

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, JULY 3, 2024**

SUBJECT **Capital Region Housing Corporation Operational Update, Second Quarter 2024**

ISSUE SUMMARY

To provide the Capital Region Housing Corporation (CRHC) Board with an operational update for the second quarter 2024.

BACKGROUND

The CRHC is a wholly owned subsidiary of the Capital Regional District (CRD) with the mandate to develop and manage affordable housing to meet the needs of individuals and families residing within the capital region. In working to fulfill its mandate, the CRHC delivers more than 2,000 affordable, attractive, inclusive, and sustainable homes across more than 50 unique properties located throughout the capital region.

In April, July, and October of each year, the CRHC advances an operational update to provide the CRHC Board with an overview of corporate performance as well as a separate Capital Plan Status Report that is solely focused on the delivery of the Major and Routine Capital Plans.

These two reports form the basis of the CRHC Board's oversight of CRHC activities and lay the foundation for consideration of a 2025 CRHC budget that will be presented to the CRHC Board in November 2024.

IMPLICATION

Operations Update

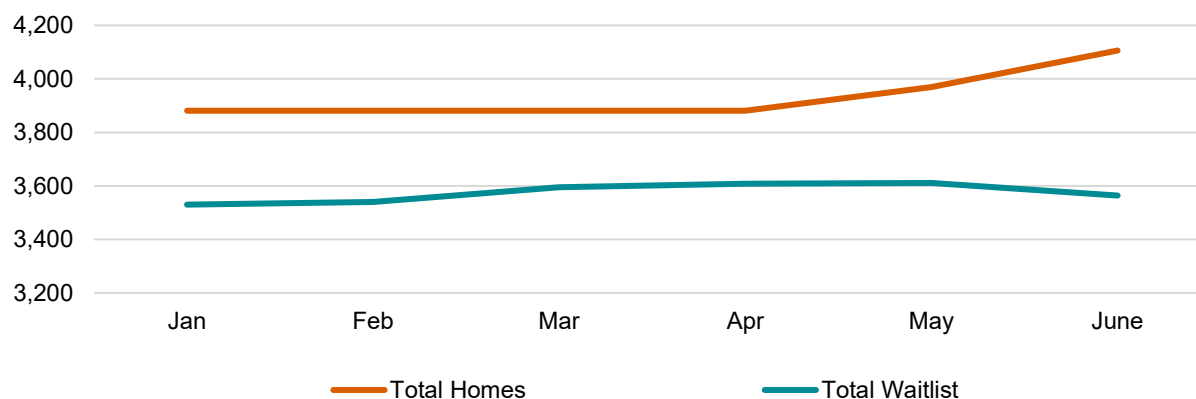
The properties that are managed by CRHC are supported by the work of approximately 66 full-time equivalencies (FTE). Staffing continues to require attention due to planned growth, unanticipated absences, and the movement of staff into various roles within CRHC operations. Staff's focus through 2024 continues to be on maintaining existing service levels for tenants while also working to identify efficiencies and improve corporate performance.

To further improve efficiencies and the level of service to our tenants, Operations is currently sourcing and evaluating Property Management software options. A Property Management program that is preferably designed for non-profit operators is a must to service the homes in operation and the anticipated growth over the next four to six years. It will further secure viable oversight, administration, and operation of the CRHC's housing.

Housing Registry Waitlist Statistics

The CRHC is required to identify tenants through the Housing Registry for all subsidized homes. The Housing Registry is an important tool as it provides a centralized database of applicant information to non-profit, and cooperative providers of affordable housing. It supports housing providers with their management of applicant lists, by maintaining a current database of applicants. The Housing Registry requires applicants to renew their applications every six months to remain active.

Chart one provides an overview of the overall number of applicant households in the capital region up to June 2024. The Applicant Waiting List Details is attached as Appendix A.

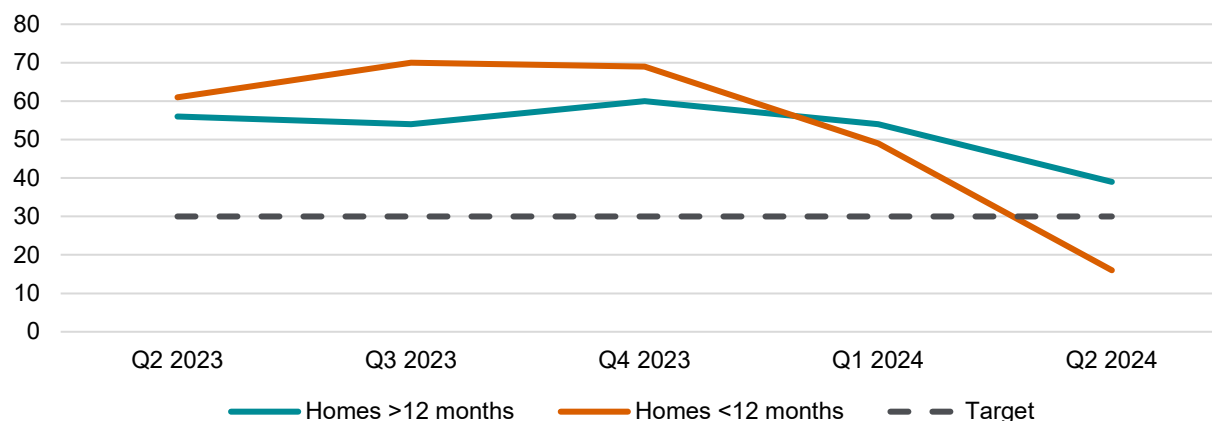
Chart 1: BC Housing Registry Waitlist Statistics (2024)

