



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

Wednesday, September 9, 2020

12:45 PM

6th Floor Boardroom  
625 Fisgard Street  
Victoria, BC

The Capital Regional District strives to be a place where inclusion is paramount and all people are treated with dignity. We pledge to make our meetings a place where all feel welcome and respected.

### 1. TERRITORIAL ACKNOWLEDGEMENT

### 2. APPROVAL OF THE AGENDA

### 3. ADOPTION OF MINUTES

- 3.1. [20-540](#) Minutes of the August 12, 2020 of the Capital Region Housing Corporation Board Meeting

**Recommendation:** That the minutes of the Capital Region Housing Corporation Board meeting of August 12, 2020 be adopted as circulated.

**Attachments:** [Minutes - August 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. [20-487](#) Michigan Redevelopment Legal Agreements

**Recommendation:** The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:  
That the Capital Region Housing Corporation Board authorize a Housing Agreement to identify the lands as rental in perpetuity, to be registered on 330-336 Michigan Street; and  
That the Chief Administrative Officer be authorized to accept the Victoria Housing Reserve Fund grant and terms of a Housing Agreement to secure residential units as affordable for 60 years for 330-336 Michigan Street.

**Attachments:** [Staff Report: Michigan Redevelopment Legal Agreements](#)  
[Appendix A: City of Victoria Resolution](#)  
[Appendix B: Housing Agreement](#)  
[Appendix C: Adjusted Grant Request & Affordable Housing Definitions](#)

**8.2. [20-488](#) Caledonia Project Development Funding Application**

**Recommendation:** That the Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:  
That the Chief Administrative Officer be authorized to submit one or more applications to BC Housing for a Project Development Fund Repayable Loan totaling \$1.6 million for the Caledonia redevelopment project, and accept such loans as negotiated and awarded.

**Attachments:** [Staff Report: Caledonia Project Development Funding Application](#)  
[Appendix A: Pre-Construction Costs](#)

**8.3. [20-501](#) Westview Forgivable Mortgage**

**Recommendation:** The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:  
a) That the resolution required by BC Housing Management Commission to amend the forgivable mortgage for Westview be approved; and  
b) That the Chief Administrative Officer and Chief Financial Officer be authorized to sign any documents related to the forgivable mortgage.

**Attachments:** [Staff Report: Westview Forgivable Mortgage](#)  
[Appendix A: Certified Copy of Resolution of Directors](#)

**9. BYLAWS**

**10. NOTICE(S) OF MOTION**

**11. NEW BUSINESS**

**12. MOTION TO CLOSE THE MEETING**

**13. RISE AND REPORT**

**14. ADJOURNMENT**

## Meeting Minutes

### Capital Region Housing Corporation Board

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Wednesday, August 12, 2020

12:45 PM

6th Floor Boardroom  
625 Fisgard Street  
Victoria, BC

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#### PRESENT

Directors: L. Helps (Chair), D. Screech (Vice-Chair), D. Blackwell, S. Brice, B. Desjardins, F. Haynes, M. Hicks, G. Holman, D. Howe (EP), M. Alto (for J. Loveday), C. McNeil-Smith, R. Martin, K. Murdoch, G. Orr, C. Plant, J. Ranns, M. Tait, Z. de Vries (for N. Taylor)(EP), K. Williams, R. Windsor, G. Young

Staff: R. Lapham, Chief Administrative Officer; N. Chan, Chief Financial Officer; L. Hutcheson, General Manager, Parks and Environmental Services; C. Culham, Acting General Manager, Planning and Protective Services (for K. Lorette); K. Morley, General Manager, Corporate Services; M. McCrank Acting General Manager, Integrated Water Services (for T. Robbins); E. Gorman, Deputy Corporate Officer; M. Lagoa, Acting Deputy Corporate Officer; S. Closson, Committee Clerk (Recorder);

EP – Electronic Participation

Regrets: Directors B. Isitt, J. Loveday, R. Mersereau, L. Seaton, N. Taylor

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

#### 1. TERRITORIAL ACKNOWLEDGEMENT

Director Helps provided a Territorial Acknowledgement.

#### 2. APPROVAL OF THE AGENDA

**MOVED** by Director Plant, **SECONDED** by Director Screech,  
That the agenda for the August 12, 2020 Session of the Capital Region Housing Corporation Board be approved.

**CARRIED**

#### 3. ADOPTION OF MINUTES

3.1. [20-440](#) Minutes of the July 08, 2020 Capital Region Housing Corporation Board

**MOVED** by Director Blackwell, **SECONDED** by Director Screech,  
That the minutes of the Capital Region Housing Corporation Board of July 08, 2020 be adopted as circulated.

**CARRIED**

#### 4. REPORT OF THE CHAIR

Chair Helps noted the hard work of the building management staff and acknowledged their efforts.

## 5. PRESENTATIONS/DELEGATIONS

### 5.1 Presentations

There were no presentations.

### 5.2 Delegations

There were no delegations.

## 6. CONSENT AGENDA

There were no Consent Agenda items for consideration under this section.

## 7. ADMINISTRATION REPORTS

There were no Administration Reports.

## 8. REPORTS OF COMMITTEES

### Hospitals and Housing Committee

#### 8.1. [20-427](#) Capital Region Housing Corporation Operational Update - 2nd Quarter

C. Culham provided an overview of the Capital Region Housing Corporation Operational Update for the 2nd Quarter.

Discussion ensued on the progress of the re-tenanting of Millstream Ridge.

**MOVED** by Director Blackwell, **SECONDED** by Alternate Director Alto,  
That the Capital Region Housing Corporation Operational Update - 2nd Quarter  
report be received for information.

