



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

Wednesday, March 11, 2020

12:45 PM

6th Floor Boardroom  
625 Fisgard Street  
Victoria, BC

**1. TERRITORIAL ACKNOWLEDGEMENT**

**2. APPROVAL OF THE AGENDA**

**3. ADOPTION OF MINUTES**

3.1. [20-200](#) Minutes of the January 8, 2020 Capital Region Housing Corporation Board Meeting

**Recommendation:** That the minutes of the Capital Region Housing Corporation Board meeting of January 8, 2020 be adopted as circulated.

**Attachments:** [Minutes - February 12, 2020](#)

**4. REPORT OF THE CHAIR**

**5. PRESENTATIONS/DELEGATIONS**

**5.1 Presentations**

**5.2 Delegations**

**6. CONSENT AGENDA**

**7. ADMINISTRATION REPORTS**

**8. REPORTS OF COMMITTEES**

**Hospitals and Housing Committee**

8.1. [20-164](#) Mortgage Renewals - Greenlea and Castanea

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

- a) That the resolutions required by BC Housing Management Commission to renew the mortgages for Greenlea and Castanea 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 renewal.

**Attachments:** [Staff Report: Mortgage Renewals - Greenlea and Castanea](#)

9. BYLAWS

10. NOTICE(S) OF MOTION

11. NEW BUSINESS

12. MOTION TO CLOSE THE MEETING

12.1. [20-207](#) Motion to Close the Meeting

- Recommendation:**
1. That the meeting be closed for Land Acquisition in accordance with section 90 (1)(e) of the Community Charter.
  2. That the Board considers that disclosures could reasonably be expected to harm the interests of the Housing Corporation and Regional District.

13. RISE AND REPORT

14. 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, January 8, 2020

12:45 PM

6th Floor Boardroom  
625 Fisgard Street  
Victoria, BC

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#### PRESENT

Directors: L. Helps (Chair), D. Blackwell, S. Brice, B. Desjardins, F. Haynes, M. Hicks, G. Holman, D. Howe, B. Isitt (12:46 pm), J. Loveday (12:47 pm), C. McNeil-Smith (12:47 pm), R. Martin, R. Mersereau, K. Murdoch, G. Orr, C. Plant (12:56 pm), J. Ranns (1:00 pm), L. Seaton, M. Tait, K. Harper (for N. Taylor), K. Williams, R. Windsor, G. Young

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; C. Culham, Senior Manager, Regional Housing; S. Eam, Supervisor, Financial Services; S. Closson, Committee Clerk (Recorder)

Guests: Lenora Lee, Audit Engagement Partner, KPMG; Sara Bennett, KPMG

Regrets: Director Screech

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

#### 1. TERRITORIAL ACKNOWLEDGEMENT

Chair Helps provided a Territorial Acknowledgement.

#### 2. APPROVAL OF THE AGENDA

**MOVED** by Director Blackwell, **SECONDED** by Director Haynes,  
That the agenda for the January 08, 2020 Session of the Capital Region Housing Corporation Board be approved.

**CARRIED**

#### 3. ADOPTION OF MINUTES

3.1. [20-025](#) Minutes of the December 11, 2019 Capital Region Housing Corporation Board

**MOVED** by Director Seaton, **SECONDED** by Director Murdoch,  
That the minutes of the Capital Region Housing Corporation Board meeting of December 11, 2019 be adopted as circulated.

**CARRIED**

#### 4. REPORT OF THE CHAIR

The Chair noted that this will be a busy year as the Capital Regional Housing

Corporation through the Regional Housing First Program have a number of units under construction and our mandate as a CRD Board is to get another 1100 units under construction by 2021 and also to secure \$30M to build the remaining units.

## 5. PRESENTATIONS/DELEGATIONS

### 5.1 Presentations

#### 5.1.1. [20-037](#) Capital Region Housing Corporation 2019 Audit Planning Report, Lenora Lee, Audit Engagement Partner, KPMG

N. Chan introduced the presentation to the Board.

L. Lee spoke to the presentation of the Audit Planning Report.

Discussion ensued on the following:

- process for qualifications of subsidized tenants
- audit process

### 5.2 Delegations

There were no 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. [20-006](#) Capital Region Housing Corporation 2019 Audit Planning Discussion

Discussion ensued on the following:

- process change mechanism options
- current sampling scope

**MOVED** by Director Tait, **SECONDED** by Director Mersereau,  
That the Capital Region Housing Corporation 2019 Audit Plan developed by  
KPMG be approved.

**CARRIED**

## 9. BYLAWS

There were no bylaws for consideration.

## 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**

There was no motion to close the meeting.

**13. RISE AND REPORT**

There was no Rise and Report.

**14. ADJOURNMENT**

**MOVED** by Director Blackwell, **SECONDED** by Loveday,  
That the January 08, 2020 Capital Region Housing Corporation Board meeting be  
adjourned at 1:04 pm.  
**CARRIED**

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**CHAIR**

**CERTIFIED CORRECT:**

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**CORPORATE OFFICER**

**REPORT TO HOSPITALS AND HOUSING COMMITTEE  
MEETING OF WEDNESDAY, MARCH 04, 2020**

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**SUBJECT**     **Mortgage Renewals – Greenlea and Castanea**

**ISSUE SUMMARY**

BC Housing Management Commission (BCHMC) requires a resolution from the Capital Region Housing Corporation (CRHC) Board of Directors to renew the mortgages for Greenlea and Castanea.

**BACKGROUND**

The mortgage for Greenlea, a 21-unit townhouse complex at 788 Shawnee Road, Saanich is due for renewal on June 1, 2020. The existing mortgage will mature March 1, 2025 and is currently financed through Canada Mortgage and Housing Corporation (CMHC) Direct Lending for a five-year term at 3.43%.

The mortgage for Castanea, a 25-unit townhouse and 34-unit apartment building at 2860 Quadra Street, Victoria is due for renewal on June 1, 2020. The existing mortgage will mature February 1, 2030 and is currently financed through CMHC Direct Lending for a five-year term at 3.43%. Mortgage renewals are processed through BCHMC.

BCHMC intends to renew the mortgages through CMHC Direct Lending, which offers lower interest rates than other lenders. The 5-year term rate at February 2020 for CMHC Direct Lending is 1.73%. 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
Greenlea	\$ 495,104	49,320	4 years 9 months	March 1, 2025
Castanea	\$2,823,454	223,902	5 years	February 1, 2030

**ALTERNATIVES**

*Alternative 1*

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

- a) That the resolutions required by BC Housing Management Commission to renew the mortgages for Greenlea and Castanea 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 renewal.

*Alternative 2*

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

## **IMPLICATIONS**

### *Financial Implications*

If the Board approves the CMHC Direct Lending mortgage renewals, 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 Greenlea and Castanea until the expiry of the operating agreements.

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 also 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 \$3.32 million 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 mortgages for Greenlea and Castanea are due for renewal on June 1, 2020. The most cost-effective option is to renew through CMHC Direct Lending.

## **RECOMMENDATION**

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

- a) That the resolutions required by BC Housing Management Commission to renew the mortgages for Greenlea and Castanea 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 renewal.

Submitted by:	Christine Culham, Senior Manager
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