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## REPORT TO HOSPITALS AND HOUSING COMMITTEE MEETING OF WEDNESDAY, OCTOBER 07, 2020

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**SUBJECT** 2019-2022 Affordable Housing Service Planning

### **ISSUE SUMMARY**

To provide the Hospitals and Housing Committee with an overview of relevant initiatives undertaken by the Regional Housing Division in 2020 and planned for 2021 to deliver on approved Board Priorities and the Corporate Plan.

### **BACKGROUND**

The Capital Regional District (CRD) Board completed its strategic planning early in 2019 and approved the CRD Board Strategic Priorities 2019-2022.

The four priorities are:

1. Community Well-being – Transportation & Housing;
2. Climate Action & Environmental Stewardship;
3. First Nations Reconciliation; and
4. Advocacy, Governance & Accountability.

The priorities were confirmed at the annual check-in on May 13, 2020.

The 2019-2022 CRD Corporate Plan is aligned to the Board direction. It highlights the initiatives the CRD needs to deliver over the Board's four-year term to address the region's most important needs. The Corporate Plan identified nine initiatives under Affordable Housing, which fall under the Hospitals and Housing Committee's mandate.

Appendix A *Community Need Summary - Affordable Housing 2021* is a summary of the planned activities for 2021. It contains details about core service levels, new initiatives proposed and performance metrics.

Nine delivery initiatives were approved last year, for delivery in 2020. Appendix B *Affordable Housing – Initiative Progress Report* provides insights into what has been delivered through those initiatives.

The Service Planning process gathered information necessary to assemble a provisional budget for Committee and Board review. The purpose of this report is to explain how the Regional Housing divisional program of work connects to the Board Priorities, Corporate Plan and provisional budget.

**ALTERNATIVES**

*Alternative 1*

The Hospitals and Housing Committee recommends to the Capital Regional District Board: That Appendix A Community Need Summary - Affordable Housing be approved as presented and advanced to the October 28, 2020 provisional budget review process.

*Alternative 2*

The Hospitals and Housing Committee provide CRD staff with alternative direction with respect to advancing Appendix A Community Need Summary – Affordable Housing.

**IMPLICATIONS**

*Financial Implications*

Initiatives identified in the Corporate Plan (including Board Priorities) cannot be undertaken without resourcing. The Board determines resourcing through its annual review and approval of financial plans. To support the Board's decision-making, staff, through the service planning process, provide recommendations on funding, timing and service levels.

During this year’s service planning process, staff have been mindful of the fiscal challenges facing the region. To that end, any budget increase or other impacts have been mitigated, as much as possible.

*Service Delivery Implications*

The Community Need Summary provides an overview of all work that needs to be undertaken in order to meet regulatory requirements, satisfy Board direction and meet the needs of the communities served by the CRD.

*Alignment with Board & Corporate Priorities*

Staff have identified three initiatives that will have budget implications for 2021 (Table 1).

Table 1: Community Need Summary - Affordable Housing, Delivery Initiatives

#	Initiative	Description	Year(s)	FTE Impacts in 2021	Budget Impacts in 2021
1a-2	Housing Investment through the CRD/CRHC	Invest in/build Provincial Income Assistance rate, market rate and affordable housing units through the RHFP and operate housing projects through the CRHC	2020 – 2022	6.5 Ongoing 2 Term	Included in Provisional Budget
1a-10	Reaching Home *	Reaching Home Program	2019 – 2022	0.8 Term	Included in Provisional Budget
1a-11	Southern Gulf Islands Housing Strategy	Develop a Strategy that aligns with the CRD’s Regional Housing Affordability Strategy and is tailored to the context of the Southern Gulf Islands	2021	-	Included in Provisional Budget

Blue highlighted areas are initiatives that directly address a Board Priority.

## **Delivery Initiatives**

### 1a-2 Housing Investment through the CRD/CRHC

The RHFP is a \$120 million equity partnership between the regional, provincial and federal governments initiated to meet the housing needs of chronically homeless individuals. As of December 2019, eight projects (907 units with 211 shelter units) have been approved. Four of the projects (534 units) are or will be owned by the CRD and operated by the Capital Region Housing Corporation (CRHC) through a 60 year lease.

One project was commissioned in 2019 (Millstream). Two projects will be commissioned in 2020 (130 units in Spencer and 152 units in West Park Lane) and one project will be commissioned in 2021 (Hockley).