**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

#### 12.1. [20-457](#) Motion to Close the Meeting

**MOVED** by Director Blackwell, **SECONDED** by Director Windsor,  
That the meeting be closed for Land Acquisition in accordance with Section 90(1)

(e) of the Community Charter.  
CARRIED

MOVED by Director Blackwell, SECONDED by Director Windsor,  
That such disclosures could reasonably be expected to harm the interests of the  
Regional District.  
CARRIED

The meeting was closed at 12:53 pm.

### 13. RISE AND REPORT

The meeting rose without report from closed session at 12:55 pm.

### 14. ADJOURNMENT

MOVED by Director McNeil-Smith, SECONDED by Director Martin,  
That the August 12, 2020 Capital Region Housing Corporation Board meeting be  
adjourned at 12:55 pm.  
CARRIED

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CHAIR

CERTIFIED CORRECT:

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CORPORATE OFFICER

**REPORT TO HOSPITALS AND HOUSING COMMITTEE  
MEETING OF WEDNESDAY, SEPTEMBER 02, 2020**

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**SUBJECT**     **Michigan Redevelopment Legal Agreements**

**ISSUE SUMMARY**

To execute a Housing Agreement with the City of Victoria to enable the issuance of a Development Permit with Variances for the construction of 97 new affordable rental units at 330-336 Michigan Street, and to accept the terms of the *Victoria Housing Reserve Fund*.

**BACKGROUND**

Housing Agreement for Development Permit

In February 2020, City of Victoria's Committee of the Whole recommended Council issue the Development Permit with Variance. Please see Appendix A for the City of Victoria resolution. In alignment with the Housing Strategy, a standard condition for an Affordable Housing Development Approval is the requirement for a Housing Agreement to guarantee the building will remain as rental in perpetuity. Please refer to Appendix B.

Housing Agreement for Housing Reserve Fund

On July 24, 2018, the Capital Region Housing Corporation (CRHC) Board of Directors authorized staff to submit applications for the Michigan Square Redevelopment to the City of Victoria Housing Reserve Fund (VHRF).

The VHRF<sup>i</sup> was established for the purpose of providing grants for funding to assist in the development and retention of affordable housing for households with very low, low or moderate incomes to support community diversity and infrastructure; and to facilitate the development of affordable rental housing and affordable home ownership projects. The VHRF provides up to \$10,000 for a one-bedroom, \$20,000 for two-bedroom and \$30,000 for three-bedroom units. The VHRF guidelines require the successful applicant to enter into a Housing Agreement with the City of Victoria (CoV) to ensure the units receiving funding remain affordable housing in perpetuity, or for a time approved by City Council.

In March 2020, City of Victoria Council approved \$1,020,000 in VHRF grant funding subject to preparation and execution of a Housing Agreement to secure the number, unit size and affordability levels of units in perpetuity. At the time of execution, CRHC staff were informed by CoV that the affordability levels defined within the VHRF do not align with BC Housing's *Building BC: Community Housing Fund* (CHF) definitions, and as such all moderate income units are not eligible for funding. CRHC staff will return to Council in October 2020 to request a reduction in the grant amount to \$620,000 for 46 units. Please refer to Appendix C for the City of Victoria and BC Housing definitions of low and moderate incomes and a detailed table outlining the adjusted request in the grant amount.

The rental amounts and corresponding unit sizes were approved and agreed to. However, at the time of execution the definition of 'moderate income' in the VHRF did not align with BC Housing's CHF.

## **ALTERNATIVES**

### *Alternative 1*

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

That the Capital Region Housing Corporation Board authorize a Housing Agreement to identify the lands as rental in perpetuity, to be registered on 330-336 Michigan Street; and

That the Chief Administrative Officer be authorized to accept the Victoria Housing Reserve Fund grant and terms of a Housing Agreement to secure residential units at affordable rates for 60 years for 330-336 Michigan Street.

### *Alternative 2*

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

That the Chief Administrative Officer be authorized to negotiate and accept a revised Housing Agreement to identify the lands for rental housing for 60 years, to be registered on title; and

That the Chief Administrative Officer be authorized to negotiate and accept the City of Victoria Housing Reserve Fund grant and terms of a Housing Agreement to secure residential units at affordable rates for 60 years.

### *Alternative 3*

That this report be referred back to staff for additional information.

## **IMPLICATIONS**

### *Alignment with Board & Corporate Priorities*

The Capital Regional District's (CRD) 2019-2023 Corporate Plan identified Community Well-Being as a Strategic Board Priority, which includes the creation of more affordable housing units. The CRD's 2018 Regional Housing Affordability Strategy has identified overarching goals and objectives to protect rental housing stock within the region. A strategy suggested by the CRD for the municipality is to regulate housing units based upon intended occupancy through policies and bylaws. A housing agreement that secures new buildings for rental tenure for a defined time period is a tool available to local governments through the *Local Government Act* to implement this strategy.

### *Social Implications*

The creation of new, sustainable and affordable housing options will improve quality of life for very low, low and moderate income families in the region. Identifying an area for rental housing in perpetuity provides longer term assurances that low income families and vulnerable populations will always have access to appropriate housing options within the region.

### *Financial Implications*

There will be two housing agreements. The first, for the development permit, will restrict the tenure of buildings for rental only in perpetuity. The second, to receive housing reserve fund grants, will secure affordable rental rates at defined income thresholds. The restriction on the use of the land

will decrease the value if a future sale is entertained. However, affordability and revenue generation will only be restricted for 60 years to align with the CHF Operating Agreement.

