



Notice of Meeting and Meeting Agenda Capital Region Housing Corporation Board

Wednesday, September 11, 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. [24-829](#) Minutes of the July 10, 2024 Capital Region Housing Corporation Board Meeting

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

Attachments: [Minutes - July 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

8. REPORTS OF COMMITTEES

8.1. [24-801](#) Carey Lane Building Envelope Remediation Budget Amendment and
Capital Region Housing Corporation Major Capital Plan (2024-2028)
Amendment

Recommendation: The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:
1) That the Resolution of Directors in the form required by BC Housing Management Commission for the purposes of authorizing the execution of the Loan and Mortgage documents for the Carey Lane Building Envelope Remediation project (PID 012-067-032), substantially in the form attached hereto as Appendix B, be approved; and
2) That the Capital Region Housing Corporation Major Capital Plan (2024-2028) be approved as amended in Appendix C.

Attachments: [Staff Report: Carey Lane BER Budget Amend & CRHC Mjr Cap Plan Amend](#)
[Appendix A: Project Photos](#)
[Appendix B: Draft Certified Resolution of Dirs–Forgivable Mtge](#)
[Appendix C: CRHC Major Capital Plan \(2024-2028\) Amendment](#)

9. NOTICE(S) OF MOTION

10. NEW BUSINESS

11. ADJOURNMENT

Meeting Minutes

Capital Region Housing Corporation Board

Wednesday, July 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, C. Harder (for L. Szpak), G. Holman, P. Jones, D. Kobayashi, M. Little, C. McNeil-Smith, K. Murdoch, D. Murdock, C. Plant, M. Tait, D. Thompson, S. Tobias, A. Wickheim, K. Williams, R. Windsor

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

Regrets: Director L. Szpak

The meeting was called to order at 1:04 pm.

1. TERRITORIAL ACKNOWLEDGEMENT

Vice Chair Caradonna provided a Territorial Acknowledgement.

2. APPROVAL OF THE AGENDA

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

3. ADOPTION OF MINUTES

3.1. [24-698](#) Minutes of the May 8, 2024 Capital Region Housing Corporation Board Meeting

MOVED by Director Plant, **SECONDED** by Director Coleman,
That the minutes of the Capital Region Housing Corporation Board meeting of May 8, 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 Murdoch,
That consent agenda items 6.1. through 6.4. be approved.
CARRIED

- 6.1. [24-655](#) Capital Plan Status Report, Second Quarter 2024

This report was received for information.

- 6.2. [24-656](#) Capital Region Housing Corporation Operational Update, Second Quarter 2024

This report was received for information.

- 6.3. [24-657](#) Michigan Square Redevelopment Project Budget Amendment

1) That the resolutions, attached as Appendix A and Appendix B and required by BC Housing Management Commission to authorize the execution of the Loan and Mortgage documents for the Michigan Square Redevelopment project (PID 001-225-197) be approved; and

2) That the Chief Administrative Officer be authorized to do all things necessary to effect the project and take such steps as are required to conclude the construction, financing and operation of the Michigan Square Redevelopment project.

CARRIED

- 6.4. [24-489](#) Capital Region Housing Corporation Major Capital Plan (2024-2028) Amendment.

That the Capital Region Housing Corporation Major Capital Plan (2024-2028) be approved as amended in Appendix A.

CARRIED

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. MOTION TO CLOSE THE MEETING

11.1. [24-726](#) Motion to Close the Meeting

MOVED by Director Thompson, **SECONDED** by Alternate Director Harder,
1. That the meeting be closed for Land Acquisition under Section 90(1)(e) of the
Community Charter.

CARRIED

MOVED by Director Plant, **SECONDED** by Director Kobayashi,
2. That such disclosures could reasonably be expected to harm the interests of
the Regional District.

CARRIED

MOVED by Director Plant, **SECONDED** by Director Coleman,
That the meeting be recessed for the meeting of the Capital Regional District
Board.

CARRIED

The meeting recessed at 1:07 pm to convene the meeting of the Capital Regional
District Board.

The meeting reconvened and went into the Closed Session at 4:38 pm.

12. RISE AND REPORT

The Capital Region Housing Corporation Board rose from the Closed Session at
4:39 pm without report.

13. ADJOURNMENT

MOVED by Director Plant, **SECONDED** by Director Murdoch,
That the July 10, 2024 Capital Region Housing Corporation Board meeting be
adjourned at 4:40 pm.

