



Notice of Meeting and Meeting Agenda Hospitals and Housing Committee

Wednesday, September 2, 2020

1:30 PM

6th Floor Boardroom
625 Fisgard St.
Victoria, BC V8W 1R7

L. Helps (Chair), K. Murdoch (Vice Chair), D. Blackwell, S. Brice, F. Haynes, G. Holman,
R. Martin, C. McNeil-Smith, D. Screech, L. Seaton, K. Williams, C. Plant (Board Chair, ex-officio)

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 Agenda

3. Adoption of Minutes

3.1. [20-397](#) Minutes of the March 4, 2020 and July 29, 2020 Hospitals and Housing Committee Meetings

Recommendation: That the minutes of the Hospitals and Housing Committee meetings of March 4, 2020 and July 29, 2020 be adopted as circulated.

Attachments: [Minutes - March 4, 2020](#)
[Minutes - July 29, 2020](#)

4. Chair's Remarks

5. Presentations/Delegations

6. Committee Business

6.1. [20-499](#) Victoria Urgent and Primary Care Centre Fund Request

Recommendation: The Hospitals and Housing Committee recommends to the Capital Regional Hospital District (CRHD) Board:

- a) That CRHD funding in the amount of \$1,500,000 be approved for Victoria Urgent and Primary Care Centre (UPCC);
- b) That CRHD Bylaw No. 402, "Capital Regional Hospital District Capital Bylaw No. 177, 2020" (for a maximum of \$1,500,000 be introduced and read a first, second, and third time;
- c) That Bylaw No. 402 be adopted; and
- d) That CRHD provide Island Health a letter of support to designate Victoria UPCC a health facility under Section 49 of the Hospital District Act.

Attachments: [Staff Report: Victoria UPCC Fund Request](#)

[Appendix A: CRHD Bylaw No. 402](#)

[Appendix B: Draft Letter of Support](#)

6.2. [20-488](#) Caledonia Project Development Funding Application

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

That the Chief Administrative Officer be authorized to submit one or more applications to BC Housing for a Project Development Fund Repayable Loan totaling \$1.6 million for the Caledonia redevelopment project, and accept such loans as negotiated and awarded.

Attachments: [Staff Report: Caledonia Project Development Funding Application](#)

[Appendix A: Pre-Construction Costs](#)

6.3. [20-487](#) Michigan Redevelopment Legal Agreements

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

That the Capital Region Housing Corporation Board authorize a Housing Agreement to identify the lands as rental in perpetuity, to be registered on 330-336 Michigan Street; and

That the Chief Administrative Officer be authorized to accept the Victoria Housing Reserve Fund grant and terms of a Housing Agreement to secure residential units as affordable for 60 years for 330-336 Michigan Street.

Attachments: [Staff Report: Michigan Redevelopment Legal Agreements](#)

[Appendix A: City of Victoria Resolution](#)

[Appendix B: Housing Agreement](#)

[Appendix C: Adjusted Grant Request & Affordable Housing Definitions](#)

6.4. [20-486](#) Tenant Advisory Committee 2020 Annual Plan

Recommendation: That the Tenant Advisory Committee 2020 Annual Plan be received for information.

Attachments: [Tenant Advisory Committee 2020 Annual Plan - Amended July 2020](#)

6.5. [20-501](#) Westview Forgivable Mortgage

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

a) That the resolution required by BC Housing Management Commission to amend the forgivable mortgage for Westview be approved; and

b) That the Chief Administrative Officer and Chief Financial Officer be authorized to sign any documents related to the forgivable mortgage.

Attachments: [Staff Report: Westview Forgivable Mortgage](#)

[Appendix A: Certified Copy of Resolution of Directors](#)

6.6. [20-508](#) Oak Bay Lodge Planning

Recommendation: The Hospitals and Housing Committee recommends to the Capital Regional District Board and the Capital Regional Hospital District Board:

That the Oak Bay Lodge Planning report be received for information.

Attachments: [Staff Report: Oak Bay Lodge Planning](#)
 [Appendix A: BC Housing Letter](#)

7. Notice(s) of Motion

8. New Business

9. Motion to Close the Meeting

9.1. [20-513](#) Motion to Close the Meeting

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

10. Adjournment

The next meeting is October 7, 2020.

To ensure quorum, please advise Tamara Pillipow (tpillipow@crd.bc.ca) if you or your alternate cannot attend.

Meeting Minutes

Hospitals and Housing Committee

Wednesday, March 4, 2020

1:30 PM

6th Floor Boardroom
625 Fisgard St.
Victoria, BC V8W 1R7

PRESENT

Directors: L. Helps (Chair), K. Murdoch (Vice Chair), D. Blackwell, J. Brownoff (for S. Brice), F. Haynes, G. Holman, R. Martin, C. McNeil-Smith, D. Screech, L. Szpak (for L. Seaton), K. Williams

Staff: K. Lorette, General Manager, Planning and Protective Services; C. Culham, Senior Manager, Regional Housing; E. Gorman, Deputy Corporate Officer; T. Pillipow, Committee Clerk (Recorder)

Regrets: Board Chair C. Plant (ex-officio)

The meeting was called to order at 1:32 pm.

1. Territorial Acknowledgement

Chair Helps provided a Territorial Acknowledgement.

2. Approval of Agenda

MOVED by Director Murdoch, **SECONDED** by Director Haynes,
That the agenda for the March 4, 2020 Hospitals and Housing Committee meeting
be approved.
CARRIED

3. Adoption of Minutes

- 3.1. [20-187](#) Minutes of the February 5, 2020 Hospitals and Housing Committee Meeting

MOVED by Director Blackwell, **SECONDED** by Director Williams,
That the minutes of the Hospitals and Housing Committee meeting of February 5,
2020 be adopted as circulated.
CARRIED

4. Chair's Remarks

There were no Chair's remarks.

5. Presentations/Delegations

There were no Presentations or Delegations.

6. Committee Business

6.1. [20-163](#) Reaching Home Indigenous Homelessness Agreement 2020/21

K Lorette spoke to Item 6.1. Reaching Home Indigenous Homelessness Agreement 2020/21

Discussion ensued on the following:

- cost impact to the CRD
- services provided

**MOVED by Director Murdoch, SECONDED by Director Williams,
That the Reaching Home Indigenous Homelessness Agreement 2020/21 report be received for information.**

CARRIED

6.2. [20-164](#) Mortgage Renewals - Greenlea and Castanea

K. Lorette spoke to Item 6.2. Mortgage Renewals - Greenlea and Castanea

Discussion ensued on the following:

- renewal date
- calculations of Provincial Government savings

**MOVED by Director Screech, SECONDED by Director Martin,
The Hospitals and Housing Committee recommends to the Capital Region
Housing Corporation Board:**

- a) That the resolutions required by BC Housing Management Commission to renew the mortgages for Greenlea and Castanea through the Canada Mortgage and Housing Corporation Direct Lending Program for a term not to exceed the expiry of the existing operating agreement be approved; and
- b) That the Chief Administrative Officer and Chief Financial Officer be authorized to sign any documents related to the mortgage renewal.

CARRIED

7. Notice(s) of Motion

There were no Notice(s) of Motion.

8. New Business

There was no New Business.

9. Motion to Close Meeting**9.1. [20-186](#) Motion to Close the Meeting**

**MOVED by Director Martin, SECONDED by Director Screech,
That the meeting be closed for Land Acquisition in accordance with section 90 (1)
(e) of the Community Charter.**

CARRIED

**MOVED by Director Haynes, SECONDED by Director Screech,
That the Board considers that disclosures could reasonably be expected to harm
the interests of the Regional District**

CARRIED

MOVED by Director Screech, **SECONDED** by Director Blackwell,
That the meeting be closed for Intergovernmental Relations under section 90 (2)
(b) of the Community Charter.
CARRIED

10. Rise and Report

The meeting rose without report at 1:55 pm.

