



Making a difference...together

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November 7, 2023

File: 0400-20

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Dear Sirs/Mesdames:

**RE: PARTNERSHIP OPPORTUNITIES TO FURTHER ADVANCE AFFORDABLE HOUSING
IN THE CAPITAL REGIONAL DISTRICT**

The Chair of the Capital Region Housing Corporation (CRHC), Zac de Vries and the Chief Administrative Officer of the Capital Regional District (CRD), Ted Robbins had the opportunity to meet with the Minister of Housing, Ravi Kahlon and the Minister of Children and Family Development, Mitzi Dean at the Union of BC Municipalities convention on September 19, 2023, to discuss the potential for affordable housing partnerships in the capital region between the CRD, CRHC, and BC Government.

We write to invite you to participate in a meeting to provide you with an update on the current CRD and CRHC housing actions taking place within the capital region and to seek your support should the attached proposal be brought forward to the provincial government for decision.



November 7, 2023

Partnership Opportunities to Further Advance Affordable Housing in the Capital Region 2

The CRD is seeking a Memorandum of Understanding (MOU) with the Province to enable a significant and sustained delivery of affordable housing in the capital region over the next 10 years. An MOU creates stability and efficiency by utilizing a portfolio-based rather than a project-based approach.

The CRD has shown the impact it can make in working collaboratively with local housing and service agencies, BC Housing, CMHC, and the local Health Authority to be on track to deliver almost 1,500 units of affordable rental housing through the Regional Housing First Program. This program was built on the strength of a partnering agreement and a program framework that drew from and leveraged existing programs. However, to be more creative, opportunistic, and aggressive in bringing more units of affordable rental housing online for British Columbians in need, an MOU can provide the necessary foundation to build on the CRD's proposed investment consisting of lands, capital, and expertise.

The CRD and CRHC are proposing to offer up to \$85 million in capital, land (at least ten sites), and staff capacity to the table. In return we are seeking a 10-year agreement and a \$170 million funding commitment from the Province. This partnership could deliver a minimum of 2000 truly affordable units depending on the specifics of the MOU.

Attached for your information is a copy of the letter and proposal that was sent to the Minister of Housing following our meeting at UBCM.

We would be pleased to coordinate either a joint meeting or individual meetings depending on what works best for your schedules.

Please ask your staff to contact Daniela Marquez, Executive Services Advisor at dmarquez@crd.bc.ca or via phone at 250-360-3129 to advise your availability for a meeting.

Thank you for your time and consideration.

Sincerely,



Colin Plant
CRD Board Chair



Zac de Vries
CRHC Board Chair

Attachment

cc: CRD Board
Ted Robbins, Chief Administrative Officer, CRD
Kevin Lorette, General Manager, Planning & Protective Services, CRD



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October 5, 2023

File: 0400-20

The Honourable Ravi Kahlon
Minister of Housing
Room 248 Parliament Buildings
Victoria, BC V8V 1X4
Via email: HOUS.minister@gov.bc.ca

Dear Minister Kahlon:

RE: FUNDING OPPORTUNITIES TO FURTHER ADVANCE AFFORDABLE HOUSING IN THE CAPITAL REGIONAL DISTRICT (CRD)

Thank you for the opportunity to meet with you at the Union of BC Municipalities convention in Vancouver on September 19, 2023. Attached for your ease of reference is a copy of the Information Sheet provided at the meeting.

Capital Region Housing Corporation (CRHC) Chair, Zac de Vries and I appreciated the opportunity to briefly present the CRD and CRHC's proposal to build approximately 2,000 affordable housing units in the capital region in the coming years, in addition to the 255 new units currently under construction and the 559 units in development. As we explained, developing more affordable housing in the region is a top priority for the CRD and CRHC Boards this term, building on a long history of creating affordable housing for the region. The CRD and CRHC share the BC governments' priority of delivering on affordable housing.

To summarize our proposal, on September 13, 2023, a bylaw amendment to increase the annual requisition for the Land Assembly, Housing and Land Banking Service to \$85 million received statutory approval and is now in the process of obtaining consent on behalf of the participating areas. This increase will support the supply of affordable, inclusive, and adequate housing in the capital region. The CRD would like to couple this funding with provincial programs to increase the delivery of affordable housing. We confirm our request that the province consider providing up to \$170 million in funding to facilitate the development of approximately 2,000 affordable housing units across the capital region and enter a Memorandum of Understanding with the CRD to advance this. The combined \$255 million would potentially leverage up to \$1 billion in affordable housing construction in the capital region.

We would be happy to meet with your staff and BC Housing staff to discuss this proposal further and share more about the CRHC's housing vision and partnerships we would like to enhance.

Thank you again for your time and consideration.

