



Notice of Meeting and Meeting Agenda Capital Region Housing Corporation Board

Wednesday, April 10, 2024

1:00 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. [24-364](#) Minutes of the March 13, 2024 Capital Region Housing Corporation Board Meeting

Recommendation: That the minutes of the Capital Region Housing Corporation Board meeting of March 13, 2024 be adopted as circulated.

Attachments: [Minutes - March 13, 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

6.1. [24-337](#) Tillicum Station Mortgage Renewal

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

1. That the resolution required by BC Housing Management Commission to renew the mortgage for Tillicum Station through the Canada Mortgage and Housing Corporation Tendered Lending Program for a term not to exceed 10 years as required be approved; and
2. That Edward Robbins, Chief Administrative Officer or Nelson Chan, Chief Financial Officer, or their duly authorized delegates together or with any one officer or director of the Borrower for and on behalf of the Borrower be authorized to sign any documents related to the mortgage renewal.

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

6.2. [24-338](#) Capital Region Housing Corporation Operational Update, First Quarter 2024

Recommendation: There is no recommendation. This report is for information only.

Attachments: [Staff Report: CRHC Operational Update, First Quarter 2024](#)
[Appendix A: Applicant Waiting List Details](#)

6.3. [24-339](#) Capital Plan Status Report, First Quarter 2024

Recommendation: There is no recommendation. This report is for information only.

Attachments: [Staff Report: Capital Plan Status Report, First Quarter 2024](#)
[Appendix A: BC Housing letter from February 29, 2024](#)

7. ADMINISTRATION REPORTS

8. REPORTS OF COMMITTEES

9. NOTICE(S) OF MOTION

10. NEW BUSINESS

11. ADJOURNMENT

Meeting Minutes

Capital Region Housing Corporation Board

Wednesday, March 13, 2024

1:00 PM

6th Floor Boardroom
625 Fisgard Street
Victoria, BC

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

STAFF: T. Robbins, Chief Administrative Officer; N. Chan, Chief Financial Officer; A. Fraser, General Manager, Integrated Water Services; L. Hutcheson, Acting General Manager, Parks and Environmental Services; K. Lorette, General Manager, Planning and Protective Services; K. Morley, General Manager, Corporate Services; D. Elliott, Senior Manager, Regional Housing; R. Lachance, Senior Manager, Financial Services; A. Linwood, Controller, Financial Services; B. Semmens, Manager, Financial Planning & Performance; M. Lagoa, Deputy Corporate Officer; S. Orr, Senior Committee Clerk (Recorder)

EP - Electronic Participation

Regrets: Directors M. Alto, C. Coleman, B. Desjardins, P. Jones, C. McNeil-Smith

The meeting was called to order at 1:01 pm.

1. TERRITORIAL ACKNOWLEDGEMENT

Vice Chair Caradonna provided a Territorial Acknowledgement.

2. APPROVAL OF THE AGENDA

MOVED by Director Tobias, **SECONDED** by Director Plant,
That the agenda for the March 13, 2024 Session of the Capital Region Housing Corporation Board be approved.
CARRIED

3. ADOPTION OF MINUTES

3.1. [24-248](#) Minutes of the February 14, 2024 Capital Region Housing Corporation Board

MOVED by Director Plant, **SECONDED** by Director Little,
That the minutes of the Capital Region Housing Corporation Board meeting of February 14, 2024 be adopted as circulated.
CARRIED

4. REPORT OF THE CHAIR

There were no Chair's remarks.

5. PRESENTATIONS/DELEGATIONS

There were no presentations or delegations.

6. CONSENT AGENDA

**MOVED by Director Plant, SECONDED by Director Brice,
That consent agenda items 6.1. through 6.3. be approved.
CARRIED**

- 6.1. [24-098](#) Capital Region Housing Corporation Investment Portfolio Holdings and Performance Annual Update

This report was received for information.

- 6.2. [24-231](#) Carillon Place Mortgage Renewal

**1. That the resolution required by BC Housing Management Commission to renew the mortgage for Carillon Place through the Canada Mortgage and Housing Corporation Tendered Lending Program for a term not to exceed 10 years as required be approved; and
2. That Edward Robbins, Chief Administrative Officer or Nelson Chan, Chief Financial Officer or their duly authorized delegates together or with any one officer or director of the Borrower for and on behalf of the Borrower be authorized to sign any documents related to the mortgage renewal.
CARRIED**

- 6.3. [24-232](#) 2023 Tenant Advisory Committee Year-End Reporting

This report was received for information.