11. Adjournment

MOVED by Alternate Director Szpak, **SECONDED** by Director Martin,
That the Hospitals and Housing Committee meeting be adjourned at 1:53pm.
CARRIED

Chair

Recorder

Meeting Minutes

Hospitals and Housing Committee

Wednesday, July 29, 2020

1:30 PM

6th Floor Boardroom
625 Fisgard St.
Victoria, BC V8W 1R7

Special Meeting

PRESENT

Directors: L. Helps (Chair), K. Murdoch (Vice Chair), D. Blackwell, S. Brice, K. Harper (for F. Haynes), G. Holman, R. Martin, D. Screech, K. Williams

Staff: R. Lapham, Chief Administrative Officer; K. Lorette, General Manager, Planning and Protective Services; K. Morley, General Manager, Corporate Services; C. Culham, Senior Manager, Regional Housing; J. Hicks, Senior Transportation Planner, Regional and Strategic Planning; J. Douillard, Research Planner, Regional & Strategic Planning; M. Lagoa, Deputy Corporate Officer; T. Pillipow, Committee Clerk (Recorder)

Regrets: Directors Haynes, McNeil-Smith, Seaton, Plant

The meeting was called to order at 1:30 pm.

1. Territorial Acknowledgement

Chair Helps provided a Territorial Acknowledgement.

2. Approval of Agenda

**MOVED by Director Williams, SECONDED by Director Murdoch,
That the agenda for the July 29, 2020 meeting of the Hospitals and Housing
Committee be approved.
CARRIED**

3. Presentations/Delegations

- 3.1. [20-414](#) Presentation: Dr. Richard Stanwick, Island Health re. 2019-20 Island Health Report to the CRD

Dr. Stanwick of Island Health reported on the Clean Air Bylaw.

Discussion ensued on the following:

- vaccine supplies for the upcoming flu season
- cannabis use and safety
- quantitative indicators of progress on clean air
- wood burning in rural areas

MOVED by Director Murdoch, SECONDED by Director Screech,

**That the presentation be received for information.
CARRIED**

3.2. [20-435](#) Presentation: Kelly Roth, Greater Victoria Coalition to End Homelessness
re. GVCEH Update

K. Roth reported on the Greater Victoria Coalition to End Homelessness
2019-2024 Strategic Priorities.

Discussion ensued on the following:

- key aspects to be advocated to end homelessness
- percentage of people returning to homelessness after being homed
- benefits to dispersed and mixed model communities

**MOVED by Director Murdoch, SECONDED by Director Brice,
That the presentation be received for information.
CARRIED**

4. Committee Business

4.1. [20-431](#) Housing and Transportation Cost Estimates

K. Lorette introduced J. Hicks and J. Douillard who spoke to item 4.1.

Discussion ensued on the following:

- new trends
- data comparisons of emerging and established communities
- including parking data in transportation costs
- updating the report once new census data is available

**MOVED by Director Murdoch, SECONDED by Director Martin,
That the Housing and Transportation Cost Estimates Report be received for
information.
CARRIED**

4.2. [20-427](#) Capital Region Housing Corporation Operational Update - 2nd Quarter

K. Lorette introduced C. Culham who spoke to item 4.2.

Discussion ensued on the following:

- source of temporary rent supplement
- creating a report outlining local government process to support a rent bank
- lowering the unit rents due to the 1 million dollar surplus

Director Murdoch left the meeting at 2:43 pm.

**MOVED by Director Holman, SECONDED by Director Screech,
That the Hospitals and Housing Committee recommends to the Capital Region
Housing Corporation Board:
That the Operational Update - 2nd Quarter report be received for information.
CARRIED**

4.3. [20-231](#) Previous Minutes of Other CRD Committees and Commissions for
Information

MOVED by Director Williams, **SECONDED** by Director Brice,
That the following minutes be received for information:
a) Regional Housing Advisory Committee minutes - November 28, 2019
b) Tenant Advisory Committee minutes of September 19, 2019
c) Tenant Advisory Committee minutes of December 9, 2019
CARRIED

5. Notice(s) of Motion

There were no Notice(s) of Motion.

6. Motion to Close the Meeting

6.1. [20-445](#) Motion to Close the Meeting

MOVED by Director Blackwell, **SECONDED** by Director Screech,
That the meeting be closed for Land Acquisition in accordance with Section 90(1)
(e) of the Community Charter.
CARRIED

MOVED by Director Blackwell, **SECONDED** by Director Screech,
That such disclosures could reasonably be expected to harm the interests of the
Regional District.
CARRIED

The Hospitals and Housing Committee moved to the closed session at 2:56 pm.

7. Adjournment

MOVED by Director Brice, **SECONDED** by Director Blackwell,
That the July 29, 2020 Hospitals and Housing Committee meeting be adjourned at
3:11 pm.
CARRIED

Chair

Recorder

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, SEPTEMBER 02, 2020**

SUBJECT Victoria Urgent and Primary Care Centre Fund Request

ISSUE SUMMARY

Approval of a Capital Regional Hospital District (CRHD) \$1,500,000 Capital Expenditure and Borrowing Bylaw is required for Island Health to proceed with the \$5,000,000 Victoria Urgent and Primary Care Centre (UPCC) capital project and provide a letter of support to designate the center located at 1107 Pandora Avenue as a health facility under the *Hospital District Act*.

BACKGROUND

As part of Island Health's new primary care networks, Victoria UPCC will provide urgent and primary care to patients who do not have a family doctor or nurse practitioner. Primary care networks will be the backbone to a team-based approach, allowing patients access to a full range of health-care options from maternity to end of life, streamlining referrals from one provider to another, and providing better support to family physicians, nurse practitioners, and other primary health-care providers. Victoria UPCC will provide access to care for unexpected, but non-life threatening health concerns requiring same-day treatment and reducing lower-acuity emergency department visits. Victoria UPCC will require tenant improvements and capital acquisition to accommodate the planned services.

A Bylaw (Appendix A) authorizing the Hospital District's capital contribution is required in order to authorize the CRHD's capital contribution of \$1,500,000, which is 30% of the revised total capital budget of \$5,000,000. A request for a letter of support to have the facility designated under the *Hospital District Act* was also received and a draft letter of support is attached as Appendix B.

ALTERNATIVES

Alternative 1

The Hospitals and Housing Committee recommends to the Capital Regional Hospital District (CRHD) Board:

- a) That CRHD funding in the amount of \$1,500,000 be approved for Victoria Urgent and Primary Care Centre (UPCC);
- b) That CRHD Bylaw No. 402, "Capital Regional Hospital District Capital Bylaw No. 177, 2020" (for a maximum of \$1,500,000) be introduced and read a first, second, and third time;
- c) That Bylaw No. 402 be adopted; and
- d) That CRHD provide Island Health a letter of support to designate Victoria UPCC a health facility under Section 49 of the *Hospital District Act*.

Alternative 2

That Victoria Urgent and Primary Care Centre Fund Request report be referred back to staff for additional information based on Hospitals and Housing Committee direction.

IMPLICATIONS

Financial Implications

On October 30, 2019, the CRHD Board approved the project as part of the 2020-2029 CRHD 10-Year Capital Plan. Total project funding for Victoria UPCC, in the amount of \$5,000,000 was included in 2020 of the 2020-2029 Capital Plan.

Victoria UPCC capital budget will be cost shared with the Ministry of Health/Island Health, with CRHD contributing 30% capital towards the project. The CRHD's share of \$1,500,000 would be debt financed through the Municipal Finance Authority. The posted indicative rate for long-term borrowing (5-year), as at August 7, 2020 is 1.02%. As the anticipated financing for Victoria UPCC is spring 2021, a conservative rate of 1.10% with an amortization period of five years was modelled, resulting in annual debt servicing of \$304,738. This debt servicing cost is included in the approved 2020-2024 Final Budget.

CONCLUSION

Victoria UPCC project addresses the need to increase access to primary care and was included in 2020 of the 2020-2029 CRHD Capital Plan. With approval of a CRHD \$1,500,000 Capital Expenditure and Borrowing Bylaw, Island Health can proceed with tenant improvements and capital acquisition to accommodate the planned services.

RECOMMENDATION

The Hospitals and Housing Committee recommends to the Capital Regional Hospital District (CRHD) Board:

- a) That CRHD funding in the amount of \$1,500,000 be approved for Victoria Urgent and Primary Care Centre (UPCC);
- b) That CRHD Bylaw No. 402, "Capital Regional Hospital District Capital Bylaw No. 177, 2020" (for a maximum of \$1,500,000 be introduced and read a first, second, and third time;
- c) That Bylaw No. 402 be adopted; and
- d) That CRHD provide Island Health a letter of support to designate Victoria UPCC a health facility under Section 49 of the *Hospital District Act*.