*Alignment with Existing Plans & Strategies*

The project aligns with the following strategies and plans:

1. [CRD 2019-2022 Corporate Plan](#)
2. [CRD 2018 Regional Housing Affordability Strategy](#)
3. [City of Victoria Strategic Plan 2019-2022](#)
4. [The Victoria Housing Strategy 2016-2025 Phase Two: 2019-2022](#)
5. [Homes for BC: A 30 point plan for Housing Affordability in British Columbia](#)

**CONCLUSION**

The Michigan Square redevelopment proposes to construct 97 new affordable rental housing units on CRHC owned lands at 330-336 Michigan Square in James Bay. Two housing agreements to be registered on title will secure the lands for rental in perpetuity and secure the new units at affordable rental rates for 60 years. Providing safe, affordable and sustainable rental units is a mandate of the CRHC and a high priority for the City of Victoria. The public hearing, issuance of the development permit and grant funding approval is anticipated for October 2020.

**RECOMMENDATION**

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

That the Capital Region Housing Corporation Board authorize a Housing Agreement to identify the lands as rental in perpetuity, to be registered on 330-336 Michigan Street; and

That the Chief Administrative Officer be authorized to accept the Victoria Housing Reserve Fund grant and terms of a Housing Agreement to secure residential units as affordable for 60 years for 330-336 Michigan Street.

Submitted by:	Christine Culham, Senior Manager, Regional Housing
Concurrence:	Christine Culham, Acting General Manager, Planning & Protective Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Acting Chief Administrative Officer

**ATTACHMENTS**

Appendix A: City of Victoria Council Motion, February 27, 2020

Appendix B: Housing Agreement: Rental in Perpetuity

Appendix C: VHRF Adjusted Grant Request & Affordable Housing Definitions

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<sup>i</sup> <https://www.victoria.ca/EN/main/residents/housing-strategy/housing/victoria-housing-fund.html>





**VICTORIA CITY COUNCIL**

**MEETING OF THURSDAY, FEBRUARY 27, 2020, AT 6:30 P.M.**

**I.4 330-336 Michigan Street: Revised Victoria Housing Reserve Fund Grant Application (James Bay)**

That Council:

1. Revise the Victoria Housing Reserve Fund (VHRF) grant, approved on February 27, 2020, to the Capital Region Housing Corporation for the Michigan Square project located at 330-336 Michigan Street from \$990,000 to \$1,020,000 to reflect a shift from market to moderate (affordable) income rent for two of the eight proposed 3-bedroom units.
2. Issue the VHRF grant funding subject to the applicant executing a Housing Grant Agreement and a Housing Agreement to the satisfaction of the City Solicitor and Director of Sustainable Planning and Community Development to secure the provision of the affordable units pursuant to the VHRF Guidelines as of March 21, 2019 on terms consistent with BC Housing's operating funding:
  - a. 7 studio units for very low income level;
  - b. 12 one-bedroom units for very low income level;
  - c. 1 two-bedroom unit for very low income level;
  - d. 9 one-bedroom units for low income level;
  - e. 11 two-bedroom units for low income level;
  - f. 2 three-bedroom units for low income level;
  - g. 12 one-bedroom units for moderate income levels
  - h. 4 two-bedroom units for moderate income levels;
  - i. 11 two-bedroom units for moderate income levels;
  - j. 20 two-bedroom units for moderate income levels; and
  - k. 2 three-bedroom units for moderate income levels.

**Carried**

**HOUSING AGREEMENT**  
(Pursuant to section 483 of the *Local Government Act*)

BETWEEN:

**THE CORPORATION OF THE CITY OF VICTORIA**  
#1 Centennial Square  
Victoria, B.C. V8W 1P6  
  
(the "**City**")

AND:

**CAPITAL REGION HOUSING CORPORATION**  
**Inc. No. BC257647**  
534 Yates Street  
Victoria, B.C. V8W 2S6  
  
(the "**Owner**")

**WHEREAS:**

- A. Capitalized terms used herein will have the respective meanings ascribed to them in section 1.1 of this Agreement, unless the context otherwise clearly requires or they are elsewhere defined herein.
- B. Under section 483 of the *Local Government Act* the City may, by bylaw, enter into a housing agreement with an owner regarding the occupancy of the housing units identified in the agreement, including but not limited to terms and conditions referred to in section 483(2) of the *Local Government Act*.
- C. The Owner is the registered and beneficial owner in fee simple of lands in the City of Victoria, British Columbia, with a civic address of 330, 332, 334 and 336 Michigan Street, Victoria, B.C. and legally described as:  
  
PID: 001-225-197  
LOT A, OF LOTS 1864, 1871, 1872, 1873, 1874, 1875 AND 1876, VICTORIA  
CITY, PLAN 42136  
(the "**Lands**").
- D. The Owner has applied to the City for a development permit with variances to permit the Development on the Lands in accordance with this Agreement.
- E. Subject to the issuance of a development permit with variances, the Owner intends to subdivide the Development through an air space parcel subdivision and/or by way of stratification and the Dwelling Units will be operated as residential rental units.
- F. The City and the Owner wish to enter into this Agreement, as a housing agreement pursuant to section 483 of the *Local Government Act*, to secure the agreement of the Owner that all Dwelling Units on the Lands will be used and held only as rental housing.