7. ADMINISTRATION REPORTS

There were no administration reports.

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 Plant, **SECONDED** by Director Murdoch,
That the March 13, 2024 Capital Region Housing Corporation Board meeting be
adjourned at 1:02 pm.
CARRIED

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, APRIL 3, 2024**

SUBJECT Tillicum Station 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 Tillicum Station.

BACKGROUND

The mortgage for Tillicum Station, a 40-unit family townhome complex at 275/285 Hampton Road in Saanich, British Columbia, is funded through Homes BC and part of the Umbrella Operating Agreement (UOA). The mortgage is due for renewal on July 1, 2024, and the current mortgage is held by People’s Trust at a rate of 3.265%.

BCHMC intends to renew the mortgage through Canada Mortgage and Housing Corporation's (CMHC) Tendered Lending Program and will publish tender calls to interested 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	Current interest rate	Estimated principal at renewal	Annual subsidy (2023)	Remaining term	Mortgage maturity date	Operating agreement expiry
Tillicum Station	3.265%	\$2,857,947	\$96,158	13 years	July 1, 2037	Dec 31, 2024

ALTERNATIVES

Alternative 1

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

1. That the resolution required by BC Housing Management Commission to renew the mortgage for Tillicum Station through the Canada Mortgage and Housing Corporation Tendered Lending Program for a term not to exceed 10 years as required be approved; and
2. That Edward Robbins, Chief Administrative Officer or Nelson Chan, Chief Financial Officer, or their duly authorized delegates together or with any one officer or director of the Borrower for and on behalf of the Borrower 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

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 UOA 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

The mortgage for Tillicum Station is due for renewal on July 1, 2024. The most cost-effective option is to renew through CMHC Tendered Lending Program.

RECOMMENDATION

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

1. That the resolution required by BC Housing Management Commission to renew the mortgage for Tillicum Station through the Canada Mortgage and Housing Corporation Tendered Lending Program for a term not to exceed 10 years as required be approved; and
2. That Edward Robbins, Chief Administrative Officer or Nelson Chan, Chief Financial Officer, or their duly authorized delegates together or with any one officer or director of the Borrower for and on behalf of the Borrower 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

APPENDIX A

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 275/285 Hampton Rd, Saanich, BC (BCHMC file no. 90333 / 3241), 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, Chief Administrative Officer of the 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

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, APRIL 03, 2024**

SUBJECT **Capital Region Housing Corporation Operational Update, First Quarter 2024**

ISSUE SUMMARY

To provide the Capital Region Housing Corporation (CRHC) Board with an operational update in the areas of average days vacant, unit turnovers, and general financial performance.

BACKGROUND

The CRHC is a wholly owned subsidiary of the Capital Regional District (CRD) with the mandate to develop and manage affordable housing to meet the needs of individuals and families residing within the capital region. In working to fulfill its mandate, the CRHC delivers more than 2,000 affordable, attractive, inclusive, and sustainable homes across more than 50 unique properties located throughout the capital region.

In April, July, and October of each year, the CRHC advances an operational update to provide the CRHC Board with an overview of corporate performance as well as a separate Capital Plan Status Report that is solely focused on the delivery of the Major and Routine Capital Plans.

These two reports form the basis of the CRHC Board's oversight of CRHC activities and lay the foundation for consideration of a 2025 CRHC budget that will be presented to the CRHC Board in November 2024.

