



Notice of Meeting and Meeting Agenda Capital Region Housing Corporation Board

Wednesday, February 14, 2024

1:15 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. [24-170](#) Minutes of the January 10, 2024 Capital Region Housing Corporation Board

Recommendation: That the minutes of the Capital Region Housing Corporation Board meeting of January 10, 2024 be adopted as circulated.

Attachments: [Minutes - January 10, 2024](#)

4. REPORT OF THE CHAIR

5. PRESENTATIONS/DELEGATIONS

The public are welcome to attend CRD Board meetings in-person.

Delegations will have the option to participate electronically. Please complete the online application at www.crd.bc.ca/address no later than 4:30 pm two days before the meeting and staff will respond with details.

Alternatively, you may email your comments on an agenda item to the CRD Board at crdboard@crd.bc.ca.

6. CONSENT AGENDA

7. ADMINISTRATION REPORTS

7.1. [24-163](#) Parry Place Mortgage Renewal

Recommendation: 1. That the Capital Region Housing Corporation Board approves the Resolution required by BC Housing Management Commission to renew the mortgage for Parry Place for a term not to exceed 10 years as required; and
2. That the Chief Administrative Officer or Chief Financial Officer be authorized to sign any documents related to the mortgage renewal.

Attachments: [Staff Report: Parry Place Mortgage Renewal](#)
[Appendix A: Resolution of Directors](#)

8. REPORTS OF COMMITTEES

9. NOTICE(S) OF MOTION

10. NEW BUSINESS

11. MOTION TO CLOSE THE MEETING

11.1. [24-181](#) Motion to Close the Meeting

Recommendation: 1. That the meeting be closed for Intergovernmental Negotiations in accordance with Section 90(2)(b) of the Community Charter. [2 Items]

12. RISE AND REPORT

13. ADJOURNMENT

Meeting Minutes

Capital Region Housing Corporation Board

Wednesday, January 10, 2024

1:00 PM

6th Floor Boardroom
625 Fisgard Street
Victoria, BC

PRESENT

DIRECTORS: Z. de Vries (Chair), J. Caradonna (Vice Chair), M. Alto, P. Brent, S. Brice, J. Brownoff, C. Coleman, B. Desjardins, S. Goodmanson (EP), G. Holman, P. Jones, D. Kobayashi, M. Little, C. McNeil-Smith, K. Murodch, D. Murdock (1:24 pm), C. Plant, S. Riddell (for R. Windsor), S. Roessingh (for K. Williams), L. Szpak, M. Tait, D. Thompson, S. Tobias, A. Wickheim

STAFF: T. Robbins, Chief Administrative Officer; N. Chan, Chief Financial Officer; A. Fraser, General Manager, Integrated Water Services; L. Hutcheson, General Manager, Parks and Environmental Services; K. Lorette, General Manager, Planning and Protective Services; K. Morley, General Manager, Corporate Services, A. Orr, Senior Manager, Corporate Communications; M. Lagoa, Deputy Corporate Officer; J. Dorman, Committee Clerk (Recorder)

EP - Electronic Participation

Guests: L. Lee, Lead Audit Engagement Partner, KPMG; S. Burden, Auditor, KPMG; C. Rice-Gural, Auditor, KPMG

Regrets: Directors K. Williams, R. Windsor

The meeting was called to order at 1:13 pm.

1. TERRITORIAL ACKNOWLEDGEMENT

Vice Chair Caradonna provided a Territorial Acknowledgement.

2. APPROVAL OF THE AGENDA

MOVED by Director Little, **SECONDED** by Director Alto,
That the agenda for the January 10, 2024 Session of the Capital Region Housing Corporation Board be approved.
CARRIED

3. ADOPTION OF MINUTES

3.1. [24-026](#) Minutes of the December 13, 2023 Capital Region Housing Corporation Board

MOVED by Director Murdoch, **SECONDED** by Director McNeil-Smith,
That the minutes of the Capital Region Housing Corporation Board meeting of December 13, 2023 be adopted as circulated.
CARRIED

4. REPORT OF THE CHAIR

As your all very aware the Alternative Approval Process for the Land Assembly, Housing and Land Banking has launched. We felt it was important that there was more information for the public about the purpose of why we are doing it and so we have submitted an op-ed to that affect to provide more information about the process.

5. PRESENTATIONS/DELEGATIONS

There were no delegations.

5.1. Presentations

- 5.1.1. [24-037](#) Presentation: CRHC 2023 Audit Planning, Lenora Lee, Lead Audit Engagement Partner, KPMG (Verbal)

L. Lee presented the 2023 Audit Planning Presentation.

Discussion ensued on the following:

- requirement to report out on liabilities associated with climate change
- asset management strategies
- use and impact of materiality
- internal audit procedure

Director Murdock joined the meeting in person at 1:24 pm.

6. CONSENT AGENDA

There were no consent agenda items.