**NOW THIS AGREEMENT WITNESSES** that pursuant to section 483 of the *Local Government Act*, and in consideration of the premises and covenants contained in this agreement (the "**Agreement**"), the parties agree each with the other as follows:

## 1.0 DEFINITIONS

### 1.1 In this Agreement:

**"Business Day"** means Monday to Friday, other than any such day which is a statutory holiday in Victoria, British Columbia;

**"Development"** means two new mixed use, multi-storey buildings to be constructed on the Lands, and consisting of approximately 97 residential dwelling units and 9 commercial units, and related facilities authorized and contemplated by the development permit with variances and all permits issued by the City in respect thereof;

**"Director"** means the City's Director of Sustainable Planning and Community Development or their authorized nominee;

**"Dwelling Units"** means any or all, as the context may require, self-contained residential dwelling units within the Development and includes any dwelling unit that is developed on the Lands in future, whether as part of the Development or otherwise, and **"Dwelling Unit"** means any of such residential dwelling units located on the Lands;

**"Immediate Family"** includes a person's spouse, partner, child, grandchild, parent, grandparent, sibling, niece and nephew, and the Immediate Family of the person's spouse;

**"Land Title Act"** means the Land Title Act, R.S.B.C. 1996, c.250;

**"Lands"** means that certain parcel of land described in Recital C, and includes any parcel into which some or all of such land is consolidated or subdivided;

**"Local Government Act"** means the Local Government Act, R.S.B.C. 2015, c. 1;

**"Non-owner"** means a person other than a Related Person or the Owner;

**"Owner"** includes a person who acquires an interest in the Lands or any part of the Lands or the Development and is thereby bound by this Agreement, as referred to in section 13.3;

**"Related Person"** includes, where the registered or beneficial owner of the Lands or Dwelling Unit, as applicable, is:

- (a) a corporation or society:
  - (i) an officer, director, shareholder, or member of such corporation or society, or of another entity which is a shareholder or member of such corporation or society; or
  - (ii) an Immediate Family of a person to whom paragraph (i) applies, or
- (b) an individual, an Immediate Family of the registered or beneficial owner;

**“Strata Corporation”** means, for the portions of the Lands or any building on the Lands that is subdivided under the Strata Property Act, a strata corporation as defined in that Act, including the Owner while in control of the strata corporation and subsequently the individual strata lot owners collectively acting as the strata corporation;

**“Strata Plan”** means a strata plan filed in respect of the Lands or any subdivided portion thereof pursuant to the *Strata Property Act*;

**“Strata Property Act”** means the Strata Property Act, S.B.C. 1998, c. 43;

**“Tenancy Agreement”** means an agreement, lease, licence, or other right of a Non-owner to occupy a Dwelling Unit.

## **2.0 DWELLING UNITS TO BE RENTED AND USED ONLY AS RENTAL UNITS**

**2.1** The Owner covenants and agrees that the Dwelling Units shall only be used as rental housing in perpetuity, and for that purpose shall only be occupied by a Non-owner under the terms of a Tenancy Agreement between the Owner and the Non-owner who occupies the Dwelling Unit.

## **3.0 NO RESTRICTIONS ON RENTALS**

**3.1** The Owner covenants and agrees that the Owner shall not take any steps, or enter into any agreements, or impose any rules or regulations whatsoever, the effect of which would be to prevent or restrict the Owner of a Dwelling Unit from renting that Dwelling Unit to a Non-owner under the terms of a Tenancy Agreement.

**3.2** Without limiting the generality of section 3.1, the Owner covenants and agrees that it will not make application to deposit a Strata Plan for or in respect of the Lands or a building on the Lands unless the strata bylaws in no way restrict rental of any Dwelling Unit to a Non-owner under the terms of a Tenancy Agreement.

## **4.0 SUBDIVISION**

**4.1 Subdivision Generally.** If the Lands are subdivided at any time hereafter either under the provisions of the *Land Title Act* or under the *Strata Property Act*, or under other similar legislation enacted from time to time, then upon the deposit of a plan of subdivision, a Strata Plan, or similar plan as the case may be, subject to section 4.2 :

- (a) the rights and benefits of this Agreement herein granted will be annexed to and run with each of the new parcels, lots or other subdivided parcels and areas so created; and
- (b) the burdens, obligations, agreements and covenants contained in this Agreement will continue to be noted on each of the new parcels, lots or other subdivided parcels and areas so created.

**4.2 Subdivision by Strata Plan.** If the Lands, or any portion thereof, are subdivided by a Strata Plan:

- (a) the existence of this Agreement and the City bylaw authorizing and enacting it will be noted on the title of each individual strata lot and noted on the common property sheet;
- (b) the Owner will cause the Strata Corporation or the strata corporations created by the deposit of a Strata Plan to be obliged to perform and observe the Owner's applicable covenants in this Agreement, solely at the expense of the strata lot owners; and
- (c) the liability of each strata lot owner for the performance and observance of the Owner's covenants herein will be in proportion to the unit entitlement of his, her or its strata lot as established by the Strata Plan,

provided that, if the Lands are first subdivided by air space plan and then one or more of these parcels are further subdivided by Strata Plan, the easements and covenants registered concurrently with the air space plan may designate the air space parcel or the remainder, and therefore each strata lot owner and/or the Strata Corporation, responsible to perform and observe the Owner's covenants in this Agreement.

**4.3 Release of Notice.** For certainty, if the portion of the Lands containing the Development is subdivided and any of the parcels created as a result of such subdivision do not contain any of the Dwelling Units (the "**Subdivided Parcel**"), the owner of such Subdivided Parcel may apply to the City to release the Notice (as defined in section 6.1) from title to the Subdivided Parcel. The City agrees to execute and deliver a release of this Housing Agreement from title to the Subdivided Parcel, provided however that: (a) the City will have no obligation to execute any such release until a written request therefor from the owner of the Subdivided Parcel has been received by the City, which request will include the form of release in registerable form; (b) the cost of preparation of such release and the cost of registration of same in the Land Title Office will be paid by the Owner; and (c) the City will have a reasonable time within which to execute such release and return the same to the Owner for registration.

## **5.0 REPORTING**

**5.1** The Owner covenants and agrees to provide to the Director, within thirty (30) days of the Director's request, a report in writing confirming that:

- (a) all Dwelling Units are being rented to Non-owners or are vacant,
- (b) all other requirements of this Agreement are being complied with by the Owner,

along with such other information as may be requested by the Director from time to time.

