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REPORT TO HOSPITALS AND HOUSING COMMITTEE MEETING OF WEDNESDAY, OCTOBER 04, 2023

SUBJECT **Service Planning 2024 – Housing & Health Community Need Summary**

ISSUE SUMMARY

To provide strategic context and an overview of services, initiatives and performance data related to the Housing & Health Community Need.

BACKGROUND

The Capital Regional District (CRD) Board approved the 2023-2026 Board Priorities on March 8, 2023. Staff then developed the 2023-2026 CRD Corporate Plan which was approved by the CRD Board on April 12, 2023.

The CRD Corporate Plan presents the work the organization needs to deliver over the four-year term, along with the critical regional, sub-regional and local services, to meet the region's most important needs (i.e., Community Needs) and advance the Board's Vision and Priorities. Board Priorities, Corporate Plan initiatives and core service delivery form the foundation of the five-year financial plan.

The 2024 planning cycle marks the first year of the implementation of the 2023-2026 CRD Corporate Plan. The CRD's annual service plans, known as Community Need Summaries, provide an overview of the operational and strategic context, services levels, initiatives, and performance data for each Community Need. They also provide details of the initiatives, associated staffing, timing and service levels required to advance the work in future years.

The Housing & Health Community Need Summary is attached as Appendix A. The desired outcome is that residents have access to affordable housing and improved health facilities that enhances livability.

The CRD reports on the progress of its initiatives and services on a regular basis. The Board receives updates about the Board Strategic Priorities through the Chief Administrative Officer Quarterly Progress Reports. The Board also receives an overview of progress made on delivering the Corporate Plan twice a year at the strategic check-in and provisional budget meetings, which take place in the spring and fall respectively. The next strategic check-in will take place in spring 2024. During the year, standing committees and commissions also fulfill an oversight and advisory role in relation to the work.

ALTERNATIVES

Alternative 1

The Hospitals and Housing Committee recommends the Committee of the Whole recommend to the Capital Regional District Board:

That Appendix A, Community Need Summary – Housing & Health, be approved as presented and form the basis of the Provisional 2024-2028 Financial Plan.

Alternative 2

The Hospitals and Housing Committee recommends the Committee of the Whole recommend to the Capital Regional District Board:

That Appendix A, Community Need Summary – Housing & Health, be approved as amended and form the basis of the Final 2024-2028 Financial Plan.

IMPLICATIONS

Governance Implications

In 2024, staff have prioritized programs and initiatives that:

- Advance 2023-2026 Board Priorities or Corporate Plan initiatives;
- Operationalize capital investments; and/or
- Are necessary to maintain a core service level following a regulatory change or where there is a safety risk to customers, communities, or staff.

The Executive Leadership Team (ELT) has reviewed and assessed all business cases and confirmed alignment with the criteria. ELT has determined that the consolidated package of work is appropriate and a proportional response to the CRD Board's and communities' expectations of the organization.

Financial Implications

To exercise constraint and cost containment, the CRD Board directed staff to keep the core inflationary adjustment to 3.5% through the 2024 Service and Financial Planning Guidelines. Staff and management have taken the necessary steps to mitigate the financial impact of proposed initiatives as well as cost escalation and high inflation rate experienced in 2022 through to 2023.

Financial and staff impacts for initiatives will be summarized and included in the provisional budget which will be presented at the Committee of the Whole meeting scheduled for October 25, 2023. Starting this year, this will also include a five-year forecast of staffing level changes, which will be reviewed annually.

Service Delivery Implications

Appendix A includes information about existing service delivery, operational considerations and performance. Additional information has been provided below about the proposed changes for 2024/2025.

Staff are proposing to advance six new initiatives for the Housing & Health Community Need that have financial implications for 2024, as shown in Table 1. The key drivers for the initiatives are:

1. advancing a Board or Corporate Plan Priority; and
2. operationalizing capital investments.