7. ADMINISTRATION REPORTS

- 7.1. [23-978](#) Capital Region Housing Corporation 2023 Audit Planning Discussion

N. Chan spoke to Item 7.1.

MOVED by Director Kobayashi, **SECONDED** by Director Tait,
That the Capital Region Housing Corporation 2023 Audit Plan developed by
KMPG by approved.
CARRIED

8. REPORTS OF COMMITTEES

There were no reports of committees.

9. NOTICE(S) OF MOTION

There were no notice(s) of motion.

10. NEW BUSINESS

There was no new business.

11. ADJOURNMENT

MOVED by Director Coleman, **SECONDED** by Director Plant,
That the January 10, 2024 Capital Region Housing Corporation Board meeting be
adjourned at 1:36 pm.
CARRIED

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER

**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD
MEETING OF WEDNESDAY, FEBRUARY 14, 2024**

SUBJECT Parry Place Mortgage Renewal

ISSUE SUMMARY

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

BACKGROUND

The mortgage for Parry Place, a 21-unit assisted living facility funded under the Independent Living BC (ILBC2) program. This facility is owned by CRHC and operated by Beacon Community Services and is located at 408 Parry Street in Victoria, BC. The mortgage is due for renewal on May 1, 2024 and the current mortgage is held by People’s Trust Company at a rate of 3.48%.

At the expiry of the current mortgage term, BCHMC requires that CRHC secures the remaining loan balance in accordance with the terms of the ILBC2 Operating Agreement. BCHMC will publish tender calls to interested Canada Mortgage and Housing Corporation (CMHC) approved lenders to secure the best interest rate and terms available in the market. BC Housing also requires a Resolution of the Directors, attached as Appendix A, to authorize the Chief Administrative Officer or Chief Financial Officer to execute all documents related to the mortgage renewal.

Renewal details are shown in Table 1.

Table 1 – Mortgage Details

Building	Existing interest rate	Principal at renewal (estimated)	Annual subsidy	Remaining term	Mortgage maturity date	Operating agreement expiry
Parry Place	3.48%	\$3,093,434	\$298,464	20 years	May 1, 2043	Feb 1, 2042

ALTERNATIVES

Alternative 1

1. That the Capital Region Housing Corporation Board approves the Resolution required by BC Housing Management Commission to renew the mortgage for Parry Place for a term not to exceed 10 years as required; and
2. That the Chief Administrative Officer or Chief Financial Officer be authorized to sign any documents related to the mortgage renewal.

Alternative 2

That this report be referred to staff for additional information based on Capital Region Housing Corporation Board direction.

IMPLICATIONS

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
November 2023	5.14%
December 2023	4.63%
January 2024	4.10%
February 2024	4.21%

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.

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. For comparison, current posted rates for a 10-year fixed term mortgage from Vancity is 6.89% and Scotiabank is 7.49%.

An evaluation of borrowing rates shows the BCHMC tendered mortgage renewals interest rate is the most cost-effective option and will ensure maximum annual rent subsidy assistance.

The ILBC2 Operating Agreement states that the economic operating costs will be recalculated on the renewal of the mortgage to consider new payments for the loan. This language ensures that the monthly subsidy amount received from BCHMC will be adjusted to absorb the anticipated increase in debt servicing costs, which is the result of a likely higher rate on renewal.

CONCLUSION

As per the Parry Place Operating Agreement, BCHMC is required to secure the loan on behalf of the CRHC at expiry of the renewal term. BCHMC will tender the mortgage renewal to CMHC approved lenders to secure the best interest rate and terms available in the market. Following the renewal of the mortgage, BCHMC will review the subsidy level to consider the new payment amounts for the mortgage.

RECOMMENDATION

1. That the Capital Region Housing Corporation Board approves the Resolution required by BC Housing Management Commission to renew the mortgage for Parry Place for a term not to exceed 10 years as required; and
2. That the Chief Administrative Officer or Chief Financial Officer be authorized to sign any documents related to the mortgage renewal.

Submitted by:	Don Elliott, MUP, Senior Manager, Regional Housing
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENT

Appendix A – Resolution of Directors

Capital Region Housing Corporation

(the "Borrower")

CERTIFIED COPY OF RESOLUTION OF DIRECTORS

BE IT RESOLVED:

That the Borrower hereby irrevocably authorize and direct British Columbia Housing Management Commission ("BCHMC") to act on its behalf to renew the existing mortgage presently held by People's Trust Company (the "Mortgage") for the project located at 408 Parry Street, Victoria, BC (BCHMC file no. 91178 / 5529), including but not limited to selecting, at BCHMC's sole discretion, the mortgage renewal terms and arranging mortgage renewal with the take-out lender (the "Take-out Lender") on terms and conditions that are acceptable to BCHMC.

BE IT FURTHER RESOLVED:

That Edward Robbins, Chief Administrative Officer, or Nelson Chan, Chief Financial Officer, or their respective duly authorized delegates, together or with any one officer or director 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 Mortgage assignment, renewal and amendment 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 the lender of the monies.

I, Edward Robbins, THE UNDERSIGNED, Chief Administrative Officer 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 that such resolution has not been rescinded, amended or modified and is now in full force and effect.

WITNESS my hand this day of _____, 2024.

Witness

Edward Robbins
Chief Administrative Officer