BC Housing introduced the Community Housing Fund (CHF) in 2018 and CRHC has been successful in securing funding for two projects through the fund (154 units in Caledonia redevelopment and 97 units in Michigan Square). The CRHC is now applying for funding for one project through the CHF call for proposals.

Significant resources are required for the development, onboarding and operations of the new housing units. Approval of new projects will also require appropriate human resources to provide oversight and ensure that the owners (CRD/CRHC) interests are represented. This initiative seeks to increase the staffing complement by creating six new ongoing positions and two term positions in the Regional Housing Division for the project management, marketing, leasing and operating of the new units. It also seeks to add one part-time ongoing position in the Information Technology & GIS Division for the ongoing support of systems used by the division. The request for staff is aligned with current staff ratio. The cost of increasing the staff complement in 2021 will be recovered from the capital projects and the tenant rental revenue.

### 1a-10 Reaching Home

The CRD has a formal agreement in place with the Government of Canada to act as the Community Entity for the Reaching Home Program. This program of work advances the Community Well-being Board Priority by improving the assignment of housing and support to vulnerable people.

As a Community Entity, the CRD is expected to play a significant role in the development, implementation and monitoring of a Coordinated Access and Assessment (CAA) system that supports the allocation of housing and health and other social support services. The system must be supported by the government's Homeless Individuals and Families Information System (HIFIS). Each Community Entity must have a clearly articulated system in place by March 31, 2022.

Over the past year, the Regional Housing Division has been working with BC Housing and Island Health to develop and implement the required system. A Request for Proposal process did not yield a suitable contractor with the necessary understanding of the local context. A recommendation has therefore been made by the overseeing committee for the CRD to take on the work. This initiative seeks to recruit a three year term position, starting in 2021, to oversee the work, including any enabling policies and agreements preceding the deployment of new systems. All costs related to the position will be recovered through Reaching Home.

1a-11 – Southern Gulf Islands (SGI) Housing Strategy

A Housing Needs Assessment was completed on SGI and the findings indicated a serious shortage of secure, appropriate and affordable housing for low to moderate income earners. This initiative acts on the CRD Board approval of a recommendation by the Southern Gulf Islands Economic Sustainability Commission to develop a Housing Strategy for the SGI Electoral Area. It will advance the Community Well-being Board Priority by supporting both the social and economic well-being of the residents and businesses in the island communities.

The objective of the SGI Housing Strategy is to develop housing solutions that are tailored to the context of the SGI Electoral Area. A phased approach to implementation will be taken, with potential short-term solutions delivered as early as Q4 2021. The initiative will cover the contracting cost for a Housing Feasibility study and a Garden Suite Design study. The additional workload will be absorbed within the existing Regional Housing and SGI Administration staffing capacity, with support from colleagues across the organization.

**CONCLUSION**

Staff have been progressing initiatives and actions identified in the Corporate Plan, including Board Priorities. The Board determines resourcing through its annual review and approval of financial plans. As per previous years, to support the Board’s decision-making, staff are providing recommendations on funding, timing and service levels through the service and financial planning processes.

**RECOMMENDATION**

The Hospitals and Housing Committee recommends to the Capital Regional District Board: That Appendix A Community Need Summary - Affordable Housing be approved as presented and advanced to the October 28, 2020 provisional budget review process.

Submitted by:	Christine Culham, Senior Manager, Regional Housing
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

**ATTACHMENT(S)**

Appendix A: Community Need Summary - Affordable Housing  
Appendix B: Affordable Housing - Initiative Progress Report

### Affordable Housing

#### Strategy

##### Target Outcome

We envision that residents have access to affordable housing that enhances community well-being.

##### Strategic Context

###### Strategies

- [Regional Housing Affordability Strategy](#)
- [Capital Regional Housing Corporation \(CRHC\) Strategic Plan](#)
- [Regional Growth Strategy](#)

###### Trends, risks and issues

- Changing rental housing market dynamics related to negative economic impacts of COVID (higher vacancy rates, declining rents)
- Potential declines in the costs of acquiring property for affordable housing projects
- Increased project administration and oversight
- Increase in funding available for investment through various streams
- More units coming online impact on future staffing requirements

