5,000	N/A	64,100	64,100	N/A
CMHC Seed Funding - Michigan (approved)	0	0	0	N/A	30,000	30,000	N/A
Capital Surplus Funds - Michigan (requested 2017-18)	0	10,000 (3)	10,000	N/A	50,000 (4)	50,000	N/A
Capital Surplus Funds - Drake Rd (requested 2017-18)	0	10,000 (3)	10,000	N/A	70,000 (4)	70,000	N/A
CMHC Seed Funding - Caledonia (application pending)	0	0	0	N/A	50,000	50,000	N/A
Capital Surplus Funds - Caledonia (requested 2017-18)	0	10,000 (3)	10,000	N/A	85,000 (4)	85,000	N/A
<b>TOTAL REVENUE</b>	<b>136,300 (1)</b>	<b>131,000</b>	<b>(5,300)</b>	<b>-3.9%</b>	<b>409,100</b>	<b>272,800</b>	<b>200.1%</b>
<b>EXPENDITURES</b>							
Salaries & Benefits - Manager, Capital Projects	126,100	123,700	2,400	1.9%	139,400	13,300	10.5%
Travel - local and SSI Drake Rd project	1,200	1,500	(300)	0.0%	1,200	0	0.0%
Telephone	1,000	900	100	10.0%	1,000	0	0.0%
Office Equipment - laptop and chair	4,000	3,740	260	0.0%	0	(4,000)	-100.0%
Miscellaneous	4,000	1,160	2,840	71.0%	2,500	(1,500)	-37.5%
Michigan - conceptual design funded by CMHC	0	0	0	N/A	30,000	30,000	N/A
Michigan - professional studies and rezoning	0	0	0	N/A	40,000	40,000	N/A
Drake Rd - water feasibility, rezoning, conceptual design	0	0	0	N/A	65,000	65,000	N/A
Caledonia - conceptual design funded by CMHC	0	0	0	N/A	50,000	50,000	N/A
Caledonia - land purchase fees and conceptual design	0	0	0	N/A	65,000	65,000	N/A
Contingency	0	0	0	N/A	15,000	15,000	N/A
<b>TOTAL EXPENDITURES</b>	<b>136,300 (1)</b>	<b>131,000</b>	<b>5,300</b>	<b>3.9%</b>	<b>409,100</b>	<b>272,800</b>	<b>200.1%</b>
<b>TOTAL DEVELOPMENT SERVICES Surplus/(Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>		
<b>Beginning Balance Capital Surplus Funds</b>		1,344,000			314,000		
2017 Westview Capital Project Commitment		(1,000,000) (1)			0		
2017-2018 Requested: Michigan, Drake, Caledonia		(30,000) (3)			(205,000) (4)		
<b>End Balance Capital Surplus Funds</b>		<b>314,000</b>			<b>109,000</b>		

**Notes:**

- (1) 2017 Development Services Budget was included in CRHC Administration Budget. It has been separated for 2018 due to increase in capital projects.
- (2) 2017 Westview Capital Project: CRHC Board approved \$1M equity contribution from CRHC Capital Surplus Funds
- (3) Pending Capital Projects: 2017 requested \$30,000 contribution from CRHC Capital Surplus Funds
- (4) Pending Capital Projects: 2018 requested \$205,000 contribution from CRHC Capital Surplus Funds

To be approved at December 5, 2017 Board meeting





## REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS MEETING OF DECEMBER 5, 2017

**SUBJECT**      **Operating Budgets 2018**

### **ISSUE**

To provide the Capital Region Housing Corporation (CRHC) Board of Directors a review of estimated operating revenues and expenditures for 2017, and to present the proposed budget for 2018.

### **BACKGROUND**

In 2015, the Umbrella Operating Agreement (UOA) was signed with the BC Housing and Management Commission (BCHMC) and is in effect until December 31, 2019. Staff have prepared an operating budget for the UOA portfolio, covering 42 of CRHC's 45 projects. Separate budgets have also been prepared for Parry Place (ILBC assisted living), and Village on the Green and Vergo - "No Operating Agreement" (NOA). A summary can be found in Table 1 and detailed budgets can be found in Appendices A-C.