**5.2** The Owner hereby authorizes the City to make such inquiries as it considers necessary in order to confirm that the Owner is complying with this Agreement.

**5.3** The Owner acknowledges that it is within the City's sole discretion to consent or not to consent to modifications of this Agreement and that such consent may be withheld for any reason.

**6.0 NOTICE TO BE REGISTERED IN LAND TITLE OFFICE**

**6.1** Notice of this Agreement (the “**Notice**”) will be registered in the Land Title Office by the City at the cost of the Owner in accordance with section 483 of the *Local Government Act*, and this Agreement is binding on the parties to this Agreement as well as all persons who acquire an interest in the Lands after registration of the Notice.

**7.0 LIABILITY**

**7.1** The Owner agrees to indemnify and saves harmless the City and each of its elected and appointed officials, employees and agents and their respective administrators, successors and permitted assigns, of and from all claims, demands, actions, damages, costs and liabilities, which all or any of them shall or may be liable for or suffer or incur or be put to by reason of or arising out of failure of the Owner to comply with the terms and conditions of this Agreement, or otherwise that would not have arisen “but for” this Agreement.

**7.2** The Owner hereby releases and forever discharges the City and each of its elected and appointed officials, employees and agents and their respective administrators, successors and permitted assigns, of and from any and all claims, demands, actions, damages, economic loss, costs and liabilities which the Owner now has or hereafter may have with respect to or by reason of or arising out of the fact that the Lands are encumbered by and affected by this Agreement, or otherwise that would not have arisen “but for” this Agreement.

**8.0 GENERAL PROVISIONS**

**8.1 NOTICE.** If sent as follows, notice under this Agreement is considered to be received:

- (a) seventy-two (72) hours after the time of its mailing (by registered mail),
- (b) on the date of dispatch if delivered by email or fax before 5:00 pm on a regular Business Day, and otherwise on the next regular Business Day thereafter, and
- (c) on the date of delivery if hand-delivered, and

in the case of the City, addressed to:

City of Victoria  
#1 Centennial Square  
Victoria, BC V8W 1P6

Attention: Director of Sustainable Planning and  
Community Development  
Fax: 250-361-0386  
Email: [khoese@victoria.ca](mailto:khoese@victoria.ca)

and in the case of the Owner, addressed to:

Capital Region Housing Corporation  
631 Fisgard Street  
Victoria, BC V8W 1R7

Attention: Senior Manager, Regional Housing  
Fax: 250-361-4970  
Email: [cculham@crd.bc.ca](mailto:cculham@crd.bc.ca)

or upon registration of a strata plan for the Lands, to the Strata Corporation, and to the Owner of any Dwelling Unit that is subject to the restrictions under section 2.1.

If a party identifies alternate contact information in writing to another party, notice is to be given to that alternate address/person.

If normal mail, email or facsimile service is interrupted by strike, work slowdown, force majeure, or other cause,

- (d) notice sent by the impaired service is considered to be received on the date of delivery, and
- (e) the sending party must use its best efforts to ensure prompt receipt of a notice by using other uninterrupted services, or by hand-delivering the notice.

**8.2 TIME.** Time is of the essence of this Agreement.

**8.3 BINDING EFFECT.** This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors, and permitted assignees. In accordance with section 483(6) of the *Local Government Act*, this Agreement and all obligations hereunder is binding on all who acquire an interest in the Lands, and is binding on the Owner only during the Owner's ownership of any interest in the Lands, and with respect only to that portion of the Lands of which the Owner has an interest.

**8.4 WAIVER.** The waiver by a party of any failure on the part of the other party to perform in accordance with any of the terms or conditions of this Agreement is not to be construed as a waiver of any future or continuing failure, whether similar or dissimilar.

**8.5 HEADINGS.** The division of this Agreement into articles and sections and the insertion of headings are for the convenience of reference only and will not affect the construction or interpretation of this Agreement.

**8.6 LANGUAGE.** Words importing the singular number only will include the plural and vice versa, words importing the masculine gender will include the feminine and neuter genders and vice versa, and words importing persons will include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa.

**8.7 LEGISLATION.** Reference to any enactment includes any regulations, orders or directives made under the authority of that enactment, and is a reference to that enactment as consolidated, revised, amended, re-enacted or replaced, unless otherwise expressly provided.

**8.8 EQUITABLE REMEDIES.** The Owner acknowledges and agrees that damages would be an inadequate remedy for the City for breach of this Agreement and that the public interest strongly favours specific performance, injunctive relief (mandatory or otherwise), or other equitable relief, as the only adequate remedy for a default under this Agreement.