Sincerely,

Ted Robbins
Chief Administrative Officer

Attachment

cc: CRD Board Chair
Chair, Capital Region Housing Corporation
Kevin Lorette, General Manager, Planning and Protective Services, CRD

Partnership Opportunity: Capital Region Housing Corporation (CRHC)

The CRHC has considerable landholding located across the capital region, with much of it consisting of low-density ageing housing stock. The corporation currently has two significant redevelopments under construction, Caledonia and Michigan Square and two more in pre-construction, Campus View and Village on the Green. The two under active construction will open, one in early 2024 and the other in 2025, and will see the corporation leverage the lands that had previously supported 71 rental units into 255 new affordable rental units. The two additional redevelopments are under way where the corporation will turn 50 existing units into 259 new affordable rental units. Overall and through leveraging its existing holdings the CRHC is on a path to transform 121 ageing rental units into 514 new units of permanent affordable rental housing.

Crucially, at every step of the way, the CRHC was able to advance these redevelopments while also working closely with existing tenants to support their move into other CRHC properties while also offering them the opportunity to move into the redeveloped property once completed.

The CRHC currently has 559 new units under pre-development and is expecting to grow to approximately 2,600 units of affordable rental housing by 2027/8. However, there remains considerable unrealized potential to further leverage CRHC's lands to significantly increase the number of affordable rental units available to low-to-moderate income households.

CRHC staff have identified a further 10 properties currently held by the CRHC, and currently providing 322 units of existing housing. Through strategic redevelopment, these properties could provide approximately 2,000 new units of rental housing over 10 years.

The CRHC wishes to propose a partnership with the Government of British Columbia where the CRHC contributes its expertise in redevelopment and commits its significant landholdings across the capital region to be the foundation of an initiative that would see the Province directly invest in approximately 2,000 new units of permanent affordable rental housing over the next 10 years.

Background

About the CRD

The CRD is the regional government for 13 municipalities and three electoral areas on southern Vancouver Island and the Gulf Islands, serving more than 440,000 residents. Led by a board consisting of 24 elected officials and supported by a workforce of more than 1,200 employees, the CRD provides a range of critical services including regional water supply, solid waste management, wastewater treatment, regional parks, regional housing, and recreation facilities. Overall, the CRD provides more than 200 services, infrastructure, and financing agreements with municipalities and electoral areas.

About the CRHC

The CRHC is a wholly owned subsidiary of the CRD and owns and operates almost 2,000 units of affordable rental housing across 52 buildings in the capital region. In addition to providing homes to almost 4,000 residents, as of September 2023, the CRHC has 255 new affordable rental units under active construction and a further 559 in pre-construction and development.

Information Sheet



Topic: Funding opportunities to advance affordable housing in the Capital Regional District
Service Areas: Land Banking & Housing, Capital Region Housing Corporation

Capital Regional District | September 2023

Purpose

The Capital Regional District (CRD) Board approved the process to increase borrowing up to \$85 million to partner on affordable housing projects. The CRD would like to couple this funding with provincial program funding to increase the delivery of affordable housing and would like to enter a Memorandum of Understanding (MOU) with the Province to advance this.

Partnership Opportunity: Land Banking and Housing

In July 2022, the Capital Regional District (CRD) Board unanimously supported advancing a multi-pronged approach to address housing needs within the capital region with a focus on establishing:

- An **Acquisition Fund** to increase and preserve the supply of affordable rental units and create future redevelopment opportunities, purchase of shovel-ready developments or acquire land for development of affordable housing;
- A **Rural Housing Strategy** to increase, preserve and broaden the supply of affordable housing in small and rural communities, recognizing the need to approach housing solutions in rural communities differently than in growing urban regions; and
- An increased supply of housing with supports for people with complex needs currently not adequately supported by the traditional model as a complement to new provincial **Complex Care Housing** initiative.

On September 13, 2023, the CRD Board unanimously voted to advance an amendment to the Land Assembly, Housing and Land Banking Service Establishment Bylaw, which will provide the requisition capacity needed to service borrowing of \$85M. The CRD Board also approved third reading of a loan authorization bylaw under Land Assembly, Housing and Land Banking, which will permit the borrowing of funds following the assent processes.

These two initiatives will enable the CRD to service the debt and borrow up to \$85M in new funds in 2024, for the purposes of partnering on land acquisition and development, efforts to address housing affordability in rural and remote communities in the capital region and engage in efforts to better support residents experiencing homelessness.

The CRD wishes to propose a partnership with the Government of British Columbia where the CRD invests its \$85M alongside a total commitment of up to \$170M from the Province. A combined fund totalling \$255M would directly facilitate up to \$1 billion (B) in overall development and could develop or protect up to 2,300 units in the capital region.