### Services

Core Services Levels	
Service	Levels
<p><b>Housing Initiatives and Programs (HIP)</b> Facilitates the development of affordable housing through collaboration with other levels of government, community and housing agencies, private development industry, and other funders in accordance with the Regional Housing Affordability Strategy (RHAS). HIP acts as the Community Entity for the Government of Canada on the Reaching Home Program (RHP).</p>	<ul style="list-style-type: none"> <li>• Complete Regional Housing Needs Reports Project and initiate planning for the development of a Regional Housing Data system with municipalities and electoral areas</li> <li>• Review and process required Letters of Intent and proposals for the Regional Housing Trust Fund</li> <li>• Renew and manage Greater Victoria Coalition to End Homelessness (GVCEH) Service Agreement</li> <li>• Continue to manage the Reaching Home Program – Designated Communities and COVID streams to support efforts to respond to homelessness in the region.</li> <li>• Support the Government of Canada in its implementation of a sustained agreement to support the RHP Indigenous Communities stream.</li> <li>• Administer Housing Agreements.</li> </ul>
<p><b>Capital Region Housing Corporation (CRHC)</b> Wholly owned subsidiary of the CRD, develops, manages and promotes affordable housing for low and moderate income families, seniors and persons living with disabilities. The CRHC currently owns and operates 1,773 units of housing/49 properties and has three projects in varying stages of development.</p>	<ul style="list-style-type: none"> <li>• Operational management of units, adjusting service delivery needs as required</li> <li>• Property management of 114 units</li> <li>• Asset management: building envelope remediation of Carey Lane.</li> <li>• Contract management of Umbrella Operating Agreement with BC Housing</li> <li>• Development: progressing with construction of 2 redevelopment projects (Michigan and Caledonia) and one RHFP project (Hockley)</li> </ul>
<p><b>Regional Housing First Program (RHFP)</b> A \$120m equity partnership the CRD, BC Housing Management Commission (BC Housing), Canada Mortgage and Housing Corporation (CMHC) and Island Health in delivering the RHFP. There are</p>	<ul style="list-style-type: none"> <li>• Issuing quarterly Request for Proposals to non-profit and private developers</li> <li>• Acquiring, developing and building housing in accordance with the Regional Housing First Program Framework and, where appropriate,</li> </ul>

Core Services Levels	
Service	Levels
currently eight projects/907 units that have been approved under the RHFP.	<p>transitioning CRD owned housing to the CRHC for operations.</p> <ul style="list-style-type: none"> <li>• A CRD Alternative Approval Process has been approved to request authority for an additional \$10m CRD long-term borrowing for the RHFP.</li> </ul>
<p><b>Planning &amp; Development and Capital Construction</b></p> <p>Supports all planning and development processes related to achieving the approval of CRHC projects by municipal authorities and other approval bodies. Facilitates the capital construction of all CRHC projects and also supervises the construction of RHFP projects that will be acquired by the CRD/CRHC for operations.</p>	<ul style="list-style-type: none"> <li>• Fulfills the CRHC mission to develop affordable housing within the capital region through review and analysis of existing residential assets to identify opportunities for redevelopment or renewal.</li> <li>• Furthers the regional priorities of the CRD Board through collaboration and development of strategic partnerships to enable the planning, design and construction of new affordable housing units within the capital region in a manner that is environmentally, socially and financially responsible.</li> <li>• Responsible for early feasibility, site analysis, conceptual design development and coordination of municipal approvals required to progress new affordable housing developments to the construction stage.</li> <li>• Identifies and secures new and continued funding sources to allow for the continued development of new affordable housing units in the capital region.</li> <li>• Evaluates and recommends to the CRD/CRHC Board of Directors opportunities for new land acquisitions or air space parcel leases to further the vision and mission of the CRHC to provide additional affordable housing to low and moderate income residents of the capital region.</li> </ul>

Core Services Levels	
Service	Levels
<p><b>Support Services</b></p> <p>The core services listed rely on the support of several corporate and support divisions to effectively operate on a daily basis. These services are reported on in the Accountability Community Need Summary.</p>	<ul style="list-style-type: none"> <li>Services include Human Resources &amp; Corporate Safety, Corporate Communications, Asset Management, Financial Services, Information Technology &amp; GIS, Information Services, Legislative Services, Legal Services, Risk &amp; Insurance and Real Estate Services.</li> </ul>