CARRIED

CHAIR

CERTIFIED CORRECT:

CORPORATE OFFICER

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, SEPTEMBER 4, 2024**

SUBJECT **Carey Lane Building Envelope Remediation Budget Amendment and Capital Region Housing Corporation Major Capital Plan (2024-2028) Amendment**

ISSUE SUMMARY

BC Housing Management Commission (BCHMC) requires a resolution from the Capital Region Housing Corporation (CRHC) Board of Directors to authorize the execution of the financing and mortgage documents relating to the budget amendment on the Carey Lane Building Envelope Remediation (BER) project.

The Policy to Determine Delegation of Authority for the CRHC requires that all documents relating to mortgages valued over \$500,000 be approved by the CRHC Board.

BACKGROUND

Carey Lane is a 22-unit townhouse complex located at 3910 Carey Road in the District of Saanich which was constructed in 1989. Through the CRHC Portfolio Renewal, Redevelopment and Development Strategy (2016-2021), Carey Lane was identified as a priority property for a BER, based on the recommendations from the 2019 Building Enclosure Condition Assessment Report (BECA). The BECA identified a need to address the replacement of ailing building components that have exceeded their useful service life, such as aluminum framed windows, and the surface applied cladding that does not incorporate a rainscreen wall system.

Funding was secured in late-2021 under BCHMC's Capital Renewal Fund (CRF). Unlike other BCHMC funding programs, such as the Community Housing Fund, a condition of the CRF is that BCHMC staff assume the project management and decision-making functions of the capital project. Under this program, CRHC staff work collaboratively with BCHMC staff but do not retain decision-making authority over scope, cost, procurement, and project execution.

Design work was underway in early-2022 based on the Prime Consultant's recommendations from the 2022 Detailed Evaluation Report. The report findings identified limited moisture damage on the underside of plywood sheathing within the attic space of several units. However, it was determined that replacement of the asphalt roof shingles and plywood roof sheathing as part of the BER project was not considered within scope. The rationale was that the roof shingles are approximately 15-years through their 30-year expected lifespan which did not warrant full replacement. Instead, the Prime Consultant recommended the replacement of problematic roof vents that may be allowing water ingress as well as treating the underside of the affected plywood sheathing with a wood preservative.

Once construction began in November 2023, the contractor began routing electrical wiring through the attics which resulted in the discovery of unanticipated structural defects. From there, the contractor conducted further examination of the proposed attic repairs, including destructive investigation of concealed components within the attic space under the direction of a structural engineer who was hired once these issues were uncovered. Additional structural damage was encountered which included compromised roof trusses and undersized roof sheathing that does not meet the requirements of the current BC Building Code if the building was constructed today.

As a result of the structural issues, the BER work was interrupted at upper levels of the townhouses as construction crews and equipment could not be loaded on to the lower roofs which is required to access the second level building envelope. See Appendix A for further detail. Additionally, the structural engineer has determined that the overall roof truss system must be repaired prior to the winter months when the risk of potential snow fall loading is high. To advance this work, the homes will need to be temporarily vacated due to the potential of the roof truss system failing under potential snow loading and possible inclement weather events.

ALTERNATIVES

Alternative 1

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

- 1) That the Resolution of Directors in the form required by BC Housing Management Commission for the purposes of authorizing the execution of the Loan and Mortgage documents for the Carey Lane Building Envelope Remediation project (PID 012-067-032), substantially in the form attached hereto as Appendix B, be approved; and
- 2) That the Capital Region Housing Corporation Major Capital Plan (2024-2028) be approved as amended in Appendix C.

Alternative 2

That this report be referred to staff for additional information based on the Hospitals and Housing Committee’s direction.

IMPLICATIONS

Financial Implications

In September 2023, the CRHC Board approved the Carey Lane BER mortgage registration and final budget of \$6.1 million (M) which included \$5.5M in the form of a forgivable mortgage through BCHMC’s CRF and \$600 thousand (K) from the CRHC’s Portfolio Stabilization Reserve. In August 2024, BCHMC’s Executive Committee approved an increase to the forgivable mortgage from \$5.5M to \$9.9M to account for the expanded scope of work relating to the roof system repairs. The increased forgivable mortgage will cover the additional project costs, limiting the budget increase from impacting the CRHC.