DISCUSSION

Operations Update

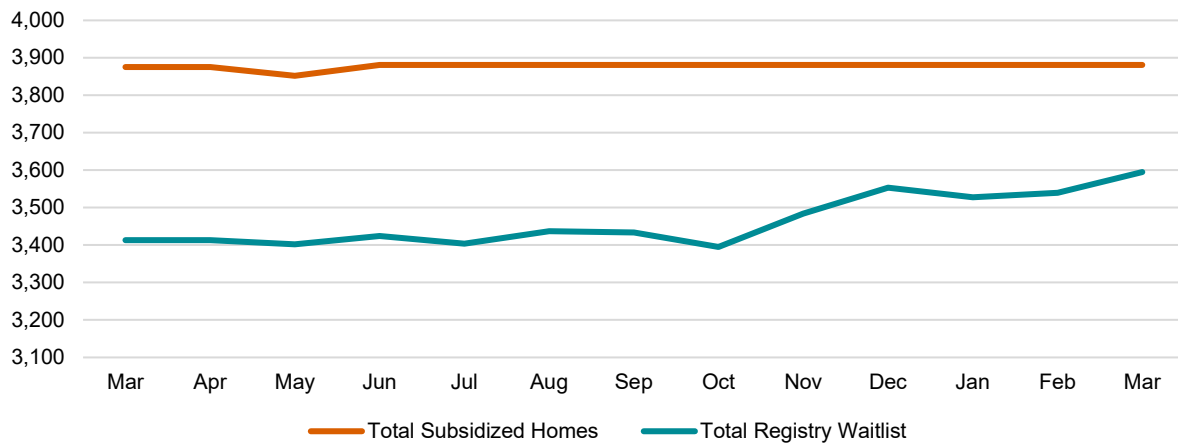
The properties that are managed by CRHC are supported by the work of approximately 50 Full-Time Equivalencies (FTE). Staffing continues to require attention due to planned growth, unanticipated absences, and the movement of staff into various roles within CRHC operations. Staff's focus through 2024 continues to be on maintaining existing services levels for tenants while also working to identify efficiencies and improve corporate performance.

Housing Registry Waitlist Statistics

The CRHC is required to identify tenants through the Housing Registry for all subsidized homes. The Housing Registry is an important tool as it provides a centralized database of applicant information to non-profit, and cooperative providers of affordable housing. The Housing Registry helps applicants as providing an opportunity to be selected by multiple housing providers in a coordinated way. It also supports housing providers manage applicant lists by maintaining a current database of applicants while eliminating duplication among housing providers who would otherwise receive and process applications from many of the same individuals and households. The Housing Registry requires applicants to renew their applications every six months to remain active.

Chart 1 provides an overview of the overall number of applicant households in the capital region up to March 10, 2024. The Applicant Waiting List Details is attached as Appendix A.

Chart 1: BC Housing Registry Waitlist Statistics



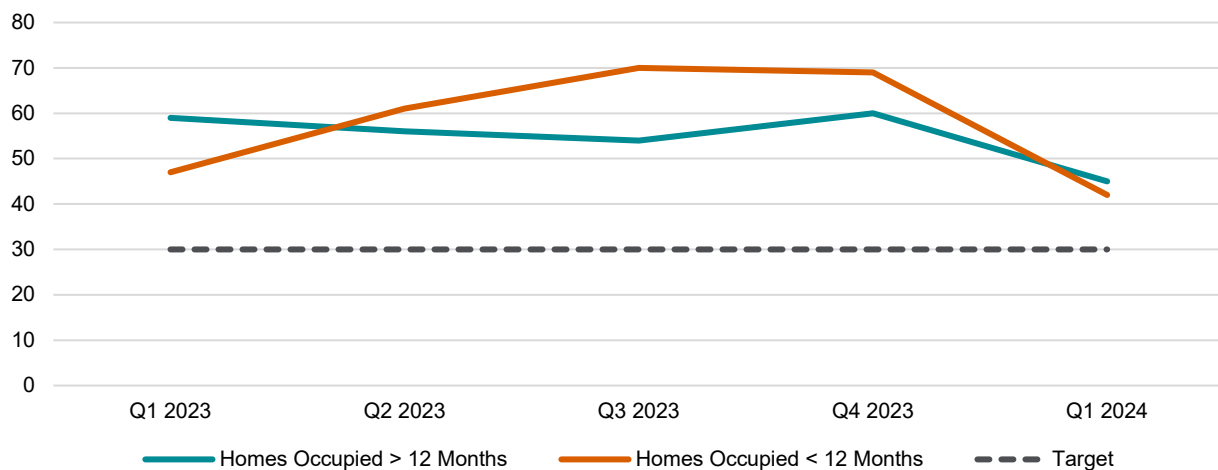
Over the last 12 months, there has been no significant change in the number of subsidized homes in the capital region, where the number reported in March 2024 is 3,881. Currently, households reported on the registry waitlist are 3,595 which represents a slight increase to March 2023.