Submitted by:	Michael Barnes, MPP, Senior Manager, Health & Capital Planning Strategies
Concurrence:	Michael Barnes, Acting General Manager, Planning & Protective Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Ted Robbins, Acting Chief Administrative Officer

ATTACHMENTS

- Appendix A: CRHD Bylaw No. 402 "Capital Regional Hospital District Capital Bylaw No. 177, 2020"
- Appendix B: Draft Letter of Support

CAPITAL REGIONAL HOSPITAL DISTRICT BYLAW NO. 402

CAPITAL EXPENDITURE & BORROWING BYLAW NO. 177, 2020

WHEREAS the Board of the Capital Regional Hospital District proposes to borrow and expend money for the capital expenditures described in Schedule "A" attached hereto and forming an integral part of this bylaw;

And whereas those capital expenditures have received the approval required under Section 23 of the *Hospital District Act*;

Now therefore the Board of the Capital Regional Hospital District enacts the following capital expenditure and borrowing bylaw as required by Sections 32 and 33 of the *Hospital District Act*.

1. The Board hereby authorizes and approves the borrowing and expenditure of money necessary to complete the capital expenditures as described in Schedule "A" attached.
2. The Board authorizes and approves the borrowing of a net sum not exceeding \$1,500,000 upon the credit of the District by the issuance and sale of securities in a form and a manner agreed to by the Municipal Finance Authority of British Columbia. The term of the securities and the repayment of the principal and interest shall be over a term not to exceed FIVE years.
3. To meet the payments of principal and interest during the term of the securities, there shall be included in the estimates of the Regional Hospital District each year, the respective amounts of principal and interest falling due in that year.
4. The Board hereby delegates the necessary authority to the Treasurer of the Capital Regional Hospital District to settle the terms and conditions of the borrowing and to undertake such temporary borrowing as is necessary to provide funding in advance of the receipt of funds from the Municipal Finance Authority of British Columbia.
5. This bylaw may be cited for all intents and purposes as the Capital Regional Hospital District Capital Bylaw No 177, 2020.

READ A FIRST TIME THIS DAY OF , 2020.

READ A SECOND TIME THIS DAY OF , 2020.

READ A THIRD TIME THIS DAY OF , 2020.

ADOPTED THIS DAY OF , 2020.

Chair

Corporate Officer

SCHEDULE "A"

Bylaw No. 402

CAPITAL REGIONAL HOSPITAL DISTRICT
CAPITAL EXPENDITURE & BORROWING BYLAW

CAPITAL BYLAW NO 177, 2020

Name of Facility	Project or Equipment Description	Project Number	Amount Covered by CRHD Bylaw (30%)	Amount covered by Province/ Island Health (70%)	Other Share (Specify) (___%)	Total Project or Equipment Cost
Victoria Urgent and Primary Care Centre	Victoria Urgent and Primary Care Centre	C-177-01	\$1,500,000.00	\$3,500,000.00	\$0.00	\$5,000,000.00
		Total	\$1,500,000.00	\$3,500,000.00	\$0.00	\$5,000,000.00

September 2, 2020

Mr. Chris Sullivan, Director
Capital Planning
Island Health
2101 Richmond Avenue
Victoria, BC V8R 4R7

Dear Mr. Sullivan:

**Re: Victoria Urgent and Primary Care Centre
Request for Designation of Health Unit**

On behalf of the Board of Directors of the Capital Regional Hospital District (CRHD), I am writing to express the Board's support of Island Health to have Victoria Urgent Primary Care Centre at 1107 Pandora Avenue, Victoria designated as a health facility under Section 49 of the *Hospital District Act*.

The Board supports the implementation of urgent and primary care centres as part of Island Health's primary care network. Providing a full range of primary health-care options to patients who currently do not have a family doctor or nurse practitioner, including weekends and after-hours, will take pressure off hospital emergency departments.

This is an important project supporting the health of those living on Vancouver Island and the Board fully supports Island Health's request to have Victoria Urgent and Primary Care Centre designated as a health facility.

Sincerely,

Denise Blackwell, Chair
Capital Regional Hospital District

cc: Robert Lapham, MCIP, RPP, Chief Administrative Officer
Kevin Lorette, P.Eng., MBA, General Manager Planning and Protective Services
Michael Barnes, Senior Manager, Health & Capital Planning Strategies

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, SEPTEMBER 02, 2020**

SUBJECT Caledonia Project Development Funding Application

ISSUE SUMMARY

To authorize the Capital Region Housing Corporation (CRHC) to apply for Project Development Funding through BC Housing Management Commission (BC Housing) as necessary and applicable for the Caledonia Redevelopment Project.

BACKGROUND

In August 2016, the Board approved the *CRHC Portfolio Renewal, Redevelopment and Development Strategy* (2016-2019) that included advancing the Caledonia redevelopment project. Preliminary funding approval was given to Caledonia through the *Building BC: Community Housing Fund* (CHF).

In January 2018, the Board provisionally approved a \$1 million equity contribution from the Umbrella Operating Agreement accumulated operating surplus for the Caledonia redevelopment project. Board final approval for these equity allocations was to be based on receipt of CHF approval. This was received in July 2018.

The project is proceeding through the pre-construction design phase. Funds required to advance the project to the construction phase will exceed the \$1 million CRHC equity contribution. Total pre-construction costs, including municipal fees, development cost charges, bonds, deposits, and design and project management fees are projected to total \$2.6 million. CHF equity will not be available until all permits have been issued, construction contracts have been tendered and a final control budget has been confirmed.

Through staff discussions, BC Housing has indicated that it will support the project with Project Development Funding (PDF) in the form of a repayable loan, to be recovered through the construction financing, upon approval of the project. PDF funding is made available when BC Housing is confident a project is advancing.

CRHC is recommending two separate PDF loan applications. The first PDF application, totaling \$500,000, would be submitted to BC Housing immediately following CRHC Board approval. The second application, totaling \$1.1 million, would be submitted after 50% design drawings are complete and submitted to BC Housing for review and comment. The PDF loan value would be registered on title in conjunction with the approval of the second PDF application.

ALTERNATIVES

Alternative 1

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

That the Chief Administrative Officer be authorized to submit one or more applications to BC Housing for a Project Development Fund Repayable Loan totaling \$1.6 million for the Caledonia

redevelopment project, and accept such loans as negotiated and awarded.

Alternative 2

That the report be referred back to staff for additional information.

IMPLICATIONS

Social Implications

The addition of these units will help improve the quality of life for households needing access to affordable rental housing units as well as improve general quality of life in the region.

Financial Implications

Of the existing \$1 million CRHC contribution, approximately \$525,000 has been spent on consultants, fees, project management and other pre-construction costs to-date.

(See Appendix A.)

Existing CRHC Contribution	\$1,000,000
Spent to-date	525,000
Remaining Committed Funds	<u>475,000</u>

Staff have estimated the remaining pre-construction costs and identified the need for additional funds to advance the project to the Construction Phase. Pre-construction costs, including municipal fees, bonds, deposits, and design and project management fees are projected to cost \$2.6 million. (See Appendix A.)

Projected Pre-Construction Costs	\$2,600,000
Existing CRHC Contribution	1,000,000
Total PDF Loan Required	<u>1,600,000</u>

Alignment with Board & Corporate Priorities

The CRD's 2019-2023 Corporate Plan identified Community Well-Being as a Strategic Board Priority, which included the creation of more affordable housing units within the region to address the needs of a diverse and growing population, including vulnerable residents.

Alignment with Existing Plans & Strategies

The projects align with the following strategies and plans:

1. CRD 2019-2022 Corporate Plan
2. CRD 2018 Regional Housing Affordability Strategy
3. City of Victoria Strategic Plan 2019-2022
4. City of Victoria Official Community Plan
5. Homes for BC: A 30 point plan for Housing Affordability in British Columbia, 2018

CONCLUSION

The Caledonia redevelopment project will leverage partnerships with BC Housing, the City of Victoria and the Greater Victoria School District to provide affordable housing in a centrally located neighbourhood within the core of the capital region. Project Development Funding is required to advance the project through the pre-construction design phase and through to construction. Staff will return to the Board for final budget approval.