- 8.9 CUMULATIVE REMEDIES.** No remedy under this Agreement is to be deemed exclusive but will, where possible, be cumulative with all other remedies at law or in equity.
- 8.10 ENTIRE AGREEMENT.** This Agreement when executed will set forth the entire agreement and understanding of the parties as at the date it is made.
- 8.11 FURTHER ASSURANCES.** Each of the parties will do, execute, and deliver, or cause to be done, executed, and delivered all such further acts, documents and things as may be reasonably required from time to time to give effect to this Agreement.
- 8.12 AMENDMENT.** This Agreement may be amended from time to time, by consent of the Owner and a bylaw duly passed by the Council of the City and thereafter if it is signed by the City and the Owner provided however, that the Owner acknowledges that it is within the City's sole discretion to consent or not to consent to modifications of this Agreement and that such consent may be withheld for any reason.
- 8.13 LAW APPLICABLE.** This Agreement is to be construed in accordance with and governed by the laws applicable in the Province of British Columbia.
- 8.14 NO DEROGATION FROM STATUTORY AUTHORITY.** Nothing in this Agreement shall:
- (a) limit, impair, fetter or derogate from the statutory powers of the City all of which powers may be exercised by the City from time to time and at any time to the fullest extent that the City is enabled and no permissive bylaw enacted by the City, or permit, licence or approval, granted, made or issued thereunder, or pursuant to statute, by the City shall estop, limit or impair the City from relying upon and enforcing this Agreement; or
  - (b) relieve the Owner from complying with any enactment, including the City's bylaws, or any obligation of the Owner under any other agreement with the City.
- 8.15 SEVERABILITY.** If any section, term or provision of this Agreement is found to be partially or wholly illegal or unenforceable, then such sections or parts will be considered to be separate and severable from this Agreement and the remaining sections or parts of this Agreement, as the case may be, will be unaffected thereby and will remain and be enforceable to the fullest extent permitted by law as though the illegal or unenforceable parts or sections had never been included in this Agreement.
- 8.16 JOINT AND SEVERAL.** The Owner, if more than one, are jointly and severally obligated to perform and observe each and every of the covenants, warranties and agreements herein contained by the Owner to be observed and performed.
- 8.17 COUNTERPARTS.** This Agreement may be executed in counterparts and delivered by emailed PDF file, each of which will have the same effect as if all parties had signed the same document. Each counterpart shall be deemed to be an original. All counterparts shall be construed together and shall constitute one and the same Agreement.



**8.18 EFFECTIVE DATE.** This Agreement is effective as of the date of the signature of the last party to sign.

**IN WITNESS WHEREOF** the parties hereto have set their hands and seals as of the day and year last below written.

**THE CORPORATION OF THE CITY OF )  
VICTORIA** by its authorized signatories: )

\_\_\_\_\_)  
Karen Hoese, Director of Sustainable )  
Development and Community Planning )

Date signed: \_\_\_\_\_ )

**CAPITAL REGION HOUSING )  
CORPORATION )**  
by its authorized signatory(ies): )

x \_\_\_\_\_ )  
Print Name: )

x \_\_\_\_\_ )  
Print Name: )

Date signed: \_\_\_\_\_

## Appendix C: VHRF Adjusted Grant Request & Affordable Housing Definitions

Table 1: Adjusted VHRF Unit Mix, Rents &amp; Eligibility

Unit Size	Units Approved	Revised Units	Affordability Level	Monthly Rent	VHRF Funding per Unit	Approved Grant Amount	Revised Grant Amount
Studio	7	7	Very Low Income	\$375	\$10,000	\$70,000	\$70,000
One Bedroom	12	16	Very Low Income	\$375	10,000	\$120,000	\$160,000
	9	9	Low Income	\$739	10,000	\$90,000	\$90,000
	12	0	Moderate Income	\$1,250	\$5,000	\$60,000	0
Two Bedroom	1	1	Very Low Income	\$739	\$20,000	\$20,000	\$20,000
	11	11	Low Income	\$960	\$20,000	\$220,000	\$220,000
	4	0	Moderate Income	\$1,800	\$10,000	\$40,000	\$ -
	11	0	Moderate Income	\$1,950	\$10,000	\$110,000	\$ -
	20	0	Moderate Income	\$2,000	\$10,000	\$200,000	\$ -
Three Bedroom	2	2	Low Income	\$1,380	\$30,000	\$60,000	\$ 60,000
	2	0	Moderate Income	\$2,000	\$15,000	\$30,000	\$ -
	0	0	Market	\$2,480	\$ -	\$ -	\$ -
	<b>91</b>	<b>46</b>				<b>\$1,020,000</b>	<b>\$620,000</b>

Table 2: Moderate Income Definition

City of Victoria VHRF Definition	Households with incomes at or below the latest available census data for the Victorian Census Metropolitan Area median total income, as defined by Statistics Canada.
BC Housing CHF Definition	<p>BC housing's low to moderate income limits are defined as:</p> <ol style="list-style-type: none"> <li>For residential units with less than two (2) bedrooms, a gross household income that does not exceed the median income for couples without children in B.C., as determined by BC Housing from time to time. <b>For 2020, this figure is \$74,150.</b></li> <li>For residential units with two (2) or more bedrooms, a gross household income that does not exceed the median income for families with children in B.C., as determined by BC Housing from time to time. <b>For 2020, this figure is \$113,040.</b></li> </ol>

**REPORT TO HOSPITALS AND HOUSING COMMITTEE  
MEETING OF WEDNESDAY, SEPTEMBER 02, 2020**

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**SUBJECT**     **Caledonia Project Development Funding Application**

**ISSUE SUMMARY**

To authorize the Capital Region Housing Corporation (CRHC) to apply for Project Development Funding through BC Housing Management Commission (BC Housing) as necessary and applicable for the Caledonia Redevelopment Project.

**BACKGROUND**

In August 2016, the Board approved the *CRHC Portfolio Renewal, Redevelopment and Development Strategy* (2016-2019) that included advancing the Caledonia redevelopment project. Preliminary funding approval was given to Caledonia through the *Building BC: Community Housing Fund* (CHF).

In January 2018, the Board provisionally approved a \$1 million equity contribution from the Umbrella Operating Agreement accumulated operating surplus for the Caledonia redevelopment project. Board final approval for these equity allocations was to be based on receipt of CHF approval. This was received in July 2018.

The project is proceeding through the pre-construction design phase. Funds required to advance the project to the construction phase will exceed the \$1 million CRHC equity contribution. Total pre-construction costs, including municipal fees, development cost charges, bonds, deposits, and design and project management fees are projected to total \$2.6 million. CHF equity will not be available until all permits have been issued, construction contracts have been tendered and a final control budget has been confirmed.

