



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

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Wednesday, June 24, 2020

12:45 PM

6th Floor Boardroom  
625 Fisgard Street  
Victoria, BC

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### Special Meeting

#### 1. TERRITORIAL ACKNOWLEDGEMENT

#### 2. APPROVAL OF THE AGENDA

#### 3. REPORT OF THE CHAIR

#### 4. PRESENTATIONS/DELEGATIONS

##### 4.1. Presentations

##### 4.2. Delegations

#### 5. SPECIAL MEETING MATTERS

##### 5.1. [20-356](#) 2020 West Park Building Operating Budget and Capital Region Housing Corporation Major Capital Plan Amendment

**Recommendation:** That the 2020 Building Operating Budget for West Park and the Capital Region Housing Corporation Major Capital Plan Amendment be approved.

**Attachments:** [Staff Report: 2020 West Park Building Operating Budget](#)  
[Appendix A: RHFP Operating Budget Summary - West Park](#)  
[Appendix B: CRHC 5-Year Maj Cap'l Expend Plan Summary \(Amended\)](#)

#### 6. MOTION TO CLOSE THE MEETING

##### 6.1. [20-367](#) 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; and  
2. That such disclosures could reasonably be expected to harm the interests of the Regional District. [1 item]

#### 7. RISE AND REPORT

#### 8. ADJOURNMENT





## REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD MEETING OF WEDNESDAY, JUNE 24, 2020

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**SUBJECT**     **2020 West Park Building Operating Budget and Capital Region Housing Corporation Major Capital Plan Amendment**

### **ISSUE SUMMARY**

To present the proposed operating budget for West Park for 2020 and amend the Capital Region Housing Corporation (CRHC) Major Capital Plan to move the prepaid lease for West Park from 2021 to 2020.

### **BACKGROUND**

West Park is a 152 unit development located in View Royal. It was originally intended to be completed in September 2021. Seymour Developments provided a construction schedule in January 2020 when construction commenced indicating that the project will be completed in November 2020. The project is currently on schedule.

The property is funded by a \$10.2 million (M) Regional Housing First Program (RHFP) contribution representing 22% of the units. Canada Mortgage and Housing Corporation (CMHC) will provide a grant for \$10.2M to the Capital Regional District (CRD) through CMHC's contribution to the RHFP. The RHTF is providing a grant of \$660,000. The balance of the \$41,673,485 purchase price will be funded by a \$30,813,485 mortgage. The CRD will own 100% of the units. The acquisition of this property is already included in the CRD's 2020 Capital Plan. The CRHC will enter into a 60-year prepaid lease agreement with CRD equal to the amount of the mortgage. CRHC will receive mortgage financing from BC Housing *Community Partnership Initiative* program for the lease agreement between CRD and CRHC with a 35-year amortization. CRHC will be required to enter into an operating agreement with BC Housing to meet the mortgage requirements. Operations and CRHC mortgage payments will be paid for through the tenant rent revenue; no ongoing subsidy is required.

### **ALTERNATIVES**

#### *Alternative 1*

That the 2020 Building Operating Budget for West Park and the Capital Region Housing Corporation Major Capital Plan Amendment be approved.

#### *Alternative 2*

That the 2020 Building Operating Budget for West Park and the Capital Region Housing Corporation Major Capital Plan Amendment be referred back to staff for additional information.

### **IMPLICATIONS**

#### *RHFP Portfolio*

Under the RHFP, the CRD purchased Millstream Ridge in January 2019 and anticipates purchasing Spencer Close in November 2020. The Millstream Ridge and Spencer Close 2020 Building Operating Budgets were presented and approved individually by the Board on December 11, 2019. West Park's Building Operating Budget is being presented in a similar fashion, in Appendix A. Until they have completed a full calendar-year of operations, the RHFP properties will be presented separately to clearly report on their individual performance. After a

full calendar-year of operations, each CRHC-RHFP property will join the RHFP portfolio, and will pool their accumulated surplus/(deficits) and capital replacement reserves; similar to the Umbrella Operating Agreement.

*West Park*

West Park will be in its first year of operations with only a one-month operating period. The proposed 2020 Operating Budget is \$64,050. The estimated tenant rent revenue accounts for one third of the building being rented. It is anticipated that the property will be fully rented by March 2021. Staff are proposing a 2020 balanced budget with no operating surplus. CRHC staff will review timing of purchase, mortgage rates and 2020 cash flow, and related financial implications to address any budgetary issues for a property in its first year of operations.

*CRHC Capital Plan (Appendix B)*

The CRHC Capital Plan originally included the prepaid lease of West Park from the CRD in 2021 funded by mortgage debt. The Capital Plan will be amended to include the prepaid lease and mortgage funding occurring in 2020. The purchase of West Park by the CRD is already included in the CRD Final Capital Plan in 2020. The lease and mortgage will have no impact to CRHC cash flow as the lease is fully funded by mortgage debt, which in turn is serviced by tenant rents.