Table 1: Summarized 2017 estimated revenue/expenses and the 2018 proposed budgets.

<b>Umbrella Operating Agreement (Appendix A and A1)</b>			
	<b>2017 Budget</b>	<b>2017 Estimates</b>	<b>2018 Proposed</b>
Total Revenue	13,555,000	13,821,870	13,947,820
Total Expenditures	12,471,080	12,387,698	12,664,480
Operating Surplus/(Deficit)	1,083,920	1,434,172	1,283,340
<b>ILBC - Parry Place (Appendix B and B1)</b>			
	<b>2017 Budget</b>	<b>2017 Estimates</b>	<b>2018 Mandated</b>
Total Revenue	632,890	625,326	640,610
Total Expenditures	632,890	637,849	640,610
Operating Surplus/(Deficit)	0	(12,523)	0
<b>No Operating Agreement - Village on the Green &amp; Vergo (Appendix C and C1)</b>			
	<b>2017 Budget</b>	<b>2017 Estimates</b>	<b>2018 Proposed</b>
Total Revenue	666,500	692,914	688,492
Total Expenditures	659,160	669,954	679,018
Operating Surplus/(Deficit)	7,340	22,960	9,474

Table 2: Combined totals of the CRHC portfolio

<b>CRHC Portfolio</b>			
	<b>2017 Budget</b>	<b>2017 Estimates</b>	<b>2018 Proposed</b>
Total Revenue	14,854,390	15,140,110	15,276,922
Total Expenditures	13,763,130	13,695,501	13,984,108
Operating Surplus/(Deficit)	1,091,260	1,444,609	1,292,814

**ALTERNATIVES**

1.
  - a) Approve the Capital Region Housing Corporation 2018 Operating Budgets for the Umbrella Operating Agreement portfolio, Parry Place, Village on the Green and Vergo; and
  - b) Authorize any 2017 operating surplus/(deficits) to be transferred to/(from) the appropriate Portfolio Stabilization Reserves.
2. Direct staff to amend the budget submission and report back to the Board.

**IMPLICATIONS**

UOA

The approved 2017 UOA Budget estimated an operating surplus of \$1,083,920. CRHC is estimating achieving a \$1,434,172 surplus. The difference of \$350,252 is due to an increase in tenant rent revenue and a decrease in property taxes. Staff were able to maintain the average unit vacancy at 27 days. Staff budgeted conservatively for property taxes due to assessment appeal and the Victoria storm water utility transfer.

Under the UOA, all operating surplus funds are retained by CRHC. With the surplus, CRHC must first remedy any operating deficit from a previous year. Then CRHC may make other payments out of the surplus in order of priority as follows: contributions to the capital replacement reserve fund as required under the Capital Plan, costs relating directly to a project; or in any other way the CRHC chooses to advance the management and development of affordable housing.

Staff will be recommending as part of the Capital Plan Update, which will be presented in January 2018, that a one time transfer be made to the capital replacement reserve fund. In addition, staff are currently working with BCHMC to gain approval to utilize a portion of the surplus for the Caledonia redevelopment. As a result, staff are recommending that the surplus be placed in the UOA Stabilization Reserve.

The proposed increase for the 2018 UOA operating budget is 1.6%.

Parry Place

Parry Place is under the ILBC operating program with BCHMC. It has a five year fixed budget, for the years 2013-2018, with an allowance for annual budget expense increases based on Consumer Price Index, excluding the mortgage. Through active consultation with BCHMC, Island Health and Beacon Community Services, CRHC continues to work to decrease vacancy rate at Parry Place. Staff are prioritizing an evaluation of Parry Place and the ILBC program in 2018.

The proposed increase for the 2018 Parry Place operating budget is 1.2%.

NOA

Village on the Green is able to offset the Vergo deficits through decreased property taxes and increased tenant rent revenue. Increase in 2017 revenue is driven by tenant rent revenue and service fees received from an adjacent building being constructed that is encroaching on VOG's foundation.