Through staff discussions, BC Housing has indicated that it will support the project with Project Development Funding (PDF) in the form of a repayable loan, to be recovered through the construction financing, upon approval of the project. PDF funding is made available when BC Housing is confident a project is advancing.

CRHC is recommending two separate PDF loan applications. The first PDF application, totaling \$500,000, would be submitted to BC Housing immediately following CRHC Board approval. The second application, totaling \$1.1 million, would be submitted after 50% design drawings are complete and submitted to BC Housing for review and comment. The PDF loan value would be registered on title in conjunction with the approval of the second PDF application.

**ALTERNATIVES**

*Alternative 1*

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

That the Chief Administrative Officer be authorized to submit one or more applications to BC Housing for a Project Development Fund Repayable Loan totaling \$1.6 million for the Caledonia

redevelopment project, and accept such loans as negotiated and awarded.

*Alternative 2*

That the report be referred back to staff for additional information.

**IMPLICATIONS**

*Social Implications*

The addition of these units will help improve the quality of life for households needing access to affordable rental housing units as well as improve general quality of life in the region.

*Financial Implications*

Of the existing \$1 million CRHC contribution, approximately \$525,000 has been spent on consultants, fees, project management and other pre-construction costs to-date.

(See Appendix A.)

Existing CRHC Contribution	\$1,000,000
Spent to-date	<u>525,000</u>
Remaining Committed Funds	475,000

Staff have estimated the remaining pre-construction costs and identified the need for additional funds to advance the project to the Construction Phase. Pre-construction costs, including municipal fees, bonds, deposits, and design and project management fees are projected to cost \$2.6 million. (See Appendix A.)

Projected Pre-Construction Costs	\$2,600,000
Existing CRHC Contribution	<u>1,000,000</u>
Total PDF Loan Required	1,600,000

*Alignment with Board & Corporate Priorities*

The CRD's 2019-2023 Corporate Plan identified Community Well-Being as a Strategic Board Priority, which included the creation of more affordable housing units within the region to address the needs of a diverse and growing population, including vulnerable residents.

*Alignment with Existing Plans & Strategies*

The projects align with the following strategies and plans:

1. CRD 2019-2022 Corporate Plan
2. CRD 2018 Regional Housing Affordability Strategy
3. City of Victoria Strategic Plan 2019-2022
4. City of Victoria Official Community Plan
5. Homes for BC: A 30 point plan for Housing Affordability in British Columbia, 2018

**CONCLUSION**

The Caledonia redevelopment project will leverage partnerships with BC Housing, the City of Victoria and the Greater Victoria School District to provide affordable housing in a centrally located neighbourhood within the core of the capital region. Project Development Funding is required to advance the project through the pre-construction design phase and through to construction. Staff will return to the Board for final budget approval.

**RECOMMENDATION**

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

That the Chief Administrative Officer be authorized to submit one or more applications to BC Housing for a Project Development Fund Repayable Loan totaling \$1.6 million for the Caledonia redevelopment project, and accept such loans as negotiated and awarded.

Submitted by:	Rob Fowles, Manager, Construction & Capital Projects, Regional Housing
Concurrence:	Christine Culham, Acting General Manager, Planning & Protective Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

Attachment: Appendix A Preconstruction Costs

## Caledonia Project Development Funding Application

Table 1 – Pre-Construction Costs

	<b>Spent</b>	<b>Remaining</b>	<b>Total</b>
Architect	188,418	342,000	530,418
Consultants**	139,377	187,363	326,740
Demolition and Site Preparation **	17,342	140,000	157,342
Legal	6,867	10,000	16,867
Municipal Fees **	4,310	1,156,733	1,161,042
Project Management	169,292	238,300	407,592
<b>TOTAL</b>	<b>525,604</b>	<b>2,074,396</b>	<b>2,600,000</b>

\*\* Class D estimate information\*\*

**REPORT TO HOSPITALS AND HOUSING COMMITTEE  
MEETING OF WEDNESDAY, SEPTEMBER 02, 2020**

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**SUBJECT**     **Westview Forgivable Mortgage**

**ISSUE SUMMARY**

BC Housing requires a Resolution from the Capital Region Housing Corporation (CRHC) Board of Directors to accept an amendment to the original mortgage.

**BACKGROUND**

In August 2018, BC Housing Management Commission (BCHMC) approved the Westview final project budget of \$21,126,170.86, including a \$4.5 million land valuation. The approved project budget included a CRHC \$1 million equity contribution, a repayable \$8,469,508.86 first mortgage, and a forgivable \$7,156,662 second mortgage in favour of BCHMC through the Investment in Housing Innovation (IHI) program. Both mortgages have 35-year amortization periods and are accompanied by terms as set out in the mortgage documents.

The CRHC Board approved the following recommendation on August 28, 2018:

*That the resolutions required by BC Housing Management Commission to authorize the execution of the Section 219 Covenant and the Loan and Mortgage documents for the Westview project be approved; and*

*That any two members of the Capital Region Housing Corporation Executive Committee be authorized to sign documents related to the Loan and Mortgage and Section 219 Covenant registration.*

Construction of Westview is complete and the project has been commissioned. The forgivable mortgage, held by BC Housing, is being reduced by \$700,000 because the project was delivered under budget through the construction management contract model. BC Housing has tendered the repayable mortgage and MCAP Financial Services Corp. was the successful bidder.

BC Housing requires a Resolution (Appendix A) to accept the amendment to the original forgivable mortgage.

**ALTERNATIVES**

*Alternative 1*

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

- a) That the resolution required by BC Housing Management Commission to amend the forgivable mortgage for Westview be approved.

*Alternative 2*

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

That the report be referred back to staff for more information.