As shown on Appendix A, the highest proportion of need in March 2024 is for Seniors (36%) followed by Family (26%) and then People with Disabilities (19%).

Vacancy¹

Tracking ongoing vacancy across the CRHC properties is critical for two reasons. First, there is a direct correlation between vacancy and corporate performance. Too many homes vacant for too long will impact revenue and can result in the Corporation underperforming. Second, a unit that is vacant or where there is a significant delay in making that home available to an eligible household may result in that household being in unaffordable or substandard housing for an extended period. Therefore, the CRHC tracks vacancy data for both established properties (greater than 12 months) and for newly opened properties (less than 12 months).

Chart 2: Average Days Vacant



¹ Note: These figures represent a snapshot pulled from CRHC systems and are current as of March 6, 2024.

Looking first at homes occupied greater than 12 months, staff have made considerable progress on reducing the number of average days vacant by 14 days compared to the same time a year ago. Over the last quarter, staff have worked to reduce the average days vacant by 15 days.

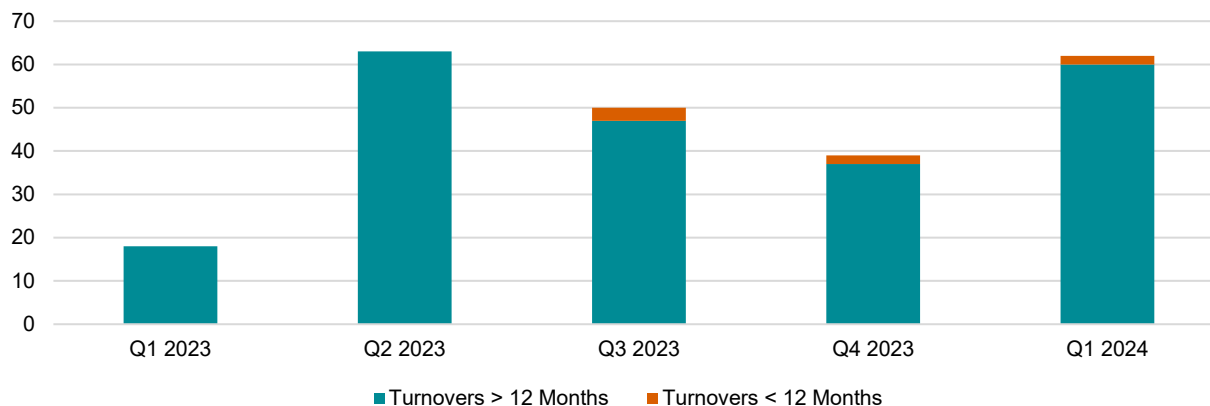
The only building that has been operational for less than 12 months is Prosser Place, located in Central Saanich. This building saw significant delays in renting several homes due to renovations required related to accessibility. However, as the renovations have been completed, all homes are now available, and staff have reduced the Average Days Vacant by 27 over the last quarter reducing the vacancy loss by almost one month.

As of March 6, 2024, there are 51 homes reported vacant across CRHC’s properties for a vacancy rate of 2.46%. The average days vacant for these homes is 41 days. Staff continue to focus on reducing the average days vacant of homes to a target of 30 days or less which includes time to rent-up and make necessary improvements (paint, flooring, appliances, etc.) to a unit prior to a new tenant moving in.

Unit Turnover

Turnover rates capture the number of homes that have been occupied at least once and then re-rented and are currently occupied. This is an important metric as it helps to identify the stability of CRHC’s communities. Instability (e.g., a high turnover rate) can impact financial performance as unit turnovers can result in lost revenue while also placing operational pressure on staff who are responsible for getting the unit ready for new tenants.

Chart 3: Q3 Turnover Rate – All Homes



Turnover of homes increased in Q1 2024 by a total of 23 homes over the last quarter and 44 homes from this time a year ago, and is driven primarily by movement in Regional Housing First Program (RHFP) properties. This trend is not uncommon as these homes contain a high proportion of market-affordable rent levels and generally see more tenant movement compared to subsidized buildings.