The proposed increase from the 2018 NOA operating budget is 3.0%

Portfolio Stabilization Reserves

Based on the 2017 estimated surpluses being contributed to the applicable Portfolio Stabilization Reserves, following are the estimated year end reserve balances:

<b>Portfolio Stabilization Reserve Balances</b>	<b>2017</b>
Umbrella Operating Agreement	\$3,469,560
Parry Place	\$27
No Operating Agreement	\$116,116

**CONCLUSION**

The main drivers for the 2017 and 2018 estimated surpluses are the increased tenant rent revenue and the decreased property taxes. Staff is recommending these surpluses be transferred to the appropriate Portfolio Stabilization Reserves.

**RECOMMENDATIONS**

1.
  - a) Approve the Capital Region Housing Corporation 2018 Operating Budgets for the Umbrella Operating Agreement portfolio, Parry Place, Village on the Green and Vergo; and
  - b) Authorize any 2017 operating surplus/(deficits) to be transferred to/(from) the appropriate Portfolio Stabilization Reserves.



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Attachments: Appendices A-C

**CAPITAL REGION HOUSING CORPORATION**  
**2018 UMBRELLA AGREEMENT OPERATING BUDGET SUMMARY**  
**- 42 Buildings: 1,209 Mixed Income Family/Seniors Housing**

APPENDIX A

	2017 Board Approved (A)	2017 Estimated (B)	2017 Budget \$ Variance (C)	2017 Budget % Variance (D)	2018 CRHC Proposed (E)	2018 Budget \$ Change (F)	2018 Budget % Change (G)
<b>Revenue</b>							
BCHMC Subsidy	3,024,431	3,024,431	0	0.0%	3,024,431	0	0.0%
CMHC Mortgage Subsidy	438,702	438,702	0	0.0%	438,702	0	0.0%
Tenant Rent Contribution	10,049,615	10,313,252	263,637	2.6%	10,403,704	354,088	3.5%
Misc Revenue - parking and laundry	42,252	45,485	3,233	7.7%	80,983	38,731	91.7%
<b>Total Revenue</b>	<b>13,555,000</b>	<b>13,821,870</b>	<b>266,870</b>	<b>2.0%</b>	<b>13,947,820</b>	<b>392,820</b>	<b>2.9%</b>
<b>Expenditures</b>							
Audit	29,983	19,673	10,311	34.4%	19,997	(9,986)	-33.3%
Caretaker	1,025,163	1,005,913	19,250	1.9%	1,050,698	25,535	2.5%
Contingency	60,396	14,340	46,056	76.3%	60,461	65	0.1%
Garbage	187,564	215,581	(28,017)	-14.9%	213,845	26,281	14.0%
Gas	98,700	85,735	12,965	13.1%	98,700	0	0.0%
Hydro	231,518	244,721	(13,203)	-5.7%	244,725	13,207	5.7%
Insurance	379,641	381,545	(1,903)	-0.5%	400,642	21,001	5.5%
Landscape Maintenance	307,784	308,137	(353)	-0.1%	353,952	46,168	15.0%
Land Lease	63,000	63,000	0	0.0%	63,000	0	0.0%
Maintenance	633,449	685,059	(51,610)	-8.1%	642,357	8,908	1.4%
Management Fee	983,986	983,986	(0)	0.0%	1,111,351	127,365	12.9%
Management Fee - TEP Project	50,000	27,000	23,000	46.0%	23,000	(27,000)	-54.0%
Mortgage	6,093,164	6,093,164	0	0.0%	6,055,919	(37,245)	-0.6%
Property Taxes	644,406	596,935	47,471	7.4%	614,843	(29,563)	-4.6%
Transfer to Replacement Reserve	943,020	943,020	0	0.0%	943,020	0	0.0%
Water	739,305	719,890	19,415	2.6%	767,970	28,665	3.9%
<b>Total Expenditures</b>	<b>12,471,080</b>	<b>12,387,698</b>	<b>83,382</b>	<b>0.7%</b>	<b>12,664,480</b>	<b>193,400</b>	<b>1.6%</b>
<b>Total Umbrella Agreement Surplus/(Deficit)</b>	<b>1,083,920</b>	<b>1,434,172</b>	<b>350,252</b>		<b>1,283,340</b>	<b>199,420</b>	
<b>Beginning Balance UOA Stabilization Reserve at Dec 31/16</b>		2,035,388			3,469,560		
Transfer to UOA Capital Replacement Reserve		0			0		
<b>End Balance UOA Stabilization Reserve at Dec 31/17</b>		<b>3,469,560</b>			<b>4,752,900</b>		