Table 1. Housing & Health Community Need Initiatives (2024)

Initiative	Implementation year(s)	Staff impacts (2024)	Incremental cost (2024)	Funding source
5a-1.1 Capital Project Delivery	2023-2028	1 Term Converted 2.5 New Term	\$551,000	Capital & Requisition
5a-1.2 Maintaining CRHC Operations	2024-ongoing	2 New Ongoing 1 Term Extended	\$560,000	Fee-for-service & Other
5a-2.1 Housing Opportunity Innovation & Outcomes Analysis	2024-ongoing	1.5 New Ongoing 1 New Term	\$352,000	Requisition & Other
5b-1.1 Improving Existing Housing Stock	2023-2028	1 Term Extended 1 New Term	\$297,000	Reserve & Requisition
5c-1.2 Reaching Home Term Extensions	2024-2029	4 Term Extended	\$319,000	Grant
5f-1.1 Health Communities Planner	2024-2027	1 Term Extended	\$138,000	Requisition & Grant

The information in Table 1 reflects the business case costs which ELT reviewed as part of their annual assessment of initiatives. The financial impacts reflect full program costs, including cost of staffing.

5a-1.1 Capital Project Delivery

Since 2018, the volume of projects and opportunities has grown considerably in response to the increased need for new affordable housing in the region. The Capital Region Housing Corporation (CRHC) is exploring opportunities to increase the regional housing stock and initiate projects through various programs including BC Housing’s Building BC: Community Housing Fund. Staff are also pursuing grant funding opportunities through the Canadian Mortgage and Housing Corporation and Federation of Canadian Municipalities.

In addition to the nine active projects outlined in the CRHC’s Major Capital Plan 2023-2027, six additional properties with significant development and redevelopment potential have been identified and are being targeted for grant funding applications in late 2023.

The staffing complement that supports this considerable program of work is at capacity. Allocating the appropriate staff resources to support each major capital project is paramount to increasing the delivery of affordable, attractive, inclusive, sustainable housing on time, and within budget and scope. A lack of staffing capacity would result in current projects not receiving adequate oversight and attention, and missed future opportunities, including potential partnerships, funding opportunities and the redevelopment of existing CRHC stock.

Initiative 5a-1.1 seeks to increase the staffing complement in the Regional Housing Division to maintain the service level to keep up with this growing portfolio. It seeks to convert an existing Term position to a regular ongoing role and to create two additional three-year term positions. An additional part-time (0.5 FTE) Term position in the Financial Services Division is also being sought to support the necessary enhanced levels of capital financial modelling, planning and cash flow analysis, among many other activities.

5a-1.2 Maintaining CRHC Operations

As the largest social housing provider on Vancouver Island and one of the largest in BC, the CRHC delivers affordable, attractive, inclusive, and sustainable affordable rental housing. The primary activities of this work are the day-to-day management and operations of what will be 53 properties and more than 2,000 units by 2024.

The CRHC will be opening and operating 97 new units across two buildings at Michigan Square in Q1 2024. This will be followed by at least five more building openings, with a total of 695 new units, in the three years following that.

Initiative 5a-1.2 seeks to increase staff capacity in the Regional Housing Division to maintain operational requirements, meet regulatory and legislative obligations and ensure compliance with the terms of the various funding agreements supporting operations moving forward. It seeks to extend one existing Rental Assist Term position to support the renting out of units, and to create two new regular ongoing positions to manage and operate the Michigan Square building. Additional positions are planned for 2025 and beyond to continue supporting the operational requirements of future buildings.

5a-2.1 Housing Opportunity Innovation and Outcomes Analysis

Through the 2023-2026 Board Priorities, the CRD Board has directed staff to “increase the supply of affordable, inclusive and adequate housing in the region”. To advance this work, additional policy expertise is required in the Regional Housing Division focused on partnerships and program design, as well as support for administrative activities which have grown in step with operational activities.