**Table 1: West Park 2020 proposed budget**

<b>Regional Housing First Program Agreement – West Park (Appendix A)</b>	
	<b>2020 Proposed</b>
Total Revenue	\$64,050
Total Expenditures	(64,050)
Operating Surplus/(Deficit)	-

**CONCLUSION**

West Park is a 152 unit development located in View Royal. Originally intended to be completed in September 2021, however it is on schedule to be completed by November 2020. Acquisition of West Park is already included in the CRD's 2020 Capital Plan. West Park will be in its first year of operations with only a one-month operating period. The proposed 2020 Building Operating Budget is \$64,050 and the CRHC Capital Plan is proposed to be amended to move the West Park prepaid lease from 2021 to 2020. Staff are recommending that the 2020 Building Operating Budget for West Park and CRHC Major Capital Plan Amendment be approved by the CRHC Board.

**RECOMMENDATION**

That the 2020 Building Operating Budget for West Park and the Capital Region Housing Corporation Major Capital Plan Amendment be approved.

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

**ATTACHMENT(S):**

- Appendix A: RHFP Operating Budget Summary – West Park
- Appendix B: CRHC Five Year Major Capital Expenditure Plan Summary (Amended)

CAPITAL REGION HOUSING CORPORATION  
 2020 RHFP AGREEMENT BUDGET SUMMARY - West Park  
 - 1 Property: 152 Mixed Income Housing  
 - Constructed 2020

APPENDIX A

	2019 Board Approved (A)	2019 Estimated (B)	2019 Budget \$ Variance (C)	2019 Budget % Variance (D)	2020 <sup>(1)</sup> CRHC Proposed (E)
<b>Revenue</b>					
Tenant Rent Contribution	-	-	-	0.0%	62,550
Misc Revenue - parking	-	-	-	0.0%	1,500
<b>Total Revenue</b>	-	-	-	0.0%	64,050
<b>Expenditures</b>					
Audit/Legal	-	-	-	0.0%	-
Caretaker	-	-	-	0.0%	11,000
Garbage	-	-	-	0.0%	2,100
Gas	-	-	-	0.0%	800
Landscape Maintenance	-	-	-	0.0%	-
Hydro	-	-	-	0.0%	5,000
Insurance Premium	-	-	-	0.0%	8,500
Maintenance	-	-	-	0.0%	6,000
Management Fee	-	-	-	0.0%	15,200
Mortgage Payments	-	-	-	0.0%	-
Property Taxes	-	-	-	0.0%	-
Transfer to Replacement Reserve	-	-	-	0.0%	10,950
Water	-	-	-	0.0%	4,500
<b>Total Expenditures</b>	-	-	-	0.0%	64,050
<b>Total West Park Surplus/(Deficit)</b>	-	-	-	0.0%	-
<b>Beginning Balance RHFP Stabilization Reserve</b>		38			38
Operating Surplus/(Deficit)		-			-
<b>End Balance RHFP Stabilization Reserve</b>		<u>38</u>			<u>38</u>

**Notes:**

(1) 2020 budget is based on 1 month of operations

FIVE YEAR MAJOR CAPITAL EXPENDITURE PLAN SUMMARY - 2020 to 2024

		Total Project Budget	Spent at Dec/19	Balance Remaining at Dec/19	2020	2021	2022	2023	2024	TOTAL
<b>EXPENDITURE</b>										
Westview	B&L	16,626,171	11,015,102	5,611,069	5,611,069	-	-	-	-	5,611,069
Caledonia	B&L	59,471,636	350,000	59,121,636	4,900,000	20,000,000	20,000,000	14,221,636	-	59,121,636
Michigan	B	1,300,000	250,000	1,050,000	1,050,000	-	-	-	-	1,050,000
Drake	B	182,165	182,165	-	-	-	-	-	-	-
Millstream Ridge	Lease	35,456,975	35,456,975	-	-	-	-	-	-	-
Spencer	Lease	30,129,518		30,129,518	30,129,518					30,129,518
Hockley	Lease	25,483,518		25,483,518	-	25,483,518				25,483,518
West Park	Lease	30,813,485		30,813,485	30,813,485					30,813,485
Carey Lane - Building Envelope	B	2,400,000	-	2,400,000	-	2,400,000	-	-	-	2,400,000
		<b>201,863,468</b>	<b>47,254,242</b>	<b>154,609,226</b>	<b>72,504,072</b>	<b>47,883,518</b>	<b>20,000,000</b>	<b>14,221,636</b>	<b>-</b>	<b>154,609,226</b>
<b>SOURCE OF FUNDS (combined)</b>										
Capital Funds to be recovered	Cap	78,930	78,930	-	-	-	-	-	-	-
Mortgage Debt	Debt	172,199,641	38,315,415	133,884,226	66,554,072	33,108,518	20,000,000	14,221,636	-	133,884,226
PDF Repayable Loan (Provincial)	Loan	250,000	-	250,000	250,000	-	-	-	-	250,000
Grants (Federal, Provincial, Local)	Grant	25,709,897	7,284,897	18,425,000	4,250,000	14,175,000	-	-	-	18,425,000
Capital Surplus & UOA Reserve	Res	3,625,000	1,575,000	2,050,000	1,450,000	600,000	-	-	-	2,050,000
		<b>201,863,468</b>	<b>47,254,242</b>	<b>154,609,226</b>	<b>72,504,072</b>	<b>47,883,518</b>	<b>20,000,000</b>	<b>14,221,636</b>	<b>-</b>	<b>154,609,226</b>