**Notes:**

See Appendix A.1

To be approved at December 5, 2017 Board meeting

**Umbrella Operating Agreement (UOA)**

**2017 Budget Variances: +/- 10% or \$20,000 variances between 2017 approved budget line items and estimated actuals.**

**Revenues**

<b>Budget line</b>	<b>\$ Variance</b>	<b>% Variance</b>	<b>Rationale</b>
Tenant Rent	263,637	2.6% over	Allowable market rent increase of 3.7% for 2017. Improvement in unit turnover rate.

**Expenditures**

<b>Budget line</b>	<b>\$ Variance</b>	<b>% Variance</b>	<b>Rationale</b>
Audit	10,311	34.4% under	CRD renegotiate 5yr contract with KPMG.
Contingency	46,056	76.3% under	Budget line was only required for annual Leblond Strata Admin & Replacement Reserve.
Garbage	(28,017)	(14.9%) over	New service provider; one-time charges for removal/delivery bins & totes. Additional service level required for monthly tote sanitizing.
Maintenance	(51,610)	(8.1%) over	Multiple building pest control outbreaks and snow removal Jan-Mar, 2017.
Tenant Engagement Pilot Project	23,000	46% under	Delayed start in 2017, continuation in 2018 until staff transition complete.
Property Taxes	47,471	7.4% under	CRHC budgeted conservatively due to BC Assessment appeal & Victoria storm water utility transfer.

**2018 Budget Changes: +/- 10% or \$20,000 changes from 2017 approved budget line items to 2018 proposed budget.**

<b>Budget line</b>	<b>\$ Change</b>	<b>% Change</b>	<b>Rationale</b>
Tenant Rent	354,088	3.5% increase	Allowable market rent increase of 4% for 2018. Sustain unit turnover rate.
Misc – Parking & Laundry	38,731	91.7% increase	CRHC negotiated new revenue sharing model with laundry provider

**Expenditures**

<b>Budget line</b>	<b>\$ Change</b>	<b>% Change</b>	<b>Rationale</b>
Audit	9,986	(33.3%) decrease	New contract has no increase for 5yr term.
Caretaker	25,535	2.5% increase	Estimated CUPE contract settlement.
Garbage	26,281	14% increase	Additional service level required for monthly tote sanitizing. Under review with service provider.
Insurance	21,001	5.5% increase	Estimated premiums based on July/18 renewal.
Landscape	46,168	15% increase	Estimated based on increased service levels.
Management Fee	127,365	12.9% increase	To fund new FTE for tenant engagement and CUPE contract settlement.
Management Fee - TEPP	(27,000)	(54%) decrease	Continuation of tenant engagement project until staff transition complete.
Mortgage	(37,245)	(0.6%) decrease	2016 mortgage renewals affect 2017 budgets.
Property Taxes	(29,563)	(4.6%) decrease	2018 budgets based on 2017 actuals plus 3%.
Water	28,665	3.9% increase	Local government water service increases.

**CAPITAL REGION HOUSING CORPORATION  
2018 ILBC(2) OPERATING BUDGET SUMMARY**

**APPENDIX B**

- 1 Building: 21 Senior's Independent Living Housing
- Constructed 2008
- Fixed 5 year Budget (2013-2018) with annual CPI increases