As noted previously, the only property that the CRHC is operating for less than 12 months is Prosser Place. As Chart 3 shows, there is a relatively high level of stability in this new community with only two turnovers being reported in Q1 2024. It should be noted that the CRHC welcomes tenants into their homes with an initial 12 month lease and it is expected that the building may see additional movement as these leases conclude and tenants may then choose to move homes.

As the majority of the CRHC’s revenues are driven through tenant rents; vacancy and turnover rates are critical metrics.

General Financial Performance

In December 2023, the CRHC Board approved a 2024 budget of \$34.2 million (M) in expenditures. As of Q1, revenues are generally tracking well against operational targets whereas expenditures are tracking below. Position vacancy and the time required to recruit staff into newly approved positions and underspending across several budget lines are contributing to this surplus. Underspending is typical in the early part of the year due to the seasonal nature of operational work and as staff are focused on year-end and the annual audit. Staff expect that as costs are incurred through Q2 and Q3, expenditures will increase closer to alignment with snapshot targets.

CONCLUSION

CRHC has continued recruiting, interviewing, and onboarding staff as offers are accepted. Now that some of the vacant positions have been filled, staff have begun to review internal processes and procedures to find efficiencies and realignment for performance improvements. The operational performance of the CRHC continues to improve with considerable gains being made in reducing the average days vacant in both the established housing stock and the more recently opened housing. The financial performance of the CRHC at the end of February 2024 is positive in a surplus position. As operations continue to move toward the opening of 97 new homes in the spring/summer of 2024, staff will continue to proactively monitor this indicator.

RECOMMENDATION

There is no recommendation. This report is for information only.

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: Applicant Waiting List Details

Mar 10, 2024 Applicant Waiting List Details

Region/Community	Housing Registry Subsidized Units	Total # of Applicants	Family	People With Disabilities	Seniors	Wheelchair Modified	Singles	Rent Supplements	Transfers	Pending Applications
Capital	3,881	3,595	939	681	1,296	149	274	0	247	9
Brentwood Bay	0	9	7	0	1	0	1	0	0	0
Central Saanich	0	49	15	9	21	2	2	0	0	0
Colwood	103	135	40	15	59	5	9	0	7	0
Esquimalt	153	214	50	43	87	11	11	0	12	0
Highlands	0	5	1	1	3	0	0	0	0	0
Jordan River	0	1	0	0	1	0	0	0	0	0
Langford	354	355	119	61	103	18	34	0	19	1
Metchosin	0	16	3	5	7	0	1	0	0	0
New Songhees 1A	0	26	7	5	13	1	0	0	0	0
North Saanich	24	31	9	2	14	1	3	0	2	0
Oak Bay	0	51	12	9	25	1	2	0	2	0
Pender Island	0	4	0	1	3	0	0	0	0	0
Port Renfrew	0	2	0	0	2	0	0	0	0	0
Saanich	1,289	638	180	116	208	28	42	0	62	2
Saanichton	0	35	13	2	17	1	2	0	0	0
Salt Spring Island	125	116	36	11	58	2	8	0	1	0
Saturna	0	2	0	1	1	0	0	0	0	0
Shirley	0	1	0	1	0	0	0	0	0	0
Sidney	30	63	13	11	32	1	4	0	2	0
Sooke	40	135	40	29	59	2	5	0	0	0
Victoria	1,746	1,615	367	336	551	72	146	0	137	6
View Royal	17	92	27	23	31	4	4	0	3	0
	3,881	3,595	939	681	1,296	149	274	0	247	9

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, APRIL 3, 2024**

SUBJECT **Capital Plan Status Report, First Quarter 2024**

ISSUE SUMMARY

To provide a quarterly update to the Hospitals and Housing Committee on the Capital Region Housing Corporation (CRHC) Major Capital Plan (2024-2028) and Routine Capital Plan (2024-2028).

BACKGROUND

The CRHC is a wholly owned subsidiary of the CRD with the mandate to develop and manage affordable housing to meet the needs of individuals and families residing within the capital region. In working to fulfill its mandate, the CRHC delivers more than 2,000 affordable, attractive, inclusive, and sustainable homes across more than 50 unique properties.