FIVE YEAR MAJOR CAPITAL EXPENDITURE PLAN SUMMARY - 2020 to 2024

		Total Project Budget	Spent at Dec/19	Balance Remaining at Dec/19	2020	2021	2022	2023	2024	TOTAL
<b>SOURCE OF FUNDS (by project)</b>										
<b>Westview - IHI</b>										
Mortgage Debt	Debt	8,469,509	2,858,440	5,611,069	5,611,069	-	-	-	-	5,611,069
Grants (Provincial)	Grant	7,156,662	7,156,662	-	-	-	-	-	-	-
Capital Surplus Fund	Res	1,000,000	1,000,000	-	-	-	-	-	-	-
		<b>16,626,171</b>	<b>11,015,102</b>	<b>5,611,069</b>	<b>5,611,069</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,611,069</b>
<b>Caledonia - CHF</b>										
Mortgage Debt	Debt	41,846,636	-	41,846,636	-	7,625,000	20,000,000	14,221,636	-	41,846,636
Grants (Provincial)	Grant	15,400,000	-	15,400,000	4,250,000	11,150,000	-	-	-	15,400,000
Grants (Local)	Grant	1,225,000	-	1,225,000	-	1,225,000	-	-	-	1,225,000
UOA Stabilization Reserve	Res	1,000,000	350,000	650,000	650,000	-	-	-	-	650,000
		<b>59,471,636</b>	<b>350,000</b>	<b>59,121,636</b>	<b>4,900,000</b>	<b>20,000,000</b>	<b>20,000,000</b>	<b>14,221,636</b>	<b>-</b>	<b>59,121,636</b>
<b>Michigan</b>										
PDF Repayable Loan (Provincial)	Loan	250,000	-	250,000	250,000	-	-	-	-	250,000
Grants (Federal)	Grant	50,000	50,000	-	-	-	-	-	-	-
UOA Stabilization Reserve	Res	1,000,000	200,000	800,000	800,000	-	-	-	-	800,000
		<b>1,300,000</b>	<b>250,000</b>	<b>1,050,000</b>	<b>1,050,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,050,000</b>
<b>Drake</b>										
Grants (Local)	Grant	78,235	78,235	-	-	-	-	-	-	-
Capital Surplus	Res	25,000	25,000	-	-	-	-	-	-	-
Recovery (Provincial)	Other	78,930	78,930	-	-	-	-	-	-	-
		<b>182,165</b>	<b>182,165</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Millstream Ridge - RHFP</b>										
Mortgage Debt	Debt	35,456,975	35,456,975	-	-	-	-	-	-	-
		<b>35,456,975</b>	<b>35,456,975</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Spencer - RHFP</b>										
Mortgage Debt	Debt	30,129,518	-	30,129,518	30,129,518	-	-	-	-	30,129,518
		<b>30,129,518</b>	<b>-</b>	<b>30,129,518</b>	<b>30,129,518</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,129,518</b>
<b>Hockley - RHFP</b>										
Mortgage Debt	Debt	25,483,518	-	25,483,518	-	25,483,518	-	-	-	25,483,518
		<b>25,483,518</b>	<b>-</b>	<b>25,483,518</b>	<b>-</b>	<b>25,483,518</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,483,518</b>
<b>West Park - RHFP</b>										
Mortgage Debt	Debt	30,813,485	-	30,813,485	30,813,485	-	-	-	-	30,813,485
		<b>30,813,485</b>	<b>-</b>	<b>30,813,485</b>	<b>30,813,485</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,813,485</b>
<b>Carey Lane - BER</b>										
UOA Stabilization Reserve	Res	600,000	-	600,000	-	600,000	-	-	-	600,000
Grants (Federal/Provincial)	Grant	1,800,000	-	1,800,000	-	1,800,000	-	-	-	1,800,000
		<b>2,400,000</b>	<b>-</b>	<b>2,400,000</b>	<b>-</b>	<b>2,400,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,400,000</b>