	2017 BCHMC Mandated (A)	2017 Estimated (B)	2017 Budget \$ Variance (C)	2017 Budget % Variance (D)	2018 BCHMC Mandated (E)	2018 Budget \$ Change (F)	2018 Budget % Change (G)
<b>Revenue</b>							
BCHMC Subsidy	298,990	307,968	8,978	3.0%	319,020	20,030	6.7%
Tenant Rent Contribution	333,900	306,190	(27,710)	-8.3%	321,590	(12,310)	-3.7%
Misc Revenue - parking & cable	0	11,168	11,168	N/A	0	0	0.0%
<b>Total Revenue</b>	<b>632,890</b>	<b>625,326</b>	<b>(7,564)</b>	<b>-1.2%</b>	<b>640,610</b>	<b>7,720</b>	<b>1.2%</b>
<b>Expenditures</b>							
<b>General Costs</b>							
Audit	546	335	211	38.6%	335	(211)	-38.6%
Cable Offset	0	8,370	(8,370)	N/A	0	0	0.0%
Vacancy Allowance	5,000	0	5,000	100.0%	5,000	0	0.0%
CPI Increase	0	0	0	0.0%	6,900	6,900	100.0%
Garbage	3,000	3,860	(860)	-28.7%	3,500	500	16.7%
Hydro	31,583	31,600	(17)	-0.1%	31,583	0	0.0%
Insurance	7,280	5,880	1,400	19.2%	6,020	(1,260)	-17.3%
Memberships	500	413	87	17.4%	500	0	0.0%
Mortgage	221,596	221,596	0	0.0%	221,596	0	0.0%
Property Taxes	14,291	13,346	945	6.6%	13,750	(541)	-3.8%
Transfer to Replacement Reserve	16,600	16,600	0	0.0%	16,600	0	0.0%
Water	6,215	5,820	395	6.4%	6,215	0	0.0%
	306,611	307,820	(1,209)	-0.4%	311,999	5,388	1.8%
<b>Manageable Costs</b>							
Caretaker	10,785	10,235	550	5.1%	11,110	325	3.0%
Contract for Services - Hospitality	267,216	267,024	192	0.1%	267,216	0	0.0%
Landscape Maintenance	3,320	3,320	0	0.0%	3,820	500	15.1%
Maintenance	20,238	24,730	(4,492)	-22.2%	21,250	1,012	5.0%
Management Fee	24,720	24,720	0	0.0%	25,214	494	2.0%
	326,279	330,029	(3,750)	-1.1%	328,610	2,331	0.7%
<b>Total Expenditures</b>	<b>632,890</b>	<b>637,849</b>	<b>(4,959)</b>	<b>-0.8%</b>	<b>640,610</b>	<b>7,720</b>	<b>1.2%</b>
<b>Total ILBC(2) Surplus/(Deficit)</b>	<b>0</b>	<b>(12,523)</b>	<b>(12,523)</b>		<b>0</b>	<b>0</b>	
<b>Beginning Balance ILBC(2) Stabilization Reserve</b>		21,353			27		
BCHMC prior year adjustments - 2016		(8,804)			0		
<b>End Balance ILBC(2) Stabilization Reserve</b>		<u>27</u>			<u>27</u>		

**Notes:**

See Appendix B.1

To be approved at December 5, 2017 Board meeting

**Parry Place (ILBC)**

**2017 Budget Variances: +/- 10% or \$5,000 variances between 2017 approved budget line items and estimated actuals.**

**Revenues**

<b>Budget line</b>	<b>\$ Variance</b>	<b>% Variance</b>	<b>Rationale</b>
Tenant Rent	(27,710)	(8.3%) under	Island Health controls the renting of vacant units. CRHC is working with Island Health to improve turnover time.

**Expenditures**

<b>Budget line</b>	<b>\$ Variance</b>	<b>% Variance</b>	<b>Rationale</b>
Maintenance	4,492	(22.2%) over	Pest control issues & kitchen appliance repairs.

**2018 Budget Overview: +/- 10% changes from 2017 approved budget line times to 2018 proposed budget.**

**Revenues**

<b>Budget line</b>	<b>\$ Variance</b>	<b>% Variance</b>	<b>Rationale</b>
BCHMC Subsidy	20,030	6.7% increase	CRHC will request that BC Housing increase 2018 subsidy to offset decrease in tenant rent revenue based on current tenant mix.

**Expenditures**

<b>Budget line</b>	<b>\$ Change</b>	<b>% Change</b>	<b>Rationale</b>
CPI Increase	6,900	100% increase	1.9% increase CRHC can assign to budget line items, as required, with BC Housing approval.

