

## Notice of Meeting and Meeting Agenda Capital Region Housing Corporation Board

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Wednesday, October 9, 2019

12:45 PM

6th Floor Boardroom  
625 Fisgard Street  
Victoria, BC

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### 1. TERRITORIAL ACKNOWLEDGEMENT

### 2. APPROVAL OF THE AGENDA

### 3. ADOPTION OF MINUTES

#### 3.1. [19-833](#) Capital Region Housing Corporation Minutes for Adoption

**Recommendation:** That the minutes from the Capital Region Housing Corporation Board meeting of June 12, 2019 be adopted as circulated.

**Attachments:** [CRHC Board Minutes June 12, 2019](#)

### 4. REPORT OF THE CHAIR

### 5. PRESENTATIONS/DELEGATIONS

#### 5.1 Presentations

#### 5.2 Delegations

### 6. CONSENT AGENDA

### 7. ADMINISTRATION REPORTS

### 8. REPORTS OF COMMITTEES

#### 8.1. [19-810](#) Mortgage Renewal - Brock Place

**Recommendation:** That the Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:

- a) That the resolution required by BC Housing Management Commission to renew the mortgage for Brock Place for a term not to exceed the expiry of the existing operating agreement be approved; and
- b) That the Chief Administrative Officer and Chief Financial Officer be authorized to sign any documents related to the mortgage renewals.

**Attachments:** [Staff Report: Mortgage Renewal - Brock Place](#)

### 9. BYLAWS

10. NOTICE(S) OF MOTION

11. NEW BUSINESS

12. MOTION TO CLOSE THE MEETING

13. ADJOURNMENT

## Meeting Minutes

### Capital Region Housing Corporation Board

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Wednesday, June 12, 2019

11:30 AM

6th Floor Boardroom  
625 Fisgard Street  
Victoria, BC

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PRESENT: L. Helps (Chair), D. Blackwell, J. Brownoff (for S. Brice), B. Desjardins, K. Harper (for F. Haynes), M. Hicks, G. Holman, B. Isitt, J. Loveday, C. McNeil-Smith, R. Mersereau, K. Murdoch, G. Orr, C. Plant, D. Screech, L. Seaton, N. Taylor, K. Williams, R. Windsor, G. Young

ABSENT: D. Howe, R. Martin, J. Ranns, M. Tait

STAFF: R. Lapham, Chief Administrative Officer; N. Chan, Chief Financial Officer; K. Lorette, General Manager, Planning & Protective Services; C. Culham, Senior Manager, Regional Housing; C. English (Recorder)

Chair Helps acknowledged the Lekwungen-speaking peoples, on whose territory the CRD building stands and recognized with respect all of the First Nations governments across the region with whom the CRD has a long-standing relationship.

The meeting was called to order at 11:30 a.m.

#### 1. APPROVAL OF THE AGENDA

**MOVED** by Director Williams, **SECONDED** by Director Taylor  
That the agenda be approved as circulated.  
**CARRIED**

#### 2. ADOPTION OF MINUTES

2.1. [19-583](#) Capital Region Housing Corporation Minutes for Adoption

**MOVED** by Director Orr, **SECONDED** by Director Seaton  
That the minutes from the Capital Region Housing Corporation Board meeting of May 8, 2019 be adopted.  
**CARRIED**

#### 3. REPORT OF THE CHAIR

The Chair advised that the timing of the Capital Region Housing Corporation Board meeting is being reviewed, to ensure efficiency.

#### 4. PRESENTATIONS/DELEGATIONS

#### 5. ADMINISTRATION REPORTS

## 6. REPORTS OF COMMITTEES

- 6.1. [19-413](#) Capital Region Housing Corporation Investment Portfolio Holdings and Performance Annual Update

**MOVED** by Director Blackwell, **SECONDED** by Director Screech  
That the Capital Region Housing Corporation Investment Portfolio Holdings and Performance Annual Update be received for information.  
**CARRIED**

- 6.2. [19-540](#) Mortgage Renewals - Parkview and Carey Lane

**MOVED** by Director Mersereau, **SECONDED** by Director Murdoch  
a) That the resolution required by BC Housing Management Commission to renew the mortgages for Parkview and Carey Lane through the Canada Mortgage and Housing Corporation Direct Lending Program for a term not to exceed the expiry of the existing operating agreement be approved; and  
b) That the Chief Administrative Officer and Chief Financial Officer be authorized to sign any documents related to the mortgage renewals.  
**CARRIED**

## 7. NEW BUSINESS

## 8. ADJOURNMENT

**MOVED** by Director Plant, **SECONDED** by Director Isitt  
That the meeting be adjourned.  
**CARRIED**

The meeting was adjourned at 11:34 a.m.

