



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

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Wednesday, November 13, 2019

12:45 PM

6th Floor Boardroom  
625 Fisgard Street  
Victoria, BC

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### INAUGURAL MEETING

#### 1. CALL TO ORDER

*By Chief Administrative Officer Bob Lapham*

#### 2. TERRITORIAL ACKNOWLEDGEMENT

#### 3. ELECTION OF THE CHAIR OF THE CORPORATION BOARD

*Election conducted by CAO Lapham with assistance by the Corporate Officer*

#### 4. ELECTION OF THE VICE CHAIR OF THE CORPORATION BOARD

*Election conducted by newly elected Chair with assistance by Corporate Officer*

#### 5. APPROVAL OF THE AGENDA

#### 6. ADOPTION OF MINUTES

- 6.1. [19-964](#) Minutes of the October 09, 2019 Capital Region Housing Corporation Board Meeting

**Recommendation:** That the minutes of the Capital Region Housing Corporation Board meeting of October 09, 2019 be adopted as circulated.

**Attachments:** [Minutes - October 09, 2019](#)

#### 7. REPORT OF THE CHAIR

#### 8. PRESENTATIONS/DELEGATIONS

##### 8.1 Presentations

##### 8.2 Delegations

#### 9. CONSENT AGENDA

#### 10. ADMINISTRATION REPORTS

## 11. REPORTS OF COMMITTEES

### 11.1. [19-908](#) Mortgage Renewal - Colquitz Green

**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 Colquitz Green 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.

**Attachments:** [Staff Report: Mortgage Renewal - Colquitz Green](#)

## 12. BYLAWS

## 13. NOTICE(S) OF MOTION

## 14. NEW BUSINESS

## 15. MOTION TO CLOSE THE MEETING

### 15.1. [19-965](#) Motion to Close the Meeting

**Recommendation:** That the meeting be closed in accordance with the Community Charter, Part 4, Division 3, 90(1),(e), the acquisition, disposition or expropriation of land or improvements, if the board considers that disclosure could reasonably be expected to harm the interests of the regional district.

## 16. ADJOURNMENT

### Voting Key:

**NWA - Non-weighted vote of all Directors**

**NWP - Non-weighted vote of participants (as listed)**

**WA - Weighted vote of all Directors**

**WP - Weighted vote of participants (as listed)**

## Meeting Minutes

### 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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**PRESENT:**

L. Helps (Chair), D. Screech (Vice-Chair), D. Blackwell, S. Brice, B. Desjardins, F. Haynes, M. Hicks, G. Holman, D. Howe, B. Isitt, C. McNeil-Smith, R. Martin, R. Mersereau, K. Murdoch, G. Orr, C. Plant, K. Khakauwila (for J. Ranns), L. Seaton, K. Williams

Staff: R. Lapham, Chief Administrative Officer; N. Chan, Chief Financial Officer; K. Lorette, General Manager, Planning and Protective Services; K. Morley, General Manager, Corporate Services; T. Robbins, General Manager, Integrated Water Services; E. Gorman, Deputy Corporate Officer; S. Closson, Committee Clerk (Recorder)

Regrets: Directors Loveday, Tait, Taylor, Young, Alternate Director Thompson

The meeting was called to order at 12:45 pm.

#### 1. TERRITORIAL ACKNOWLEDGEMENT

Director Desjardins provided a Territorial Acknowledgement.

#### 2. APPROVAL OF THE AGENDA

**MOVED** by Director Mersereau, **SECONDED** by Director Brice,  
That the agenda for the October 09, 2019 Session of the Capital Region Housing Corporation Board be approved.  
**CARRIED**

#### 3. ADOPTION OF MINUTES

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

**MOVED** by Director Haynes, **SECONDED** by Director Williams,  
That the minutes from the Capital Region Housing Corporation Board meeting of June 12, 2019 be adopted as circulated.  
**CARRIED**

#### 4. REPORT OF THE CHAIR

The Chair remarked that at the end of 2020, 475 additional units will be added to Housing with more to come.

#### 5. PRESENTATIONS/DELEGATIONS

There were no presentations or delegations.

## 6. CONSENT AGENDA

There were no items for consideration under this section.

## 7. ADMINISTRATION REPORTS

There were no Administration Reports.

## 8. REPORTS OF COMMITTEES

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

K. Lorette spoke to the mortgage renewal for Brock Place.

**MOVED** by Director Blackwell, **SECONDED** by Director Taylor,  
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.

**CARRIED**

## 9. BYLAWS

There were no bylaws for consideration under this section.

## 10. NOTICE(S) OF MOTION

There were no Notice(s) of Motion.

## 11. NEW BUSINESS

There was no new business.

## 12. MOTION TO CLOSE THE MEETING

## 13. ADJOURNMENT

**MOVED** by Director McNeil-Smith, **SECONDED** by Director Blackwell,  
That the October 09, 2019 Capital Region Housing Corporation Board meeting be  
adjourned at 12:50 pm.

**CARRIED**

\_\_\_\_\_  
CHAIR

CERTIFIED CORRECT:

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

**REPORT TO HOSPITALS AND HOUSING COMMITTEE  
MEETING OF WEDNESDAY, NOVEMBER 6, 2019**

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**SUBJECT**     **Mortgage Renewal - Colquitz Green**

**ISSUE**

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

**BACKGROUND**

The mortgage for Colquitz Green, a 20-unit townhouse complex at 945 Portage Road, Saanich is due for renewal on February 1, 2020. The existing mortgage will mature November 1, 2024 and is currently financed through Canada Mortgage and Housing Corporation (CMHC) Direct Lending for a 10-year term at 3.51%. Mortgage renewals are processed through BCHMC.

BCHMC intends to renew the mortgage through CMHC Direct Lending, which offers lower interest rates than other lenders. The 5-year term rate at October 2019 for CMHC Direct Lending is 1.75%. The interest rates for renewals are set at the equivalent term Government of Canada benchmark bond yield plus no more than approximately 0.50% per annum compounded semi-annually. Renewal details are shown in Table 1.

**Table 1 – Mortgage Details**

Building	Principal at renewal	Annual Subsidy	Requested Term	Operating Agreement & Mortgage Maturity Date
Colquitz Green	\$ 437,658	\$ 80,355	4 years 9 months	November 1, 2024

**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 Colquitz Green 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.

*Alternative 2:*

That staff be directed to review other financing options based on Hospitals and Housing Committee direction.

**FINANCIAL IMPLICATIONS**

If the Board approves the CMHC Direct Lending mortgage renewal, CRHC will continue to benefit from the preferential interest rates available through CMHC Direct Lending and continue to receive the annual rent subsidy assistance for Colquitz Green until the expiry of the operating agreement.

A Board decision to not renew the mortgages under CMHC Direct Lending would necessitate securing a commitment for alternate financing through private sector lenders. Examples of current posted rates for a 5-year fixed term mortgage from Scotiabank is 5.19% and Vancity is 5.19%.

The CRHC cannot borrow directly from the Municipal Finance Authority (MFA), which 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 \$440K and any increase to the maximum borrowing capacity (Bylaw No. 3715) would require an alternative approval process.

An evaluation of borrowing rates shows the CMHC Direct Lending interest rate is the most cost-effective option.

**CONCLUSION**

The CMHC Direct Lending rate for October 2019 is 1.75% for a 5-year term. It is the most cost-effective solution for the Colquitz Green mortgage renewal.

**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 Colquitz Green 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.

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