Table 1: Total Approved Capital Budget and Recommended Budget Revision

Budget Description	2023 Approved Budget	2024 Proposed Total Budget	Proposed Budget Increase
Hard Costs	\$ 4,584,555	\$ 7,973,095	\$ 3,388,540
Soft Costs	\$ 338,000	\$ 758,000	\$ 420,000
Contingency	\$ 1,127,445	\$ 1,808,237	\$ 680,792
Total Project Costs	\$ 6,050,000	\$ 10,539,332	\$ 4,489,332
CRHC Equity	-\$ (600,000)	-\$ (600,000)	\$ -
Capital Renewal Fund	-\$ (5,450,000)	-\$ (9,939,332)	-\$ (4,489,332)
Total Equity/Deductions	-\$ (6,050,000)	-\$ (10,539,332)	-\$ (4,489,332)
Forgivable Mortgage Principal	\$ 5,450,000	\$ 9,939,332	\$ 4,489,332

The increased forgivable mortgage will be registered on the property title and includes a covenant stipulating that the CRHC will continue to operate the units for the intended purpose of housing low-to-moderate income households. The mortgage principal will be forgiven at a rate of 1/10 per year and no interest will be accrued over the 10-year term. In the event of a default by the CRHC, interest is payable on the balance of the principal outstanding under the loan at a rate equal to the Royal Bank of Canada Prime Rate plus 2% per year until the loan is repaid.

As a result of the Carey Lane BER project budget increase, an amendment to the CRHC's Major Capital Plan (2024-2028) is required to reflect the budget increase and the anticipated 2024 expenditures. The required amendments are reflected in Appendix C, CRHC Major Capital Plan (2024-2028) Amendment.

Service Delivery Implications

For the health and safety of tenants and their families, and to facilitate the necessary structural repairs, tenants must be temporarily relocated to another CRHC property while their current home is under repair. The current estimated time required to make the structural repairs is approximately three months per townhouse block. This means that tenants must be temporarily relocated, block-by-block, as the contractor advances the repairs in phases.

In alignment with the CRHC's Tenant Relocation Policy, staff are meeting with each household to develop individualized Tenant Relocation Plans. No eligible tenants will lose their housing at Carey Lane. Each family grouping, and their needs, will be reviewed on a case-by-case basis. The Tenant Relocation Plans will support tenants in moving to an existing CRHC home at another location or with another social housing provider. All tenants have been put in contact with a member of the CRHC Tenant Services and Tenant Engagement team to assist with any questions and planning.

Additionally, provisions for an insured moving company or a flat-rate payout for moving expenses will be included in the Tenant Relocation Plans in accordance with the Tenant Relocation Policy. When the tenant's home at Carey Lane is fully remediated, the tenant will have the option to return to their original home at Carey Lane at the same rent level or remain in their current home.

CONCLUSION

The budget for the Carey Lane BER project has a shortfall of approximately \$4.5M due to unforeseen structural conditions affecting the roof system on all townhouse blocks. BCHMC has approved \$4.5M in additional grant funding through the CRF which increased the value of the forgivable mortgage to \$9.9M. As a result, an updated Resolution of Directors is required to reflect the updated forgivable mortgage value. The CRHC will not be impacted by the increased budget or the revised forgivable mortgage value. Additionally, an amendment to the CRHC Major Capital Plan (2024-2028) is necessary to account for the budget increase and the 2024 expenditure forecast.

Due to health and safety risks, tenants must be temporarily relocated for approximately three months while the repair work is carried out. CRHC's Tenant Relocation Policy is in place to support tenants during these temporary relocations. Although these unforeseen structural conditions create additional burden on tenants, once complete, the expanded BER project will provide long-term benefits by extending the life of these homes and improving comfort and housing security for the tenants of Carey Lane for years to come.

Hospitals and Housing Committee – September 4, 2024
Carey Lane Building Envelope Remediation Budget Amendment and Capital Region Housing Corporation Major Capital Plan (2024-2028) Amendment **4**

RECOMMENDATION

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

- 1) That the Resolution of Directors in the form required by BC Housing Management Commission for the purposes of authorizing the execution of the Loan and Mortgage documents for the Carey Lane Building Envelope Remediation project (PID 012-067-032), substantially in the form attached hereto as Appendix B, be approved; and
- 2) That the Capital Region Housing Corporation Major Capital Plan (2024-2028) be approved as amended in Appendix C.