**CAPITAL REGION HOUSING CORPORATION  
2018 NO OPERATING AGREEMENT BUDGET SUMMARY**

**APPENDIX C**

- 2 Buildings: (38) Village on the Green and (18) Vergo - 56 Affordable Rental Housing  
- Constructed 1984 and 2012

	2017 Board Approved (A)	2017 Estimated (B)	2017 Budget \$ Variance (C)	2017 Budget % Variance (D)	2018 CRHC Proposed (E)	2018 Budget \$ Change (F)	2018 Budget % Change (G)
<b>Revenue</b>							
Tenant Rent Contribution	665,740	679,667	13,927	2.1%	686,467	20,726	3.1%
Encroachment Service Fees	0	12,825	12,825	100.0%	0	0	0.0%
Misc Revenue - parking and laundry	760	422	(338)	-44.5%	2,026	1,266	166.5%
<b>Total Revenue</b>	<b>666,500</b>	<b>692,914</b>	<b>26,414</b>	<b>4.0%</b>	<b>688,492</b>	<b>21,992</b>	<b>3.3%</b>
<b>Expenditures</b>							
Audit/Legal	1,355	893	463	34.1%	893	(463)	-34.1%
Caretaker	40,351	37,740	2,612	6.5%	41,422	1,071	2.7%
Garbage	7,155	8,480	(1,325)	-18.5%	9,660	2,505	35.0%
Landscape Maintenance	11,671	11,671	0	0.0%	13,422	1,751	15.0%
Hydro	3,082	2,080	1,002	32.5%	2,080	(1,002)	-32.5%
Insurance	18,054	17,957	97	0.5%	18,669	615	3.4%
Maintenance	22,521	18,878	3,643	16.2%	23,573	1,052	4.7%
Management Fee	45,428	45,428	(0)	0.0%	51,307	5,880	12.9%
Mortgage	374,291	374,291	0	0.0%	374,274	(17)	0.0%
Property Taxes	77,569	70,922	6,647	8.6%	73,050	(4,520)	-5.8%
Transfer to Replacement Reserve	41,900	54,725	(12,825)	-30.6%	41,900	0	0.0%
Water	15,783	26,890	(11,107)	-70.4%	28,768	12,985	82.3%
Other	0	0	0	0.0%	0	0	0.0%
<b>Total Expenditures</b>	<b>659,160</b>	<b>669,954</b>	<b>(10,794)</b>	<b>-1.6%</b>	<b>679,018</b>	<b>19,858</b>	<b>3.0%</b>
<b>Total No Agreement Surplus/(Deficit)</b>	<b>7,340</b>	<b>22,960</b>	<b>15,620</b>		<b>9,474</b>	<b>2,134</b>	
<b>Beginning Balance NOA Stabilization Reserve</b>		93,156			116,116		
Transfer to NOA Capital Replacement Reserve		<u>0</u>			<u>0</u>		
<b>End Balance NOA Stabilization Reserve</b>		<u><u>116,116</u></u>			<u><u>125,590</u></u>		

**Notes:**

See Appendix C.1

To be approved at December 5, 2017 Board meeting



**Village on the Green & Vergo No Operating Agreement (NOA)**

**2017 Budget Variances: +/- 10% or \$10,000 variances between 2017 approved budget line items and estimated actuals.**

**Revenues**

<b>Budget line</b>	<b>\$ Variance</b>	<b>% Variance</b>	<b>Rationale</b>
Tenant Rent	13,927	2.1% over	Allowable market rent increase of 3.7% for 2017. Improvement in unit turnover rate.
Encroachment Service Fees	12,825	100% over	Adjacent building being constructed and encroaching on VOG foundation.

**Expenditures**

<b>Budget line</b>	<b>\$ Variance</b>	<b>% Variance</b>	<b>Rationale</b>
Audit,	463	34.1% under	Same as UOA explanation
Garbage,	(1,325)	(18.5%) over	Same as UOA explanation
Maintenance	3,643	16.2% under	Fewer vacancies requiring less repairs
Transfer to Replacement Reserve	(12,825)	(30.6%) over	Encroachment fees contributed to VOG capital replacement reserve.
Water	(11,107)	(70.4%) over	VOG water metre replaced and meter readings are now accurate.