Currently, the CRHC has 277 homes under construction and 527 homes in development and pre-construction. Staff have also submitted grant applications that could provide an additional 717 new affordable rental homes by the end of 2028. In addition to the major capital work, staff are also underway with planning and pre-preconstruction activities under the Routine Capital Plan (2024-2028) for six significant renewal projects.

This report contains projects that have received or are pursuing grant funding through the following programs: Regional Housing First Program (RHFP), Regional Housing Trust Fund (RHTF), Growing Communities Fund (GCF), Building BC: Community Housing Fund (CHF), Green Municipal Fund (GMF), Capital Renewal Fund (CRF), Community Works Fund (CWF), Canada Mortgage and Housing Corporation's Affordable Housing Fund (CAHF), Saanich's Affordable Housing Fund (SAHF) and Victoria Housing Reserve Fund (VHRF).

IMPLICATIONS

Michigan Square (RHFP, RHTF, VHRF & CHF)

The Michigan Square Redevelopment is a project in Victoria's James Bay neighbourhood that will provide 97 new affordable rental homes. The redevelopment will see two four-storey wood frame apartment buildings constructed on top of the existing underground parkade. The 53-home west building is on track for occupancy in April 2024, however ongoing impacts from labour and material shortages continue to delay the completion of the 44-home east building. Currently, the east building is targeting occupancy in late June 2024.

The project is also experiencing budget impacts because of increased borrowing costs, which are compounded by schedule delays. At the time of Final Project Approval (FPA) in November 2021, the interim borrowing rate was 0.80% and the forecasted take-out financing rate was 3.55%. In January 2024, the interim borrowing rate for this project was 5.63% and the forecasted take-out financing rate is 4.69%. The increased borrowing rates equate to an estimated budget impact of approximately \$1.3 million (M). CRHC staff are actively working with BC Housing Management Commission (BCHMC) to secure additional funding, as well as adjusting rent levels to absorb the anticipated additional cost while maintaining debt servicing requirements.

Despite the impacts associated with increased interest rates, construction costs are within budget with a small surplus remaining in the construction contingency budget. If any surplus remains at project completion, the balance will be applied against the borrowing cost budget to reduce rents to the extent possible.

At this time, the project budget of \$34.3M, with a total of \$11.9M awarded through grants and an equity contribution remains unchanged from the approved Major Capital Plan (2024-2028). Once final details of anticipated budget impacts associated with increased financing costs have been confirmed, staff will return to the Board with a recommended budget amendment.

Caledonia (CHF, RHTF, & VHRF)

Caledonia, is a redevelopment in Victoria's Fernwood neighbourhood that will increase the number of homes on-site from 26 to 158, including 14 three-bedroom homes and 8 four-bedroom homes. The final buildout will include five new multi-family residential buildings, consisting of two apartment buildings and three townhouse blocks.

Like the Michigan Square Redevelopment project, escalating interest rates are affecting financing costs. Currently, the total interim construction financing costs are within budget, however, a budget shortfall is being forecasted by early 2025. CRHC staff and BCHMC continue to monitor borrowing rates and will return to the Board with a source of additional funding and a recommended budget amendment, if required.

The project budget of \$71M, with a total of \$20.6M awarded through grants and an equity contribution remains unchanged from the approved Major Capital Plan (2024-2028) and the project is on track to receive the occupancy permit in June 2025.

Carey Lane building envelope remediation (CRF)

Carey Lane, an existing 22-unit CRHC townhouse complex is currently undergoing a full building envelope remediation (BER) as well as upgrades to the ventilation, heating, and cooling systems. Since work commenced onsite in November 2023, several unforeseen conditions have been discovered on site which are beyond the anticipated scope of remediation work. CRHC staff, BCHMC, consultants and the contractor are working to undertake the additional works within the allocated budget.

Despite the unforeseen conditions, the project budget of \$6.1M, including a contingency of \$1.13M remains unchanged from the approved Major Capital Plan (2024-2028). With the additional remediation work required, the planned completion timeframe has shifted from Q4 2024 to Q1 2025.