RECOMMENDATION

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

That the Chief Administrative Officer be authorized to submit one or more applications to BC Housing for a Project Development Fund Repayable Loan totaling \$1.6 million for the Caledonia redevelopment project, and accept such loans as negotiated and awarded.

Submitted by:	Rob Fowles, Manager, Construction & Capital Projects, Regional Housing
Concurrence:	Christine Culham, Acting General Manager, Planning & Protective Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

Attachment: Appendix A Preconstruction Costs

Caledonia Project Development Funding Application

Table 1 – Pre-Construction Costs

	Spent	Remaining	Total
Architect	188,418	342,000	530,418
Consultants**	139,377	187,363	326,740
Demolition and Site Preparation **	17,342	140,000	157,342
Legal	6,867	10,000	16,867
Municipal Fees **	4,310	1,156,733	1,161,042
Project Management	169,292	238,300	407,592
TOTAL	525,604	2,074,396	2,600,000

**** Class D estimate information****

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, SEPTEMBER 02, 2020**

SUBJECT Michigan Redevelopment Legal Agreements

ISSUE SUMMARY

To execute a Housing Agreement with the City of Victoria to enable the issuance of a Development Permit with Variances for the construction of 97 new affordable rental units at 330-336 Michigan Street, and to accept the terms of the *Victoria Housing Reserve Fund*.

BACKGROUND

Housing Agreement for Development Permit

In February 2020, City of Victoria's Committee of the Whole recommended Council issue the Development Permit with Variance. Please see Appendix A for the City of Victoria resolution. In alignment with the Housing Strategy, a standard condition for an Affordable Housing Development Approval is the requirement for a Housing Agreement to guarantee the building will remain as rental in perpetuity. Please refer to Appendix B.

Housing Agreement for Housing Reserve Fund

On July 24, 2018, the Capital Region Housing Corporation (CRHC) Board of Directors authorized staff to submit applications for the Michigan Square Redevelopment to the City of Victoria Housing Reserve Fund (VHRF).

The VHRFⁱ was established for the purpose of providing grants for funding to assist in the development and retention of affordable housing for households with very low, low or moderate incomes to support community diversity and infrastructure; and to facilitate the development of affordable rental housing and affordable home ownership projects. The VHRF provides up to \$10,000 for a one-bedroom, \$20,000 for two-bedroom and \$30,000 for three-bedroom units. The VHRF guidelines require the successful applicant to enter into a Housing Agreement with the City of Victoria (CoV) to ensure the units receiving funding remain affordable housing in perpetuity, or for a time approved by City Council.

In March 2020, City of Victoria Council approved \$1,020,000 in VHRF grant funding subject to preparation and execution of a Housing Agreement to secure the number, unit size and affordability levels of units in perpetuity. At the time of execution, CRHC staff were informed by CoV that the affordability levels defined within the VHRF do not align with BC Housing's *Building BC: Community Housing Fund* (CHF) definitions, and as such all moderate income units are not eligible for funding. CRHC staff will return to Council in October 2020 to request a reduction in the grant amount to \$620,000 for 46 units. Please refer to Appendix C for the City of Victoria and BC Housing definitions of low and moderate incomes and a detailed table outlining the adjusted request in the grant amount.

The rental amounts and corresponding unit sizes were approved and agreed to. However, at the time of execution the definition of 'moderate income' in the VHRF did not align with BC Housing's CHF.

ALTERNATIVES

Alternative 1

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

That the Capital Region Housing Corporation Board authorize a Housing Agreement to identify the lands as rental in perpetuity, to be registered on 330-336 Michigan Street; and

That the Chief Administrative Officer be authorized to accept the Victoria Housing Reserve Fund grant and terms of a Housing Agreement to secure residential units at affordable rates for 60 years for 330-336 Michigan Street.

Alternative 2

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

That the Chief Administrative Officer be authorized to negotiate and accept a revised Housing Agreement to identify the lands for rental housing for 60 years, to be registered on title; and

That the Chief Administrative Officer be authorized to negotiate and accept the City of Victoria Housing Reserve Fund grant and terms of a Housing Agreement to secure residential units at affordable rates for 60 years.

Alternative 3

That this report be referred back to staff for additional information.

IMPLICATIONS

Alignment with Board & Corporate Priorities

The Capital Regional District's (CRD) 2019-2023 Corporate Plan identified Community Well-Being as a Strategic Board Priority, which includes the creation of more affordable housing units. The CRD's 2018 Regional Housing Affordability Strategy has identified overarching goals and objectives to protect rental housing stock within the region. A strategy suggested by the CRD for the municipality is to regulate housing units based upon intended occupancy through policies and bylaws. A housing agreement that secures new buildings for rental tenure for a defined time period is a tool available to local governments through the *Local Government Act* to implement this strategy.

Social Implications

The creation of new, sustainable and affordable housing options will improve quality of life for very low, low and moderate income families in the region. Identifying an area for rental housing in perpetuity provides longer term assurances that low income families and vulnerable populations will always have access to appropriate housing options within the region.

Financial Implications

There will be two housing agreements. The first, for the development permit, will restrict the tenure of buildings for rental only in perpetuity. The second, to receive housing reserve fund grants, will secure affordable rental rates at defined income thresholds. The restriction on the use of the land

will decrease the value if a future sale is entertained. However, affordability and revenue generation will only be restricted for 60 years to align with the CHF Operating Agreement.

Alignment with Existing Plans & Strategies

The project aligns with the following strategies and plans:

1. [CRD 2019-2022 Corporate Plan](#)
2. [CRD 2018 Regional Housing Affordability Strategy](#)
3. [City of Victoria Strategic Plan 2019-2022](#)
4. [The Victoria Housing Strategy 2016-2025 Phase Two: 2019-2022](#)
5. [Homes for BC: A 30 point plan for Housing Affordability in British Columbia](#)

CONCLUSION

The Michigan Square redevelopment proposes to construct 97 new affordable rental housing units on CRHC owned lands at 330-336 Michigan Square in James Bay. Two housing agreements to be registered on title will secure the lands for rental in perpetuity and secure the new units at affordable rental rates for 60 years. Providing safe, affordable and sustainable rental units is a mandate of the CRHC and a high priority for the City of Victoria. The public hearing, issuance of the development permit and grant funding approval is anticipated for October 2020.

RECOMMENDATION

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

That the Capital Region Housing Corporation Board authorize a Housing Agreement to identify the lands as rental in perpetuity, to be registered on 330-336 Michigan Street; and

That the Chief Administrative Officer be authorized to accept the Victoria Housing Reserve Fund grant and terms of a Housing Agreement to secure residential units as affordable for 60 years for 330-336 Michigan Street.

Submitted by:	Christine Culham, Senior Manager, Regional Housing
Concurrence:	Christine Culham, Acting General Manager, Planning & Protective Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Acting Chief Administrative Officer

ATTACHMENTS

Appendix A: City of Victoria Council Motion, February 27, 2020

Appendix B: Housing Agreement: Rental in Perpetuity

Appendix C: VHRF Adjusted Grant Request & Affordable Housing Definitions

ⁱ <https://www.victoria.ca/EN/main/residents/housing-strategy/housing/victoria-housing-fund.html>



VICTORIA CITY COUNCIL

MEETING OF THURSDAY, FEBRUARY 27, 2020, AT 6:30 P.M.

I.4 330-336 Michigan Street: Revised Victoria Housing Reserve Fund Grant Application (James Bay)

That Council:

1. Revise the Victoria Housing Reserve Fund (VHRF) grant, approved on February 27, 2020, to the Capital Region Housing Corporation for the Michigan Square project located at 330-336 Michigan Street from \$990,000 to \$1,020,000 to reflect a shift from market to moderate (affordable) income rent for two of the eight proposed 3-bedroom units.
2. Issue the VHRF grant funding subject to the applicant executing a Housing Grant Agreement and a Housing Agreement to the satisfaction of the City Solicitor and Director of Sustainable Planning and Community Development to secure the provision of the affordable units pursuant to the VHRF Guidelines as of March 21, 2019 on terms consistent with BC Housing's operating funding:
 - a. 7 studio units for very low income level;
 - b. 12 one-bedroom units for very low income level;
 - c. 1 two-bedroom unit for very low income level;
 - d. 9 one-bedroom units for low income level;
 - e. 11 two-bedroom units for low income level;
 - f. 2 three-bedroom units for low income level;
 - g. 12 one-bedroom units for moderate income levels
 - h. 4 two-bedroom units for moderate income levels;
 - i. 11 two-bedroom units for moderate income levels;
 - j. 20 two-bedroom units for moderate income levels; and
 - k. 2 three-bedroom units for moderate income levels.