**2018 Budget Overview: +/- 10% changes from 2017 approved budget line times to 2018 proposed budget.**

**Revenues**

<b>Budget line</b>	<b>\$ Variance</b>	<b>% Variance</b>	<b>Rationale</b>
Tenant Rent	20,726	3.1% increase	Allowable market rent increase of 4% for 2018. Sustain unit turnover rate.
Misc – Parking & Laundry	1,266	166.5% increase	CRHC negotiated new revenue sharing model with laundry provider.

**Expenditures**

<b>Budget line</b>	<b>\$ Variance</b>	<b>% Variance</b>	<b>Rationale</b>
Audit, Caretaker, Garbage, Landscape, Management Fee			Same as UOA explanations
Water	12,985	82.3% increase	VOG water metre replaced and meter readings are now accurate. Includes local government water service increases.



## REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD OF DIRECTORS MEETING OF DECEMBER 5, 2017

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### **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**

The **SAP Real-Estate and Mobile Platform** is in the final stages of development. There is one more module to complete – unit inspections. This needs to be completed in advance of the new year when the cyclical inspections begin. Also, staff are currently reviewing the internal processes and revising them to align with the new system.

### **The Housing Registry Waitlist Statistics**

**Table 1. Capital Region Housing Registry Waitlist Statistics**

<b>Category</b>	<b>December 2017</b>	<b>October 2017</b>	<b>December 2016</b>
<b>Total Registry Units</b>	<b>3,310</b>	<b>3,310</b>	<b>3,299</b>
<b>Applicants</b>			
Family	640	625	565
Seniors	691	703	662
Persons with Disabilities	470	463	423
Wheelchair Modified	62	67	64
Singles	84	77	56
	<b>2,099</b>	<b>1,935</b>	<b>1,770</b>

### **Capital Updates**

#### **Westview**

CRHC and members of the design team presented the Westview project proposal to the Saanich Committee of the Whole on Monday, November 20, 2017. The members of the Council all expressed support for the project. The motion put forward by members of the Saanich Council to approve and issue the development permit for Westview (3816 Carey Road) was moved and carried.

The design team has since provided an updated project schedule which includes a construction start date of June 11, 2018.

#### **161 Drake Rd.**

The Drake Road Steering Committee meeting was held on November 16, 2017. Updates were provided on federal and funding opportunities. Also, staff proposed amending the rezoning application to allow for the proposed increased density but requiring that a no-build covenant be registered on title in order to advance the rezoning application. The members of the Steering Committee expressed support for this proposal.

### **Michigan Square Redevelopment**

Staff has invited consultants to submit proposals for structural engineering and geotechnical services for the Michigan Square redevelopment. Staff is seeking to determine the density and number of storeys the existing parkade can support as a part of its feasibility analysis. Staff has also been in discussions with planners from the City of Victoria to determine the allowable density on the site.

### **Tenant Engagement**

#### **Tenant Engagement Pilot Project**

The Tenant Engagement Pilot Project community meetings will conclude on December 15<sup>th</sup>, 2017, but active support will be required to continue the tenent-identified solutions forward. For some communities, this means coordinating with external service providers, including emergency services, to host information sessions in buildings and potentially develop some new community partnerships for on-going support as identified by the communities. The information collected across all communities will also help inform a tenant engagement strategy going forward.

#### **Life Cycles**

Life Cycles has been successfully hosting food education programs at two CRHC bulidings (i.e., Springtide and The Birches) in partnership with the Food Share Network. Tenants have commented on how helpful this program has been as many of the seniors are having to chose between food or medication by the end of the month. The Life Cycles Food Education Program ensures that fresh produce is delivered to 2 communities twice a month and is also building a stronger sense of community in the buildings by allowing tenants to cook and enjoy food together. Funding from the Victoria Foundation ends December 31<sup>st</sup>, 2017 and CRHC has agreed to fund the program going forward in 2018.

### **Financial Reporting**

There were no cheques over \$50,000 in October 2017.

### **Training**

Two staff attended the BC Non-Profit Housing Association *Housing Central* conference in Richmond in November 2017. The Minister of Muncipal Affairs and Housing, Selina Robinson, the Seniors Advocate, Isobel McKenzie and Shane Koyczan, Spoken word poet were among the presenters.



Christine Culham  
Senior Manager, Regional Housing