Pandora (CHF)

The Pandora project is a partnership between the City of Victoria, BCHMC and the CRHC to build non-market rental homes and create new community space in the North Park neighbourhood. Once complete, the CRHC will lease an air-space parcel and operate approximately 158 affordable rental homes.

In February 2024, the Building Permit Application was submitted to the City of Victoria. Procurement is underway to prequalify a Construction Management Firm (CM). Once the CM is under contract, a Class C estimate will be undertaken to update the preliminary budget based on the Building Permit Drawings and the anticipated construction means and methods. Staff anticipate upward pressure on development costs as the estimates are updated and refined and will update the Major Capital Plan as required. The preliminary budget for the affordable housing component of this project remains unchanged and is \$83.4M, including \$25M in grant funding.

161 Drake Road (CWF)

161 Drake Road is a 5.5-acre property on Salt Spring Island that is owned by the CRD. In early 2022, lease discussions between the CRD and the BCHMC were initiated and in April 2023 the lease was registered. The lease facilitates BCHMC's ability to develop permanent supportive housing on the property. BCHMC has provided CRD staff with a letter, attached to this report as Appendix 'A', which contains details on development timelines, status, and resources for future project updates.

The CRHC's interest in this property was limited to future development opportunity and the current project is in progress with updates provided through [BCHMC](#).

Campus View (RHFP, RHTF, GMF, SAHF)

Campus View is an existing 12-unit CRHC townhouse complex located in the Gordon Head neighbourhood of Saanich. This site is a high priority redevelopment which will see the number of homes increase to 119, including 23 net-new three-bedroom homes of affordable housing. On February 13, 2024, the Rezoning and Development Permit received unanimous support from the District of Saanich (Saanich) Council. Additionally, Saanich Council approved \$333 thousand (K) from the SAHF. Staff are now working with consultants to advance the design development work for an anticipated Building Permit submission in Q3 2024.

The project budget of \$55.6M, with a total of \$11.6M in secured grant funding and an additional \$5M being pursued through the GMF remains unchanged from the approved Major Capital Plan (2024-2028). However, the project maintains an equity gap of roughly \$6.8M which staff are actively working to close.

Village on the Green (RHFP, RHTF)

Village on the Green, a CRHC owned complex located in Victoria's Fernwood neighbourhood, was identified as a property with significant redevelopment potential. The proposed redevelopment will see the number of homes increase from 38 homes to 140 homes, including 15 net-new three-bedroom homes. In February 2024, the Delegated Development Permit was issued through the City of Victoria's Rapid Deployment of Affordable Housing (RDAH) program. Staff are now working with consultants to advance the design development work and finalize an application to the VHRF.

The project budget of \$64.8M, with a total of \$18.4M in secured grant funding and an additional \$7M identified through potential funding sources, remains unchanged from the approved Major Capital Plan (2024-2028). However, the project budget continues to carry an equity gap of approximately \$3.6M which staff are actively looking to close.

Verdier (RHFP)

Located in Brentwood Bay Village, 1183 Verdier Avenue is an existing commercial property, consisting of a four-unit strip mall that is nearing the end of its useful life. The CRD has an accepted conditional offer to purchase the property through the RHFP. Once acquired by the CRD, the property will be leased to the CRHC for the purpose of developing up to 110 new affordable rental homes, including approximately 2,000 square feet of commercial space.

This project will align with the District of Central Saanich Official Community Plan (OCP) land use designation of Multi-Unit Residential and policies that support mixed-use development in the core commercial areas, including Brentwood Bay Village. In January 2024, CRHC staff initiated the formal rezoning process with the District of Central Saanich.

The project budget of \$69.1M, including the cost of land, is based on a Class D estimate that was carried out in October 2023. Staff are currently advancing the design work and pursuing additional grant funding opportunities which are required to move the project into construction.

Routine Capital Plan

The updated Five-Year Routine Capital Plan has a budget of \$4.3M in 2024, including \$3.5M allocated to the Umbrella Operating Agreement (UOA) portfolio. The existing UOA is set to expire in 2024 and negotiations for a new agreement will be underway by Q3 2024. In anticipation of the new agreement, capital spending in the UOA portfolio has been prioritized to ensure all agreed to funds are committed and obligations under the agreement are met prior to the expiration of the current UOA.