Impacts through Partnership

The CRD, either directly or through the CRHC has a demonstrated capacity to deliver a range of programs related to homelessness intervention and supportive/affordable housing supply including:

Regional Housing First Program (RHFP)

The RHFP is a \$120 million (M) capital program equally funded by the CRD, Government of British Columbia, through BC Housing, and the Canada Mortgage and Housing Corporation (CMHC). The capital program, first advanced in 2016, will support the construction of 15 projects totalling 1,480 total affordable rental units. Importantly, 363 of these units will be rented at the Provincial Income Assistance Rate Shelter Maximum Allowance and are prioritized to individuals in exiting supportive housing but are able to live more independently thereby taking pressure off the much-needed supportive housing inventory. This capital program is now fully expended, and the final units in the CRD are expected to open in 2027/28. A few examples of this program's recent impact include:

Project Name	Total Cost	RHFP Investment	Total Units	Shelter Rate Units	Year Completed
Cedar Grove (Victoria)	\$19,318,000	\$9,000,000	72	30	2022
Charters (Sooke)	\$20,917,220	\$3,375,000	75	15	2022
Croftonbrook (Salt Spring)	\$22,116,905	\$3,300,000	56	11	Phase 1: 2020 Phase 2: 2022
Millstream Ridge (Langford)	\$45,215,533	\$9,000,000	132	30	2019
Prosser Rd. (Central Saanich)	\$19,337,003	\$4,000,000	51	10	2022
Spencer Rd. (Langford)	\$38,263,972	\$7,800,000	130	26	2020
West Park (View Royal)	\$41,673,485	\$10,200,000	152	34	2020

Rapid Housing Initiative (RHI)

The CRD has partnered with the Government of British Columbia, through BC Housing, to invest \$34.3M of RHI funds to support the construction and operation of 202 units of permanent supportive housing across four projects that include the Aurora in Central Saanich, Albina St. Supportive Housing in Saanich, Kwum Kwum Lelum (House of Courage) in Victoria and a yet to be announced 66-unit housing development in partnership with the Songhees Nation and BC Housing on Songhees Nation reserve lands.

Reaching Home Program (RHP)

The CRD is administering a total of \$11.6M in RHP funds (2019 – 2024) to support a wide range of homelessness-serving programs and activities in the capital region. In 2023/24, as an example, the CRD is actively supporting a total of 17 community-based programs ranging from direct placement of individuals into supportive/supported housing to the design and development of a Homelessness Management Information System (HMIS) and Coordinated Assessment and Access (CAA) processes. This program is expected to be renewed beyond 2024.

Growing Communities Fund (GCF)

The CRD received \$11.5M through the GCF and through a detailed review of eligible capital projects across all CRD services, approved the allocation of \$4.2M to support the development of 140 units of affordable rental housing through the Village on the Green redevelopment in Victoria and an additional \$2.75M to enable land acquisition and support development/construction costs associated with 20 units of affordable rental housing on Galiano Island.

CRHC

The CRHC, in partnership with the Province of British Columbia, through BC Housing and CMHC, continues to deliver significant numbers of affordable rental units in the capital region. In 2017, the CRHC owned and operated 1,286 units of rental housing. By the end of 2023, this number will increase to 1,957. Over the last six years, the CRHC has leveraged its expertise and scaled its operations to deliver 671 new units of affordable rental housing.

Conclusion

The CRD and its subsidiary the CRHC, continue to demonstrate a willingness to be innovative, an ability to partner, and a critical focus on service delivery across the capital region through the provision of affordable housing, investment in supportive housing, and considerable efforts to provide direct supports to organizations working to address homelessness.

As willing and able partners, the CRD and the CRHC are well positioned to deliver outcomes for residents of the region alongside the Government of British Columbia. A direct government-to-government partnership through an MOU can provide the framework necessary to advance considerable efforts to contribute funds toward development and construction costs while also looking to leverage the considerable assets of the CRHC, which will help overcome the significant difficulty in securing suitable land for development.

The high-level framework as outlined through this Information Sheet has the potential to deliver:

- A combined fund of \$255M which could support \$1B in overall development and the creation or protection of 2,300 affordable rental units; and
- The utilization of 10 properties currently owned by the CRHC which could support approximately 2,000 new units of permanent affordable rental housing across the capital region.

The CRD and the CRHC are uniquely positioned to move aggressively forward by leveraging its ability to borrow and service debt through its Regional Housing function while also looking to the CRHC to provide land, undertake development work and operate the rental units in perpetuity. The ability to retain the process in its entirety within an order of government ensures that the investments made today have a legacy impact across the region that is focused on those households currently struggling with housing affordability and experiencing or are at-risk of homelessness.

Contact:

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