Carried

HOUSING AGREEMENT

(Pursuant to section 483 of the *Local Government Act*)

BETWEEN:

THE CORPORATION OF THE CITY OF VICTORIA

#1 Centennial Square
Victoria, B.C. V8W 1P6

(the "**City**")

AND:

CAPITAL REGION HOUSING CORPORATION

Inc. No. BC257647
534 Yates Street
Victoria, B.C. V8W 2S6

(the "**Owner**")

WHEREAS:

- A. Capitalized terms used herein will have the respective meanings ascribed to them in section 1.1 of this Agreement, unless the context otherwise clearly requires or they are elsewhere defined herein.
- B. Under section 483 of the *Local Government Act* the City may, by bylaw, enter into a housing agreement with an owner regarding the occupancy of the housing units identified in the agreement, including but not limited to terms and conditions referred to in section 483(2) of the *Local Government Act*.
- C. The Owner is the registered and beneficial owner in fee simple of lands in the City of Victoria, British Columbia, with a civic address of 330, 332, 334 and 336 Michigan Street, Victoria, B.C. and legally described as:

PID: 001-225-197
LOT A, OF LOTS 1864, 1871, 1872, 1873, 1874, 1875 AND 1876, VICTORIA
CITY, PLAN 42136
(the "**Lands**").
- D. The Owner has applied to the City for a development permit with variances to permit the Development on the Lands in accordance with this Agreement.
- E. Subject to the issuance of a development permit with variances, the Owner intends to subdivide the Development through an air space parcel subdivision and/or by way of stratification and the Dwelling Units will be operated as residential rental units.
- F. The City and the Owner wish to enter into this Agreement, as a housing agreement pursuant to section 483 of the *Local Government Act*, to secure the agreement of the Owner that all Dwelling Units on the Lands will be used and held only as rental housing.

NOW THIS AGREEMENT WITNESSES that pursuant to section 483 of the *Local Government Act*, and in consideration of the premises and covenants contained in this agreement (the "**Agreement**"), the parties agree each with the other as follows:

1.0 DEFINITIONS

1.1 In this Agreement:

"Business Day" means Monday to Friday, other than any such day which is a statutory holiday in Victoria, British Columbia;

"Development" means two new mixed use, multi-storey buildings to be constructed on the Lands, and consisting of approximately 97 residential dwelling units and 9 commercial units, and related facilities authorized and contemplated by the development permit with variances and all permits issued by the City in respect thereof;

"Director" means the City's Director of Sustainable Planning and Community Development or their authorized nominee;

"Dwelling Units" means any or all, as the context may require, self-contained residential dwelling units within the Development and includes any dwelling unit that is developed on the Lands in future, whether as part of the Development or otherwise, and **"Dwelling Unit"** means any of such residential dwelling units located on the Lands;

"Immediate Family" includes a person's spouse, partner, child, grandchild, parent, grandparent, sibling, niece and nephew, and the Immediate Family of the person's spouse;

"Land Title Act" means the Land Title Act, R.S.B.C. 1996, c.250;

"Lands" means that certain parcel of land described in Recital C, and includes any parcel into which some or all of such land is consolidated or subdivided;

"Local Government Act" means the Local Government Act, R.S.B.C. 2015, c. 1;

"Non-owner" means a person other than a Related Person or the Owner;

"Owner" includes a person who acquires an interest in the Lands or any part of the Lands or the Development and is thereby bound by this Agreement, as referred to in section 13.3;

"Related Person" includes, where the registered or beneficial owner of the Lands or Dwelling Unit, as applicable, is:

- (a) a corporation or society:
 - (i) an officer, director, shareholder, or member of such corporation or society, or of another entity which is a shareholder or member of such corporation or society; or
 - (ii) an Immediate Family of a person to whom paragraph (i) applies, or
- (b) an individual, an Immediate Family of the registered or beneficial owner;

“Strata Corporation” means, for the portions of the Lands or any building on the Lands that is subdivided under the Strata Property Act, a strata corporation as defined in that Act, including the Owner while in control of the strata corporation and subsequently the individual strata lot owners collectively acting as the strata corporation;

“Strata Plan” means a strata plan filed in respect of the Lands or any subdivided portion thereof pursuant to the *Strata Property Act*;

“Strata Property Act” means the Strata Property Act, S.B.C. 1998, c. 43;

“Tenancy Agreement” means an agreement, lease, licence, or other right of a Non-owner to occupy a Dwelling Unit.

2.0 DWELLING UNITS TO BE RENTED AND USED ONLY AS RENTAL UNITS

- 2.1** The Owner covenants and agrees that the Dwelling Units shall only be used as rental housing in perpetuity, and for that purpose shall only be occupied by a Non-owner under the terms of a Tenancy Agreement between the Owner and the Non-owner who occupies the Dwelling Unit.

3.0 NO RESTRICTIONS ON RENTALS

- 3.1** The Owner covenants and agrees that the Owner shall not take any steps, or enter into any agreements, or impose any rules or regulations whatsoever, the effect of which would be to prevent or restrict the Owner of a Dwelling Unit from renting that Dwelling Unit to a Non-owner under the terms of a Tenancy Agreement.
- 3.2** Without limiting the generality of section 3.1, the Owner covenants and agrees that it will not make application to deposit a Strata Plan for or in respect of the Lands or a building on the Lands unless the strata bylaws in no way restrict rental of any Dwelling Unit to a Non-owner under the terms of a Tenancy Agreement.

4.0 SUBDIVISION

- 4.1 Subdivision Generally.** If the Lands are subdivided at any time hereafter either under the provisions of the *Land Title Act* or under the *Strata Property Act*, or under other similar legislation enacted from time to time, then upon the deposit of a plan of subdivision, a Strata Plan, or similar plan as the case may be, subject to section 4.2 :

- (a) the rights and benefits of this Agreement herein granted will be annexed to and run with each of the new parcels, lots or other subdivided parcels and areas so created; and
- (b) the burdens, obligations, agreements and covenants contained in this Agreement will continue to be noted on each of the new parcels, lots or other subdivided parcels and areas so created.

- 4.2 Subdivision by Strata Plan.** If the Lands, or any portion thereof, are subdivided by a Strata Plan:

- (a) the existence of this Agreement and the City bylaw authorizing and enacting it will be noted on the title of each individual strata lot and noted on the common property sheet;
- (b) the Owner will cause the Strata Corporation or the strata corporations created by the deposit of a Strata Plan to be obliged to perform and observe the Owner's applicable covenants in this Agreement, solely at the expense of the strata lot owners; and
- (c) the liability of each strata lot owner for the performance and observance of the Owner's covenants herein will be in proportion to the unit entitlement of his, her or its strata lot as established by the Strata Plan,

provided that, if the Lands are first subdivided by air space plan and then one or more of these parcels are further subdivided by Strata Plan, the easements and covenants registered concurrently with the air space plan may designate the air space parcel or the remainder, and therefore each strata lot owner and/or the Strata Corporation, responsible to perform and observe the Owner's covenants in this Agreement.

4.3 Release of Notice. For certainty, if the portion of the Lands containing the Development is subdivided and any of the parcels created as a result of such subdivision do not contain any of the Dwelling Units (the "**Subdivided Parcel**"), the owner of such Subdivided Parcel may apply to the City to release the Notice (as defined in section 6.1) from title to the Subdivided Parcel. The City agrees to execute and deliver a release of this Housing Agreement from title to the Subdivided Parcel, provided however that: (a) the City will have no obligation to execute any such release until a written request therefor from the owner of the Subdivided Parcel has been received by the City, which request will include the form of release in registerable form; (b) the cost of preparation of such release and the cost of registration of same in the Land Title Office will be paid by the Owner; and (c) the City will have a reasonable time within which to execute such release and return the same to the Owner for registration.

5.0 REPORTING

5.1 The Owner covenants and agrees to provide to the Director, within thirty (30) days of the Director's request, a report in writing confirming that:

- (a) all Dwelling Units are being rented to Non-owners or are vacant,
 - (b) all other requirements of this Agreement are being complied with by the Owner,
- along with such other information as may be requested by the Director from time to time.