In Q1 2024, staff have advanced six significant renewal projects that are in various stages of procurement and pre-construction. Projects include window replacements, reroofing, deck replacements, fence replacements and building condition assessments.

Staff have worked diligently to initiate capital projects throughout Q1 2024 and as of February 29, 2024, staff have identified an additional \$663K in capital renewal projects that will be initiated in Q2 2024.

CONCLUSION

As part of staff's commitment to providing updates to the CRHC Board, the CRHC Major Capital Plan and Routine Capital Plan Status Report provides a snapshot of issues and items that have a potential to impact these Capital Plans. Ongoing skilled labour shortages, supply chain issues, global inflation and increased financing costs are factors affecting all CRHC capital projects. Despite these impacts staff continue to advance this critical work and look for innovative ways to access funding and execute capital works. Committed costs under the Routine Capital Plan (2024-2028) are ahead of schedule to ensure 2024 targets are met. Separately, active projects within the Major Capital Plan are experiencing schedule delays and financing cost overages. Although a budget amendment to the Major Capital Plan (2024-2028) is forecasted, as of Q1 2024, CRHC Major Capital Projects are in alignment with the Major Capital Plan (2024-2028).

RECOMMENDATION

There is no recommendation. This report is for information only.

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

ATTACHMENT

Appendix A: BC Housing letter from February 29, 2024

February 29, 2024

Capital Regional District Update

RE: 161 Drake Road, Salt Spring Island

Dear Rob Fowles and CRD Staff,

We are writing to share an update on the supportive housing project at 161 Drake Road on Salt Spring Island.

Background

In early 2022, BC Housing, through the Provincial Rental Housing Corporation (PRHC), leased the land at 161 Drake Road from the Capital Regional District. Our original plan was to build 28 permanent supportive homes on this property for Salt Spring Island residents who are at risk of or experiencing homelessness.

We chose repurposed modular construction as the best option for this building. We had initially planned to remediate existing modular units, however in October 2023, BC Housing learned that the contractor, NRB, was unable to complete this remediation work. At this time, BC Housing reassessed the project, aiming to provide the most value and high quality to the community and its residents.

Design and Construction Updates

We have now chosen to construct a new, purpose-built modular building on this site. We have also selected a new contractor, Muchalat Construction, to complete the project. Using new construction also allows us to increase the number of units from 28 to 36, providing eight additional homes for vulnerable Salt Spring Island residents.

Of the 36 units, 32 will be supportive housing and four will be affordable rental housing for low-to-moderate income residents. These four affordable rental units will be ground-oriented with a separate entrance from the supportive housing.

Due to the new construction, an elevator can also now be added to the supportive housing building to increase accessibility for all residents. All units will be air-conditioned.

Project Schedule

Outlined below is the revised schedule for the project:

- *Spring 2024* – Module fabrication is expected to begin this spring, with site preparation and civil work happening concurrently.
- *Mid-2024 – Operator Selection*: We anticipate issuing a Request for Proposal (RFP) soon to solicit a non-profit housing operator for the site.
- *Mid-2025 – Construction Complete*: The updated schedule is in progress, with the exact completion date still to be determined.
- *Late 2025 – Occupancy*: We are aiming to open the new homes to residents before the end of 2025.

Tenant and Community Engagement

BC Housing is continuing to engage with and support the current residents of the temporary housing at Kings Lane. We are also pleased to share that the last remaining resident of Seabreeze Inne has now moved to Kings Lane with support from BC Housing and the Umbrella Society.

All eligible Kings Lane residents will be offered a new home at Drake Road first. We will offer the remaining homes to eligible people via our Coordinated Access and Assessment Table.

BC Housing also continues to keep the local MLA and Ministry updated about this project.

We remain committed to providing the latest project information to the Salt Spring Island community and answering any questions people may have. Community members are welcome to visit letstalkhousingbc.ca/salt-spring-island-supportive-housing or email communityrelations@bchousing.org at any time.

We appreciate the CRD's ongoing collaboration on this project. Please reach out directly with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Sarah Smith", followed by a period.

Sarah Smith
Director, Regional Development, Vancouver Island
BC Housing