**IMPLICATIONS**

*Financial Implications*

The reduction of the forgivable mortgage still allows CRHC to maintain affordable rent levels while meeting all debt service obligations through the operation of the building. The \$700,000 can now be invested into other affordable housing projects through BC Housing

Original forgivable mortgage	\$7,156,662
Reduction	<u>(700,000)</u>
Revised forgivable mortgage	\$6,456,662

Additional savings against the control budget allow for a take-out mortgage that is lower than anticipated. As a result, CRHC is able to reduce rent levels further, providing greater affordability in the region.

**CONCLUSION**

Construction of Westview is complete and the forgivable mortgage, held by BC Housing, is being reduced by \$700,000 because the project was delivered under budget through the construction management contract model. BC Housing requires a resolution by the CRHC Board of Directors to amend the forgivable mortgage for Westview.

**RECOMMENDATION**

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

- a) That the resolution required by BC Housing Management Commission to amend the forgivable mortgage for Westview be approved.

Submitted by:	Rob Fowles, Manager, Construction & Capital Projects, Regional Housing
Concurrence:	Michael Barnes, MPP, Acting General Manager, Planning & Protective Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Nelson Chan, MBA, CPA, CMA, Acting Chief Administrative Officer

**ATTACHMENTS:**

Appendix A: Certified Copy of Resolution of Directors



**CAPITAL REGION HOUSING CORPORATION**  
(the "Borrower")  
CERTIFIED COPY OF  
RESOLUTION OF DIRECTORS

“WHEREAS:

- A. The Borrower has or will be leasing the property at 3816 CAREY RD, VICTORIA, legally described as: **PID: 028-584-350, LOT A SECTION 24 VICTORIA DISTRICT PLAN VIP88857** (the "Property") in order to construct and operate a housing project on the Property (the "Project") under the British Columbia Housing Management Commission ("BCHMC") Investment in Housing Innovation Program and Deepening Affordability Program;
- B. The Borrower has a forgivable loan facility in the amount of \$7,156,662.00 with BCHMC and has by mortgage registered on September 12, 2018 in the Victoria Land Title Office under No. CA7059978 OF LEASE CA5938194 (the "Original Mortgage") mortgaged its interest in the Property to secure the principal sum of \$7,156,662.00 with interest thereon and other monies as provided for therein.
- C. The Borrower has agreed with BCHMC to amend the loan facility and Original Mortgage.

**BE IT RESOLVED THAT:**

- 1. The Borrower confirms that the Original Mortgage is a valid and subsisting second mortgage charge with respect to the Borrower's interest in the Property;
- 2. The Borrower amend the loan facility such that the principal amount will be reduced to \$6,456,662.00 and that the Original Mortgage be amended to reflect that it is to secure a Principal Amount of \$6,456,662.00;
- 3. The Borrower executes and delivers all documents required by BCHMC or the lender of the monies, including any takeout lender, in such form and containing such terms, covenants, provisos and conditions as are satisfactory to or required by them, including without limitation a modification of mortgage; and,
- 4. 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 Property and the Project 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 BCHMC or the lender of the monies.”

I, \_\_\_\_\_, THE UNDERSIGNED, \_\_\_\_\_ of **CAPITAL REGION HOUSING CORPORATION** 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

\_\_\_\_\_  
(Secretary or President)

STATUTORY DECLARATION  
CANADA  
PROVINCE OF BRITISH COLUMBIA  
IN THE MATTER OF

Representations made by **CAPITAL REGION HOUSING CORPORATION** (the "Borrower") to British Columbia Housing Management Commission (the "Lender") relating to advances of money by the Lender in connection with those lands described as:

**PID: 028-584-350, LOT A SECTION 24 VICTORIA DISTRICT PLAN VIP88857**

I, (Name), (Position) of **CAPITAL REGION HOUSING CORPORATION**, DO SOLEMNLY DECLARE that:

1. The Borrower was duly incorporated on **December 10, 1982**, under Certificate of Incorporation No. **BC0257647** and is in good standing with the Office of BC Registry Services.
2. Neither the incorporation documents of the Borrower nor any agreement that the Borrower has entered into impose any restrictions on the power and capacity of the Borrower to borrow funds from the Lender and to grant a modification of mortgage (the "Document") to the Lender.
3. The Borrower is or will be as of the date of registration of the applicable Document, the legal and beneficial owner of the leasehold interest in the real property described above and any personal property located thereon.
4. There is no action, suit or proceeding pending or threatened against the Borrower before any Court or administrative agency which, if determined against the Borrower, would result in a material adverse change in the property, assets, conditions (financial or otherwise), activities or operations of the Borrower or which would materially adversely affect the Borrower's ability to carry on its activities, or the ability of the Borrower to meet its obligations as contemplated by the loan commitment with the Lender.
5. The Borrower is not in default in the payment of any taxes, rates or assessments having priority over the Document, and without limiting the generality of the foregoing, all wages, salaries, fees, workers' compensation dues, income tax deductions, holiday pay, Federal and Provincial taxes for which the Borrower is liable have been fully paid.
6. All the persons named hereunder are duly elected or appointed officers and directors of the Borrower holding the respective offices set out opposite their names, and the signatures appearing opposite their respective names are the genuine signatures of such respective persons:

**Note: Only those directors and officers that are signing the security documents need to sign below.**

NAME & SIGNATURE & TITLE(S)

NAME & SIGNATURE & TITLE(S)

\_\_\_\_\_ and that each of these persons has been duly elected or appointed and was duly qualified for such office at the time of his or her election or appointment and that since the time of his or her election or appointment each of such persons has continued to be duly qualified for and to hold and now holds such office.

AND I make this solemn declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the Canada Evidence Act.

DECLARED before me at the \_\_\_\_\_ of \_\_\_\_\_ in the Province of British Columbia, this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Signature  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
A Commissioner for taking  
Affidavits for British Columbia