5.2 The Owner hereby authorizes the City to make such inquiries as it considers necessary in order to confirm that the Owner is complying with this Agreement.

5.3 The Owner acknowledges that it is within the City's sole discretion to consent or not to consent to modifications of this Agreement and that such consent may be withheld for any reason.

6.0 NOTICE TO BE REGISTERED IN LAND TITLE OFFICE

- 6.1** Notice of this Agreement (the “**Notice**”) will be registered in the Land Title Office by the City at the cost of the Owner in accordance with section 483 of the *Local Government Act*, and this Agreement is binding on the parties to this Agreement as well as all persons who acquire an interest in the Lands after registration of the Notice.

7.0 LIABILITY

- 7.1** The Owner agrees to indemnify and saves harmless the City and each of its elected and appointed officials, employees and agents and their respective administrators, successors and permitted assigns, of and from all claims, demands, actions, damages, costs and liabilities, which all or any of them shall or may be liable for or suffer or incur or be put to by reason of or arising out of failure of the Owner to comply with the terms and conditions of this Agreement, or otherwise that would not have arisen “but for” this Agreement.
- 7.2** The Owner hereby releases and forever discharges the City and each of its elected and appointed officials, employees and agents and their respective administrators, successors and permitted assigns, of and from any and all claims, demands, actions, damages, economic loss, costs and liabilities which the Owner now has or hereafter may have with respect to or by reason of or arising out of the fact that the Lands are encumbered by and affected by this Agreement, or otherwise that would not have arisen “but for” this Agreement.

8.0 GENERAL PROVISIONS

- 8.1 NOTICE.** If sent as follows, notice under this Agreement is considered to be received:

- (a) seventy-two (72) hours after the time of its mailing (by registered mail),
- (b) on the date of dispatch if delivered by email or fax before 5:00 pm on a regular Business Day, and otherwise on the next regular Business Day thereafter, and
- (c) on the date of delivery if hand-delivered, and

in the case of the City, addressed to:

City of Victoria
#1 Centennial Square
Victoria, BC V8W 1P6

Attention: Director of Sustainable Planning and
Community Development
Fax: 250-361-0386
Email: khoese@victoria.ca

and in the case of the Owner, addressed to:

Capital Region Housing Corporation
631 Fisgard Street
Victoria, BC V8W 1R7

Attention: Senior Manager, Regional Housing
 Fax: 250-361-4970
 Email: cculham@crd.bc.ca

or upon registration of a strata plan for the Lands, to the Strata Corporation, and to the Owner of any Dwelling Unit that is subject to the restrictions under section 2.1.

If a party identifies alternate contact information in writing to another party, notice is to be given to that alternate address/person.

If normal mail, email or facsimile service is interrupted by strike, work slowdown, force majeure, or other cause,

- (d) notice sent by the impaired service is considered to be received on the date of delivery, and
- (e) the sending party must use its best efforts to ensure prompt receipt of a notice by using other uninterrupted services, or by hand-delivering the notice.

8.2 TIME. Time is of the essence of this Agreement.

8.3 BINDING EFFECT. This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors, and permitted assignees. In accordance with section 483(6) of the *Local Government Act*, this Agreement and all obligations hereunder is binding on all who acquire an interest in the Lands, and is binding on the Owner only during the Owner's ownership of any interest in the Lands, and with respect only to that portion of the Lands of which the Owner has an interest.

8.4 WAIVER. The waiver by a party of any failure on the part of the other party to perform in accordance with any of the terms or conditions of this Agreement is not to be construed as a waiver of any future or continuing failure, whether similar or dissimilar.

8.5 HEADINGS. The division of this Agreement into articles and sections and the insertion of headings are for the convenience of reference only and will not affect the construction or interpretation of this Agreement.

8.6 LANGUAGE. Words importing the singular number only will include the plural and vice versa, words importing the masculine gender will include the feminine and neuter genders and vice versa, and words importing persons will include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa.

8.7 LEGISLATION. Reference to any enactment includes any regulations, orders or directives made under the authority of that enactment, and is a reference to that enactment as consolidated, revised, amended, re-enacted or replaced, unless otherwise expressly provided.

8.8 EQUITABLE REMEDIES. The Owner acknowledges and agrees that damages would be an inadequate remedy for the City for breach of this Agreement and that the public interest strongly favours specific performance, injunctive relief (mandatory or otherwise), or other equitable relief, as the only adequate remedy for a default under this Agreement.

- 8.9 CUMULATIVE REMEDIES.** No remedy under this Agreement is to be deemed exclusive but will, where possible, be cumulative with all other remedies at law or in equity.
- 8.10 ENTIRE AGREEMENT.** This Agreement when executed will set forth the entire agreement and understanding of the parties as at the date it is made.
- 8.11 FURTHER ASSURANCES.** Each of the parties will do, execute, and deliver, or cause to be done, executed, and delivered all such further acts, documents and things as may be reasonably required from time to time to give effect to this Agreement.
- 8.12 AMENDMENT.** This Agreement may be amended from time to time, by consent of the Owner and a bylaw duly passed by the Council of the City and thereafter if it is signed by the City and the Owner provided however, that the Owner acknowledges that it is within the City's sole discretion to consent or not to consent to modifications of this Agreement and that such consent may be withheld for any reason.
- 8.13 LAW APPLICABLE.** This Agreement is to be construed in accordance with and governed by the laws applicable in the Province of British Columbia.
- 8.14 NO DEROGATION FROM STATUTORY AUTHORITY.** Nothing in this Agreement shall:
- (a) limit, impair, fetter or derogate from the statutory powers of the City all of which powers may be exercised by the City from time to time and at any time to the fullest extent that the City is enabled and no permissive bylaw enacted by the City, or permit, licence or approval, granted, made or issued thereunder, or pursuant to statute, by the City shall estop, limit or impair the City from relying upon and enforcing this Agreement; or
 - (b) relieve the Owner from complying with any enactment, including the City's bylaws, or any obligation of the Owner under any other agreement with the City.
- 8.15 SEVERABILITY.** If any section, term or provision of this Agreement is found to be partially or wholly illegal or unenforceable, then such sections or parts will be considered to be separate and severable from this Agreement and the remaining sections or parts of this Agreement, as the case may be, will be unaffected thereby and will remain and be enforceable to the fullest extent permitted by law as though the illegal or unenforceable parts or sections had never been included in this Agreement.
- 8.16 JOINT AND SEVERAL.** The Owner, if more than one, are jointly and severally obligated to perform and observe each and every of the covenants, warranties and agreements herein contained by the Owner to be observed and performed.
- 8.17 COUNTERPARTS.** This Agreement may be executed in counterparts and delivered by emailed PDF file, each of which will have the same effect as if all parties had signed the same document. Each counterpart shall be deemed to be an original. All counterparts shall be construed together and shall constitute one and the same Agreement.

8.18 EFFECTIVE DATE. This Agreement is effective as of the date of the signature of the last party to sign.

IN WITNESS WHEREOF the parties hereto have set their hands and seals as of the day and year last below written.