Submitted by:	Rob Fowles, Manager, Planning and Capital Projects
Concurrence:	Don Elliott, BA, MUP, Acting General Manager, Planning & Protective Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Kristen Morley, Acting Chief Administrative Officer

ATTACHMENTS:

Appendix A: Project Photos

Appendix B: Draft Certified Resolution of Directors – Forgivable Mortgage

Appendix C: CRHC Major Capital Plan (2024-2028) Amendment

Project Photos





Capital Region Housing Corporation
(the "Borrower")
CERTIFIED COPY OF
RESOLUTION OF DIRECTORS

"A. WHEREAS the Borrower has leased or will be leasing the property at 3910 CAREY RD, VICTORIA, BC, V8Z 4E2 legally described as:

PID 012-067-032 LOT A, SECTION 50, VICTORIA DISTRICT, PLAN 47381 (the "Property") and will be renovating or repairing a housing project on the Property (the "Project") under the British Columbia Housing Management Commission ("BCHMC") Capital Renewal Funding Program;

- B. The Borrower has a forgivable loan facility in the amount of \$5,450,000.00 with BCHMC and has by mortgage registered on November 15, 2023 in the Victoria Land Title Office under No. CB1025938 (the "Original Mortgage") mortgaged its leasehold interest in the Property to secure the repayment of the principal sum of \$5,450,000.00 with interest thereon and other monies as provided therein; and
- C. The Borrower has decided that it needs to increase the amount borrowed in order to facilitate the renovation and/or repair of the Project, and has agreed with BCHMC to amend the loan facility and Original Mortgage as appropriate;

BE IT RESOLVED THAT:

1. The Borrower confirms that the Original Mortgage is a valid and subsisting first mortgage charge with respect to the Borrower's leasehold interest in the Property;
2. The Borrower borrows further monies to a total amount of \$9,939,332.00 to facilitate the completion of the renovation and repairs for the Project in accordance with an agreed amendment to the loan commitment, to be secured by way of modification to the Original Mortgage of the forgivable loan;
3. The Borrower execute and deliver all documents required by BCHMC or the lender of the monies, in such form and containing such terms, covenants, provisos and conditions as are satisfactory to or required by them, including without limitation an amendment of loan commitment, a modification of Original Mortgage, and any other security documents required by BCHMC; and
4. That Edward Robbins, Chief Administrative Officer, or Nelson Chan, Chief Financial Officer, or their respective duly authorized delegates, together, or either of them along 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 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 _____, 2024, 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 ____ day of _____, 2024.

Witness

Name:
Title:

CAPITAL REGION HOUSING CORPORATION

FIVE YEAR MAJOR CAPITAL EXPENDITURE PLAN SUMMARY - 2024 to 2028 AMENDMENT No. 2

	Type	Estimate Class	Total Project Budget	Forecast	Balance	2024	2025	2026	2027	2028	TOTAL
				spent at Dec. 31, 2023	Remaining at Dec. 31, 2023						
EXPENDITURE											
Michigan - RHFP / CHF	B	Class A	35,406,762	27,898,486	6,354,172	9,065,142	-	-	-	-	9,065,142
Caledonia - CHF	B	Class A	70,989,386	34,410,416	36,578,970	32,000,000	4,578,970	-	-	-	36,578,970
Carey Lane - BER	B	Class A	10,539,332	1,044,767	9,494,565	5,005,233	4,489,332	-	-	-	9,494,565
Pandora - CHF	Lease	Class D	83,352,598	25,000	83,327,598	250,000	250,000	250,000	250,000	82,327,598	83,327,598
Drake Road	B	Conceptual	180,000	15,000	165,000	165,000	-	-	-	-	165,000
Campus View Redevelopment - RHFP	B	Class C	55,584,995	445,000	55,139,995	2,530,000	19,126,667	19,126,668	14,356,659	-	55,139,994
Village on the Green Redevelopment - RHFP	B	Class C	64,834,500	424,356	64,410,144	4,632,205	18,962,220	20,423,940	20,391,780	-	64,410,144
New Redevelopment Projects	B	Conceptual	65,581,159	434,937	65,146,222	3,972,428	1,953,726	26,649,031	26,649,031	5,922,007	65,146,223
			386,468,732	64,697,962	320,616,666	57,620,008	49,360,915	66,449,639	61,647,470	88,249,605	323,327,636
SOURCE OF FUNDS (combined)											
Mortgage Debt	Debt		239,341,427	30,728,442	208,612,985	40,755,143	4,046,470	34,966,616	61,397,470	63,004,153	204,169,851
Grants (Federal, Provincial, Local)	Grant		144,527,305	31,969,520	112,557,786	16,264,865	45,314,445	31,483,023	250,000	25,245,452	118,557,785
CRHC Equity	Equity		-	-	-	-	-	-	-	-	-
UOA Reserve	Res		2,600,000	2,000,000	600,000	600,000	-	-	-	-	600,000
			386,468,732	64,697,962	321,770,770	57,620,008	49,360,915	66,449,639	61,647,470	88,249,605	323,327,636