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CHAIR

CERTIFIED CORRECT:

\_\_\_\_\_  
CORPORATE OFFICER



**REPORT TO HOSPITALS AND HOUSING COMMITTEE  
MEETING OF WEDNESDAY, OCTOBER 2, 2019**

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**SUBJECT**     **Mortgage Renewal – Brock Place**

**ISSUE**

BC Housing Management Commission (BCHMC) requires a resolution from the Capital Region Housing Corporation (CRHC) Board of Directors to renew the mortgage for Brock Place.

**BACKGROUND**

The mortgage for Brock Place, a 30-unit townhouse complex at 882 Brock Avenue, Langford, is due for renewal on January 1, 2020. The existing mortgage is secured by Great West Life Assurance Company at a rate of 5.26%.

The Brock Place 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.

Renewal details are shown in Table 1:

**Table 1 – Mortgage Details**

Building	Estimated Principal at renewal	Annual Subsidy	Requested Term	Operating Agreement & Mortgage Maturity Date
Brock Place	\$2,772,893	\$124,236	10 years	January 1, 2035

**ALTERNATIVES**

*Alternative 1:*

That the Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:

- a) That the resolution required by BC Housing Management Commission to renew the mortgage for Brock Place for a term not to exceed the expiry of the existing operating agreement be approved; and
- b) That the Chief Administrative Officer and Chief Financial Officer be authorized to sign any documents related to the mortgage renewal.

*Alternative 2:*

That staff be directed to review other financing options based on Capital Region Housing Corporation Board direction.

**FINANCIAL IMPLICATIONS**

Recent tender rates BCHMC has obtained for 10-year mortgage terms are shown in Table 2:

**Table 2 – BCHMC 10-year Tender Rates**

Date	Rate
June 2019	2.77%
July 2019	2.47%
August 2019	2.38%
September 2019	2.20%

If the Board approves the BCHMC tendered mortgage renewal process, CRHC will continue to benefit from the preferential interest rates available through the BCHMC tender process and continue to receive the annual rent subsidy assistance for Brock until the expiry of the operating agreement.

A Board decision to not renew the mortgage under the BCHMC tender process would necessitate acquiring BCHMC's permission and securing a commitment for alternate financing through private sector lenders. Examples of current posted rates for a 10-year fixed term mortgage from Scotiabank is 6.19% and Vancity is 6.5%.

The Municipal Finance Authority (MFA) is a lending option that would require the Capital Regional District (CRD) to borrow on behalf of the CRHC. Under this option, CRD's Land Banking and Housing Service borrowing capacity would be reduced by the required \$2.8M and any increase to the maximum borrowing capacity (Bylaw No. 3715) would require an alternative approval process.

An evaluation of borrowing rates shows the BCHMC tendered mortgage renewals interest rate is the most cost effective option.

Should the Board direct staff to borrow outside the BCHMC tendered mortgage renewal process, the annual rent subsidy assistance will be revised based on the lesser of the BCHMC tendered interest rate or the CRHC acquired interest rate for the remaining 10-year term.

**CONCLUSION**

As per the Brock Place 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 CMHC approved lenders to secure the best interest rate and terms available in the market.

**RECOMMENDATIONS**

That the Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:

- a) That the resolution required by BC Housing Management Commission to renew the mortgage for Brock Place for a term not to exceed the expiry of the existing operating agreement be approved; and
- b) That the Chief Administrative Officer and Chief Financial Officer be authorized to sign any documents related to the mortgage renewals.

Submitted by:	Christine Culham, Senior Manager, Regional Housing
Concurrence:	Kevin Lorette, P.Eng., MBA, General Manager Planning & Protective Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

CC:ce