THE CORPORATION OF THE CITY OF)
VICTORIA by its authorized signatories:)

_____)
 Karen Hoese, Director of Sustainable)
 Development and Community Planning)

Date signed: _____)

CAPITAL REGION HOUSING)
CORPORATION)
 by its authorized signatory(ies):)

x _____)
 Print Name:)

x _____)
 Print Name:)

Date signed: _____

Appendix C: VHRF Adjusted Grant Request & Affordable Housing Definitions

Table 1: Adjusted VHRF Unit Mix, Rents & Eligibility

Unit Size	Units Approved	Revised Units	Affordability Level	Monthly Rent	VHRF Funding per Unit	Approved Grant Amount	Revised Grant Amount
Studio	7	7	Very Low Income	\$375	\$10,000	\$70,000	\$70,000
One Bedroom	12	16	Very Low Income	\$375	10,000	\$120,000	\$160,000
	9	9	Low Income	\$739	10,000	\$90,000	\$90,000
	12	0	Moderate Income	\$1,250	\$5,000	\$60,000	0
Two Bedroom	1	1	Very Low Income	\$739	\$20,000	\$20,000	\$20,000
	11	11	Low Income	\$960	\$20,000	\$220,000	\$220,000
	4	0	Moderate Income	\$1,800	\$10,000	\$40,000	\$ -
	11	0	Moderate Income	\$1,950	\$10,000	\$110,000	\$ -
	20	0	Moderate Income	\$2,000	\$10,000	\$200,000	\$ -
Three Bedroom	2	2	Low Income	\$1,380	\$30,000	\$60,000	\$ 60,000
	2	0	Moderate Income	\$2,000	\$15,000	\$30,000	\$ -
	0	0	Market	\$2,480	\$ -	\$ -	\$ -
	91	46				\$1,020,000	\$620,000

Table 2: Moderate Income Definition

City of Victoria VHRF Definition	Households with incomes at or below the latest available census data for the Victorian Census Metropolitan Area median total income, as defined by Statistics Canada.
BC Housing CHF Definition	<p>BC housing's low to moderate income limits are defined as:</p> <ol style="list-style-type: none"> For residential units with less than two (2) bedrooms, a gross household income that does not exceed the median income for couples without children in B.C., as determined by BC Housing from time to time. For 2020, this figure is \$74,150. For residential units with two (2) or more bedrooms, a gross household income that does not exceed the median income for families with children in B.C., as determined by BC Housing from time to time. For 2020, this figure is \$113,040.

TENANT ADVISORY COMMITTEE 2020 Annual Plan

Amended July 2020

February 24	<p>Business Arising:</p> <ul style="list-style-type: none"> • Online Banking Update • Communication Strategy re: Unit Upgrades <p>New Business: (New) Customer Service Standards Presentation</p>
April 27	Cancelled
June 29	Cancelled
September	<p>Business Arising:</p> <ul style="list-style-type: none"> • <p>New Business:</p> <ul style="list-style-type: none"> • Tenant Advisory Committee Website Representation • Tenant Handbook Update Presentation • Rebranding our Image – Pride of Place • Online Banking Update
December	<p>Business Arising:</p> <ul style="list-style-type: none"> • <p>New Business:</p> <ul style="list-style-type: none"> • Pet Policy Update • Outcome Measures • Non-Smoking Policy Update

2021 Meetings

Tenant Orientation Pilot Project Presentation

Accessibility in all its forms, including accessibility awareness and parking spaces

Resources for snow removal

Community-building within communities

Safety Issues and CRHC staff processes to handle them

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, SEPTEMBER 02, 2020**

SUBJECT Westview Forgivable Mortgage

ISSUE SUMMARY

BC Housing requires a Resolution from the Capital Region Housing Corporation (CRHC) Board of Directors to accept an amendment to the original mortgage.

BACKGROUND

In August 2018, BC Housing Management Commission (BCHMC) approved the Westview final project budget of \$21,126,170.86, including a \$4.5 million land valuation. The approved project budget included a CRHC \$1 million equity contribution, a repayable \$8,469,508.86 first mortgage, and a forgivable \$7,156,662 second mortgage in favour of BCHMC through the Investment in Housing Innovation (IHI) program. Both mortgages have 35-year amortization periods and are accompanied by terms as set out in the mortgage documents.

The CRHC Board approved the following recommendation on August 28, 2018:

That the resolutions required by BC Housing Management Commission to authorize the execution of the Section 219 Covenant and the Loan and Mortgage documents for the Westview project be approved; and

That any two members of the Capital Region Housing Corporation Executive Committee be authorized to sign documents related to the Loan and Mortgage and Section 219 Covenant registration.

Construction of Westview is complete and the project has been commissioned. The forgivable mortgage, held by BC Housing, is being reduced by \$700,000 because the project was delivered under budget through the construction management contract model. BC Housing has tendered the repayable mortgage and MCAP Financial Services Corp. was the successful bidder.

BC Housing requires a Resolution (Appendix A) to accept the amendment to the original forgivable mortgage.

ALTERNATIVES

Alternative 1

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

- a) That the resolution required by BC Housing Management Commission to amend the forgivable mortgage for Westview be approved.

Alternative 2

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

That the report be referred back to staff for more information.

IMPLICATIONS

Financial Implications

The reduction of the forgivable mortgage still allows CRHC to maintain affordable rent levels while meeting all debt service obligations through the operation of the building. The \$700,000 can now be invested into other affordable housing projects through BC Housing

Original forgivable mortgage	\$7,156,662
Reduction	<u>(700,000)</u>
Revised forgivable mortgage	\$6,456,662

Additional savings against the control budget allow for a take-out mortgage that is lower than anticipated. As a result, CRHC is able to reduce rent levels further, providing greater affordability in the region.

CONCLUSION

Construction of Westview is complete and the forgivable mortgage, held by BC Housing, is being reduced by \$700,000 because the project was delivered under budget through the construction management contract model. BC Housing requires a resolution by the CRHC Board of Directors to amend the forgivable mortgage for Westview.

RECOMMENDATION

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

- a) That the resolution required by BC Housing Management Commission to amend the forgivable mortgage for Westview be approved.

Submitted by:	Rob Fowles, Manager, Construction & Capital Projects, Regional Housing
Concurrence:	Michael Barnes, MPP, Acting General Manager, Planning & Protective Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Nelson Chan, MBA, CPA, CMA, Acting Chief Administrative Officer

ATTACHMENTS:

Appendix A: Certified Copy of Resolution of Directors

CAPITAL REGION HOUSING CORPORATION
 (the "Borrower")
CERTIFIED COPY OF
RESOLUTION OF DIRECTORS

"WHEREAS:

- A. The Borrower has or will be leasing the property at 3816 CAREY RD, VICTORIA, legally described as: **PID: 028-584-350, LOT A SECTION 24 VICTORIA DISTRICT PLAN VIP88857** (the "Property") in order to construct and operate a housing project on the Property (the "Project") under the British Columbia Housing Management Commission ("BCHMC") Investment in Housing Innovation Program and Deepening Affordability Program;
- B. The Borrower has a forgivable loan facility in the amount of \$7,156,662.00 with BCHMC and has by mortgage registered on September 12, 2018 in the Victoria Land Title Office under No. CA7059978 OF LEASE CA5938194 (the "Original Mortgage") mortgaged its interest in the Property to secure the principal sum of \$7,156,662.00 with interest thereon and other monies as provided for therein.
- C. The Borrower has agreed with BCHMC to amend the loan facility and Original Mortgage.

BE IT RESOLVED THAT:

- 1. The Borrower confirms that the Original Mortgage is a valid and subsisting second mortgage charge with respect to the Borrower's interest in the Property;
- 2. The Borrower amend the loan facility such that the principal amount will be reduced to \$6,456,662.00 and that the Original Mortgage be amended to reflect that it is to secure a Principal Amount of \$6,456,662.00;
- 3. The Borrower executes and delivers all documents required by BCHMC or the lender of the monies, including any takeout lender, in such form and containing such terms, covenants, provisos and conditions as are satisfactory to or required by them, including without limitation a modification of mortgage; and,
- 4. Any two officers or directors 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 _____, 20____ (and sanctioned by a special resolution of the Borrower if such sanction is required), 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 _____, 20____.

 Witness

 (Secretary or President)

STATUTORY DECLARATION
CANADA
PROVINCE OF BRITISH COLUMBIA
IN THE MATTER OF

Representations made by **CAPITAL REGION HOUSING CORPORATION** (the "Borrower") to British Columbia Housing Management Commission (the "Lender") relating to advances of money by the Lender in connection with those lands described as:

PID: 028-584-350, LOT A SECTION 24 VICTORIA DISTRICT PLAN VIP88857

I, (Name) _____, (Position) _____ of **CAPITAL REGION HOUSING CORPORATION**, DO SOLEMNLY DECLARE that:

1. The Borrower was duly incorporated on **December 10, 1982**, under Certificate of Incorporation No. **BC0257647** and is in good standing with the Office of BC Registry Services.
2. Neither the incorporation documents of the Borrower nor any agreement that the Borrower has entered into impose any restrictions on the power and capacity of the Borrower to borrow funds from the Lender and to grant a modification of mortgage (the "Document") to the Lender.
3. The Borrower is or will be as of the date of registration of the applicable Document, the legal and beneficial owner of the leasehold interest in the real property described above and any personal property located thereon.
4. There is no action, suit or proceeding pending or threatened against the Borrower before any Court or administrative agency which, if determined against the Borrower, would result in a material adverse change in the property, assets, conditions (financial or otherwise), activities or operations of the Borrower or which would materially adversely affect the Borrower's ability to carry on its activities, or the ability of the Borrower to meet its obligations as contemplated by the loan commitment with the Lender.
5. The Borrower is not in default in the payment of any taxes, rates or assessments having priority over the Document, and without limiting the generality of the foregoing, all wages, salaries, fees, workers' compensation dues, income tax deductions, holiday pay, Federal and Provincial taxes for which the Borrower is liable have been fully paid.
6. All the persons named hereunder are duly elected or appointed officers and directors of the Borrower holding the respective offices set out opposite their names, and the signatures appearing opposite their respective names are the genuine signatures of such respective persons:

Note: Only those directors and officers that are signing the security documents need to sign below.