CAPITAL REGION HOUSING CORPORATION

FIVE YEAR MAJOR CAPITAL EXPENDITURE PLAN SUMMARY - 2024 to 2028 AMENDMENT No. 2

		Total Project Budget	Forecast spent at Dec. 31, 2023	Balance Remaining at Dec. 31, 2023	2024	2025	2026	2027	2028	TOTAL
SOURCE OF FUNDS (by project)										
Michigan - RHFP / CHF										
Mortgage Debt	Debt	23,523,802	16,325,526	7,198,276	8,755,142	-	-	-	-	8,755,142
Grants	Grant	10,882,960	10,572,960	310,000	310,000	-	-	-	-	310,000
UOA Stabilization Reserve	Res	1,000,000	1,000,000	-	-	-	-	-	-	-
		35,406,762	27,898,486	7,508,276	9,065,142	-	-	-	-	9,065,142
Caledonia - CHF										
Mortgage Debt	Debt	50,449,386	14,402,916	36,046,470	32,000,000	4,046,470	-	-	-	36,046,470
Grants	Grant	19,540,000	19,007,500	532,500	-	532,500	-	-	-	532,500
UOA Stabilization Reserve	Res	1,000,000	1,000,000	-	-	-	-	-	-	-
		70,989,386	34,410,416	36,578,970	32,000,000	4,578,970	-	-	-	36,578,970
Carey Lane - BER										
UOA Stabilization Reserve	Res	600,000	-	600,000	600,000	-	-	-	-	600,000
Grants	Grant	9,939,332	1,044,767	8,894,565	4,405,233	4,489,332	-	-	-	8,894,565
		10,539,332	1,044,767	9,494,565	5,005,233	4,489,332	-	-	-	9,494,565
Pandora - CHF										
Mortgage Debt	Debt	57,082,146	-	57,082,146	-	-	-	-	57,082,146	57,082,146
Grants	Grant	26,270,452	25,000	26,245,452	250,000	250,000	250,000	250,000	25,245,452	26,245,452
		83,352,598	25,000	83,327,598	250,000	250,000	250,000	250,000	82,327,598	83,327,598
Drake Road										
Grants	Grant	180,000	15,000	165,000	165,000	-	-	-	-	165,000
		180,000	15,000	165,000	165,000	-	-	-	-	165,000
Campus View Redevelopment - RHFP										
Mortgage Debt	Debt	31,604,395	-	31,604,395	-	-	17,247,736	14,356,659	-	31,604,395
Grants	Grant	23,980,600	445,000	23,535,600	2,530,000	19,126,668	1,878,932	-	-	23,535,600
		55,584,995	445,000	55,139,995	2,530,000	19,126,668	19,126,668	14,356,659	-	55,139,995
Village on the Green Redevelopment - RHFP										
Mortgage Debt	Debt	35,837,379	-	35,837,379	-	-	15,445,599	20,391,780	-	35,837,379
Grants	Grant	28,997,121	424,356	28,572,765	4,632,205	18,962,220	4,978,341	-	-	28,572,765
		64,834,500	424,356	64,410,144	4,632,205	18,962,220	20,423,940	20,391,780	-	64,410,144
New Redevelopment Projects										
Mortgage Debt	Debt	40,844,319	-	40,844,319	-	-	2,273,281	26,649,031	5,922,007	34,844,320
Grants	Grant	24,736,840	434,937	24,301,904	3,972,428	1,953,726	24,375,750	-	-	30,301,903
		65,581,159	434,937	65,146,223	3,972,428	1,953,726	26,649,031	26,649,031	5,922,007	65,146,223