Initiatives					
Ref	Initiative	Description	Year(s)	Status	2021 impacts
1a-1	Affordable Housing per Regional Growth Strategy (RGS)	Create & deliver more affordable housing across the region in a manner aligned with the RGS in order to address the needs of a diverse & growing population, including vulnerable residents	2019 – 2022	In progress	
1a-2	Housing Investment through the CRD/CRHC	Invest in/build Provincial Income Assistance rate, market rate and affordable housing units through the RHFP and operate housing projects through the CRHC	2020 – 2022	NEW additional request for 2021	6.5 Ongoing 2 Term
1a-3	Housing Investment through CRHC	Invest in/build affordable housing through the CRHC	2019 – 2022	In progress	
1a-4	Housing Continuation beyond RHFP	Determine continuation of housing supply program beyond RHFP implementation	2020 – 2022	In progress	
1a-6	Housing Asset	Optimize management of housing assets	2019 – 2022	In progress	
1a-7	Greater Victoria Coalition to End Homelessness Support & Aboriginal Coalition to End Homelessness	Fund and participate as leaders in GVCEH; provide three year funding of \$150K per year to Aboriginal Coalition to End Homelessness	2020 – 2022	In progress	



Initiatives					
Ref	Initiative	Description	Year(s)	Status	2021 impacts
1a-9	Housing System Improvement	Lead & participate in regional, provincial & federal affordable housing system improvement & planning initiatives	2019 – 2022	In progress	
1a-10	Reaching Home *	Reaching Home Program Administer Designated and COVID funding through 2021 and Indigenous funding according to Government of Canada direction. Complete planning and implementation of coordinated access service to comply with Government of Canada directives.	2019 – 2024	NEW additional request for 2021	0.8 FTE
1a-11	Southern Gulf Island Housing Strategy	Develop a Strategy that aligns with the CRD's Regional Housing Affordability Strategy and will focus on housing solutions that are tailored to the context of the Southern Gulf Islands.	2021	NEW Not started	

\*New – Initiatives not in the 2019-2022 Corporate Plan

### Initiative approved in prior years which have now been delivered or absorbed in Core Services:

- 1a-5 – Housing Affordability Measurement
- 1a-8 – Municipal Housing Support

### Business Model

#### Funding

##### Who contributes

- All municipalities and electoral areas participate in some aspect of these services
- All local First Nations
- Non-profit housing and private housing providers
- BC Housing, CMHC, Employment and Social Development Canada

##### Funding Sources

- Requisitions, operating agreements subsidies, fee-for-service (tenant rent and housing agreements) and grants

#### Reporting Structure

- |  |   |
|--|---|
| • <a href="#">Capital Regional District Board</a>          | • <a href="#">Canadian Mortgage and Housing Corporation</a> |
| • <a href="#">Capital Region Housing Corporation Board</a> | • <a href="#">Employment and Social Development Canada</a>  |
| • <a href="#">Hospitals and Housing Committee Board</a>    | • Tenant Advisory Committee                                 |
| • <a href="#">Regional Housing Trust Fund Commission</a>   | • <a href="#">Regional Housing Advisory Committee</a>       |
| • <a href="#">BC Housing Executive Committee</a>           | • District Planning Advisory Committee                      |

# Community Need



## 2021 Summary

Community Need Key Performance Indicator (KPI)			
Definition and Source	2019 Actual	2020 Forecast	2021 Target
<p><b>Metric 1: Increase directly managed affordable housing for low to moderate income households to 2,000 units by 2022</b></p> <p><b>Definition and source:</b> total number of affordable units directly owned and managed by the CRHC.</p>	1,418 (CRHC)	1,773 (CRHC)	1,893 (CRHC)
<p><b>Metric 2: Meet the terms of the RHFP Definitive Agreement by December 31, 2022 of having 400 shelter rate units under construction or completed, with 300 of the 400 under construction or completed by December 31, 2021.</b></p> <p><b>Definition and source:</b> total number of approved RHFP units that are under construction or completed.</p>	80	132	300
<p><b>Metric 3: Invest 2020-2024 \$11m (\$2.5m annually) in improving the current existing CRHC housing stock</b></p> <p><b>Definition and source:</b> total annual investment (\$m); data from CRHC Capital Budget</p>	2.9	1.6	4.5
<p><b>Metric 4: Ensure turnover of CRHC units is no greater than 30 days.</b></p> <p><b>Definition and source:</b> average number of days to turnover a unit after is has been vacated; data from CRHC operations.</p>	34	39	30
<p><b>Metric 5: Decrease chronic homelessness</b></p> <p><b>Definition and source:</b> TBC Point in Time metric; data from Point in Time Count; data from Homeless Individuals and Families Information System (under development)</p>	TBC	TBC	TBC

### Discussion

#### [Link to Target Outcome](#)

#### Discussion

- Metric 1: CRHC is currently meeting its target.
- Metric 2: the RHFP is currently meeting its target for 2020. Need to approve additional projects to meet 2021 target.
- Metric 3: CRHC is currently not meeting this target due to the inability to enter units due to COVID-19 restrictions.
- Metric 4: CRHC is currently not meeting this target due to the inability to enter units due to COVID-19 restrictions.
- Metric 5: Point-in-Time count numbers and annual shelter use data. Metric is currently under development with the implementation of Government of Canada's preferred Housing Management Information System (HMIS) software – the Homeless Individuals and Families Information System (HIFIS). This system is not expected to be operational on a region wide basis until 2022.