Initiative 5a-2.1 seeks to increase an existing part-time (0.5 FTE) ongoing Administrative Coordinator position to a full-time position. It also seeks to create one new regular ongoing Planning Assistant position and one new two-year Policy Analyst/Planning Assistant Term position. The latter position will be funded through a grant and be focused on rural and remote housing.

5b-1.1 Improving Existing Housing Stock

The CRHC’s primary activities are the day-to-day management of subsidized and affordable housing for residents who currently live in 52 housing complexes across eight municipalities totalling over 1900 units and providing homes for almost 4,000 tenants.

All buildings that are owned or operated by CRHC (except for five buildings) are subject to an operating agreement. The buildings that do not have operating agreements are still maintained to the same operating standards as the buildings with operating agreements. CRHC has obligations under the operating agreements with BC Housing, Canada Mortgage and Housing Corporation and Homes BC relating to operation, maintenance, and management of the properties.

Currently, CRHC’s minor and major capital procurements are carried out by two separate work areas that do not overlap with workflow, direction or process. Additionally, while CRHC staff have the expertise in building design, procurement, construction, and project management to deliver

initiative 5b-1.1, the team lacks the required capacity from a strategic, financial, and operational perspective to actively pursue new building envelope remediation projects through various funding channels.

Initiative 5b-1.1 seeks to extend an existing Term position by five years and create a new five-year Administrative Clerk position to take on the administrative functions of this work area and support procurement work related to minor capital procurement for the existing housing stock thereby freeing up existing staff capacity to focus on value-add activities.

5c-1.2 Reaching Home Term Extensions

The Reaching Home Program supports a broad range of efforts to address homelessness needs of communities across Canada. It is a critical component of Canada's Homelessness Strategy.

The CRD, on behalf of the Government of Canada, administers the Reaching Home Program in the capital region. In support of this responsibility, the CRD entered a five-year (2019–2024) Funding Agreement where the CRD is identified as the Community Entity charged with administering federal funds. The CRD allocates resources directly into the community and provides systems planning and program administration.

It is expected that the Government of Canada will engage the CRD for a new five-year Funding Agreement for 2024–2029. Initiative 5c-1.2 seeks to extend four five-year Term positions which are necessary to effectively administer the Reaching Home Program. The positions include two Administrative Coordinators, a Clerk and a Planning Analyst. These positions are directly responsible for providing the systems planning work and the administrative and reporting activities associated with fulfilling the CRD's responsibilities as Community Entity and is funded through the Reaching Home Grant.

5f-1.1 Healthy Communities Planner

There have been significant changes in the community health and wellbeing landscape in the capital region (e.g., decriminalization and community safety). The CRD currently employs a Healthy Communities position on a Term basis in the Health & Capital Planning Strategies Division. This position is responsible for supporting community health and wellbeing through policy and planning, public health bylaws and education and for facilitating knowledge mobilization and partnerships with a range of stakeholders across the region.

Initiative 5f-1.1 seeks to extend the Healthy Communities Planner term position by another three years to ensure this important work continues unimpeded. It is anticipated that grant funding will be received to support this work. A onetime increase to the core budget of \$50,000 for the Health & Capital Planning Strategies Division is included to deliver the Board directed priority of supporting action toward a community safety plan for the capital region.

CONCLUSION

CRD staff are progressing initiatives identified in the 2023-2026 CRD Corporate Plan, including the Board Priorities. The CRD Board and commissions with delegated authorities determine resourcing through the annual review and approval of the provisional financial plan. To support decision-making, staff provide recommendations on funding, timing and service levels through the service and financial planning processes.

RECOMMENDATION

The Hospitals and Housing Committee recommends the Committee of the Whole recommend to the Capital Regional District Board:

That Appendix A, Community Need Summary – Housing & Health, be approved as presented and form the basis of the Provisional 2024-2028 Financial Plan.

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

ATTACHMENT

Appendix A: Community Need Summary – Housing & Health