NAME & SIGNATURE & TITLE(S)

NAME & SIGNATURE & TITLE(S)

_____ and that each of these persons has been duly elected or appointed and was duly qualified for such office at the time of his or her election or appointment and that since the time of his or her election or appointment each of such persons has continued to be duly qualified for and to hold and now holds such office.

AND I make this solemn declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the Canada Evidence Act.

DECLARED before me at the
_____ of _____
in the Province of British
Columbia, this ____ day of
_____, 20 ____.

Signature
Print Name: _____

A Commissioner for taking
Affidavits for British Columbia

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, SEPTEMBER 02, 2020**

SUBJECT Oak Bay Lodge Planning

ISSUE SUMMARY

Oak Bay Lodge temporary use as housing for people experiencing homelessness.

BACKGROUND

The Capital Regional Hospital District (CRHD) has taken over ownership of Oak Bay Lodge (2251 Cadboro Bay Road) from Vancouver Island Health Authority (VIHA) effective August 14, 2020.

Specifications

- Oak Bay Lodge is a four-storey building accessed off Cadboro Bay Road and Cranmore Road, and is a 235 bed facility that has an existing parking capacity of 68 stalls.
- The property is bordered on the east by 12 single-family residential lots, three residential lots to the west, and one multiple-family three-storey building located directly next to the lodge on Cadboro Bay Road.
- **Lot Size:** 1.58 Hectares (170,069.8 Square Feet; 3.90 Acres)
- **Zoning:** P2 – Special Institutional Use: assembly of a long-term care institution. (Oak Bay Bylaw 4305 – April 24/06) (Zoning Bylaw #3531) The property is surrounded predominantly by the residential zone: RS5 “One-Family Residential”. The RM3 Zone “Multiple Dwelling Use – three storey” covers the area north of the site, on Cadboro Bay Road.

A Phase 1 Environmental Site Assessment and Hazardous Materials Assessment has been completed. The assessment of the existing building indicates that it is past its useful life and remediation would equal or exceed the costs of building a new facility. Demolition would be necessary for either redevelopment or sale of the property to realize the greatest value.

Two covenants exist on the property stating that the land be used for public good and that the property must be used as a retirement home.

On July 08, 2020 the CRD Board passed the following motion:

Direct staff to work with BC Housing and Island Health to explore the possibility of offering Oak Bay Lodge as temporary COVID 19 related hospital facility and as temporary housing for people experiencing homelessness in the region during the COVID-19 pandemic, and report back to the CRHD Board with options.

ALTERNATIVES

Alternative 1

The Hospitals and Housing Committee recommends to the Capital Regional District Board and the Capital Regional Hospital District Board:

That the Oak Bay Lodge Planning report be received for information.

Alternative 2

That the Oak Bay Lodge Planning report be referred back to staff for additional information based on Committee direction.

IMPLICATIONS

Process Implications

On July 14, 2020, CRHD issued an Invitation to Quote to five prospective consultants for the supply and delivery of Community Consultation and Engagement Consultant Services. Prospective consultants were selected upon research of company and/or CRD staff recommendation. Those experienced working with local government and/or municipalities and/or health redevelopment projects were deemed most qualified for initial contact. Written quotes were received August 7, 2020 and staff is in the process of reviewing these submissions. A consultant will be selected shortly and we anticipate community consultation to begin in the fall of 2020.

On July 16, 2020, CRD staff met with BC Housing to tour Oak Bay Lodge to determine operational feasibility of the site. BC Housing indicated they would be using a very limited portion of the site and buildings and would require a two year term with three to four month cancellation notice in order to find alternative housing for people located at the facility. The facility does not have suitable showers, the balconies are unsafe, and the elevator is also a concern.

Financial Implications

Staff have allocated \$10 million in the CRHD Capital Plan for Oak Bay Lodge demolition and redevelopment for 2021-2022. Resources will be allocated toward hiring consultants to develop a concept plan and working through a procurement process for receiving development proposals. Costs for the development of the conceptual plan will be funded from the Administration and Feasibility Studies reserve.

Social Implications

The purchase and sale agreement with VIHA includes a covenant to be registered against title to lands, which will provide that the land is to be used by the Purchaser and its successors for the public good. "Public good" includes not-for-profit care facilities in the health field or other publicly funded health care services, subsidized, supported or other public housing; shelter accommodation for homeless persons and associated health and social supports including harm reduction. The covenant will provide that any change of use from a "public good" use will only be permitted with the consent of VIHA. This could include other partnership opportunities for non-public uses subject to negotiation with VIHA.

Intergovernmental Implications

As noted, a covenant on the property from 1971 indicates that the property must be used as a retirement home. It is our understanding that paramountcy applies to local government regulations and does not apply to civil issues such as covenants. Consequently, BC Housing will need permission from Oak Bay municipality to utilize the facility.

In addition, an initial assessment of the zoning indicates the suggested use of the facility as a homeless shelter would not conform and BC Housing would need to use paramountcy. In order to use paramountcy they would require a leasehold interest in the property.

On July 20, 2020, Oak Bay Council passed a motion requiring a comprehensive planning and consultation process as an essential component of the rezoning process and that any temporary or long term use of the property must go through this process.

On August 5, 2020, the CRD received a letter from BC Housing (see Appendix A) indicating that Oak Bay municipality would require a public hearing in order to discharge or modify the existing covenant (that the property must be used as a retirement home) and this process would be lengthy and the outcome uncertain. As a result, BC Housing recommends finding other facilities that will meet their need and urgency to provide temporary housing within the region.

CONCLUSION

The existing zoning on the site does not support the temporary use of the facility to house people experiencing homelessness. The covenant requiring the property be used as a retirement home makes the use of paramountcy inapplicable, and Oak Bay Council's requirement for a comprehensive planning and consultation process makes the feasibility of utilizing this site to temporarily house people experiencing homelessness not feasible at this time. The CRHD will continue its redevelopment process and public consultation as planned.

RECOMMENDATION

The Hospitals and Housing Committee recommends to the Capital Regional District Board and the Capital Regional Hospital District Board:
That the Oak Bay Lodge Planning report be received for information.

Submitted by:	Michael Barnes, MPP, Senior Manager Health & Capital Planning Strategies
Concurrence:	Emily Sinclair, MCIP, RPP, Acting General Manager, Planning & Protective Services
Concurrence:	Ted Robbins, B. Sc., C. Tech., Acting Chief Administrative Officer

Appendix A: BC Housing Letter



1701 – 4555 Kingsway
Burnaby, BC V5H 4V8
T: 604 433 1711
F: 604 439 4722
www.bchousing.org

August 5, 2020

Kevin Lorette
Planning Manager
Capital Regional District
625 Fisgard Street
Victoria, BC V8W 1R7

RE: Oak Bay Lodge Lands

Dear Kevin,

In follow up to our conversation regarding the use of Oak Bay Lodge for temporary housing, Mayor Murdoch has informed me that a public hearing is required for them to consider discharging or modifying the existing covenant restricting the use of the property. The process for this would be lengthy, extensive and the ability to use this facility at the end of the process is uncertain. BC Housing recommend finding other facilities that will meet our deadlines and urgency on this matter to provide temporary housing.

Should you have any questions please feel free to contact me at mmcnaught@bchousing.org or phone 778.452.2744.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. McNaughton", with a long, sweeping horizontal line extending to the right.

Malcolm McNaughton
Director Regional Development – Vancouver Island