### Affordable Housing

Initiatives approved in 2020 Budget		
Ref	Initiative	Progress to date
1a-1	Affordable Housing per RGS	<ul style="list-style-type: none"> <li>Regional Housing data indicate that housing development remained strong in the region, with CMHC reporting 3,499 housing starts in 2019. Of these, the CRD has recorded 607 affordable rental housing units being approved for development in the region in 2019, which represents a 33% increase in total units over 2018.</li> </ul>
1a-2	Housing Investment through RHFP	<ul style="list-style-type: none"> <li>An AAP was successful in facilitating approval of adding \$10 million of CRD contributions to the RHFP. BC Housing and CMHC have since approved an additional \$10 million each to bring the total funding available to \$120 million.</li> <li>Currently, 8 projects have been approved to support the construction of 907 units using \$62 million of the funding available. These approvals represent \$262 million of capital housing construction in the region.</li> </ul>
1a-3	Housing Investment through CRHC	<ul style="list-style-type: none"> <li>Two redevelopment projects are proceeding through the CRHC:                             <ul style="list-style-type: none"> <li>The Caledonia project has received approval for \$15.8 million in grant funding through BC Housing and to support a \$59.5 million capital development budget.</li> <li>The Michigan project has received approval for \$9.1 million split between RHFP and BC Housing grant funding to support a \$39 million capital development budget.</li> </ul> </li> </ul>
1a-4	Housing Continuation beyond RHFP	<ul style="list-style-type: none"> <li>Focus on fulfilling current funding and development commitments. This will be carried over into 2021.</li> </ul>
1a-5	Housing Affordability Measurement	<ul style="list-style-type: none"> <li>Regional Housing and Regional and Strategic Planning sections plan to use the findings and processes developed through the Regional Housing Needs Reports Project to inform the development of an improved housing reporting system.</li> </ul>
1a-6	Housing Asset	<ul style="list-style-type: none"> <li>The current 2020 budget is to support up to \$2.2 million in capital asset improvement.</li> </ul>

## Initiative Progress Report

Initiatives approved in 2020 Budget		
Ref	Initiative	Progress to date
1a-7	Greater Victoria Coalition to End Homelessness (GVCEH) Support	<ul style="list-style-type: none"> <li>The CRD sustained an ongoing service agreement with the GVCEH to provide \$325,000, of which \$100,000 is from the City of Victoria, to support strategic coordination of services, reporting of homelessness and ongoing administration of the organization.</li> <li>Regional Housing also responded to Board direction to enter into a service agreement and provide \$150,000 to the Aboriginal Coalition to End Homelessness to support strategic planning and administration of programs that more equitably meet the needs of Indigenous people who are experiencing or at risk of homelessness.</li> </ul>
1a-8	Municipal Housing Support	<ul style="list-style-type: none"> <li>Initiated a Regional Housing Needs Reports Project using a \$150,000 grant from UBCM to support 11 municipalities and electoral areas in completing provincially legislated Housing Needs Reports.</li> <li>Entered into 4 Housing Agreements with developers to support the sale/resale of 6 below market ownership housing units.</li> </ul>
1a-9	Housing System Improvement	<ul style="list-style-type: none"> <li>Participated in an advisory role in the review of City of Victoria housing policies and programs.</li> <li>Have accepted an invitation from the District of Saanich to participate on its Housing Strategy.</li> </ul>
1a-10	Reaching Home *	<ul style="list-style-type: none"> <li>Continued to administer the 5-year, \$4.7 million Reaching Home Designated Communities funding stream.</li> <li>Agreed to continue to act as the Community Entity responsible for administering the Indigenous Homelessness funding stream for one more year.</li> <li>Have negotiated a new Terms of Reference to support a reformulation of the Community Advisory Board in order to better meet Government of Canada directives.</li> <li>Received approval for a planning position within Housing Initiatives and Programs to use up to \$400,000 in Reaching Home Community Capacities Innovations funding to support the development and implementation of a Coordinated Access system that meets the requirements of the Government of Canada Reaching Home directives.</li> </ul>

\* New - Initiatives not in the 2019-2022 Corporate Plan