As of June 2024, the total households waiting for subsidized housing and reported on the registry waitlist are 3,564, which is 47 fewer than in May 2024 (3,611). As shown on Appendix A, the highest proportion of need in June 2024 is for Seniors (36%) followed by family (26%) and then people with disabilities (19%). The proportion of need across populations remains unchanged from Q1.

Since the beginning of 2024, there has been an increase of 5.8% (or 225 homes) in the number of subsidized homes in the capital region. The number reported in June 2024 is 4,106 (up from 3,881). Overall, the number of households waiting for subsidized housing grew through the early part of 2024, peaking in May, but then dropping in June as new subsidized homes have become operational.

Vacancy¹

Tracking ongoing vacancy across the CRHC properties is critical for two reasons. First, there is a direct correlation between vacancy and corporate performance. Too many homes vacant for too long will impact revenue and can result in the Corporation underperforming. Second, a home that is vacant or where there is a significant delay in making that home available to an eligible household may result in that household being in unaffordable or substandard housing for an extended period. Therefore, the CRHC tracks vacancy data for both established properties (greater than 12 months) and for newly opened properties (less than 12 months).

Chart 2: Average Days Vacant¹

¹ These figures represent a snapshot pulled from CRHC systems and are current as of May 31, 2024.

Looking first at homes occupied greater than 12 months, average days vacant were at 39 for Q2, staff is continuing the trend towards a target of 30 days for home turnovers.

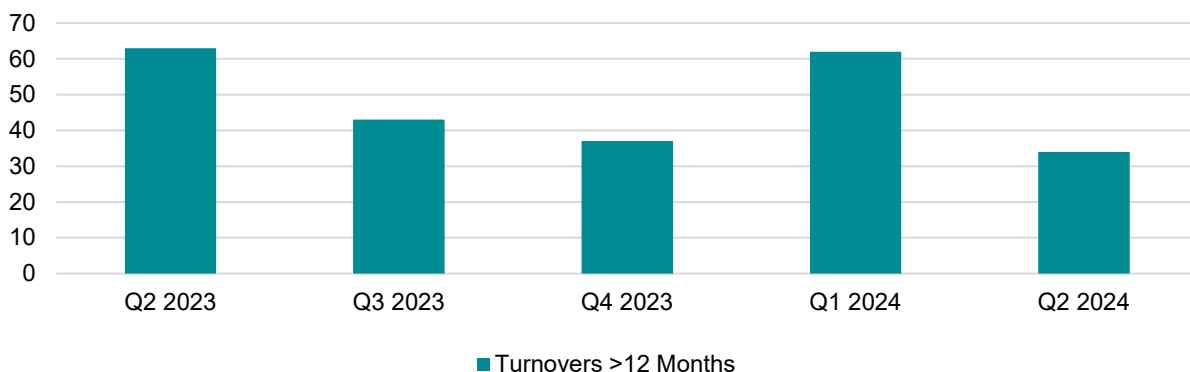
The only building that has been operational for less than 12 months is Prosser Place. Since Q1 the team has reduced the Average Days Vacant for this building down to 16.

As of May 3, 2024, there are 73 homes reported vacant across CRHC's properties for a vacancy rate of 2.46% (Q1 = 87 homes vacant). Staff continue to focus on reducing the average days vacant of homes to a target of 30 days or less which includes time to rent-up and make necessary improvements (paint, flooring, appliances, etc.) to a home prior to a new tenant moving in.

Home Turnover

Turnover rates capture the number of homes that have been occupied at least once and then re-rented and are currently occupied. This is an important metric as it helps to identify the stability of CRHC's communities. Instability (e.g., a high turnover rate) can impact financial performance as home turnovers can result in lost revenue while also placing operational pressure on staff who are responsible for getting the home ready for new tenants. The Q2 turnover rate was 34.

Chart 3: Turnover Rate – All Homes



Turnover of homes significantly decreased in Q2 2024 by a total of 28 homes over the last quarter and 29 homes from this time a year ago.

As the majority of the CRHC's revenues are driven through tenant rents; vacancy and turnover rates are critical metrics.

CONCLUSION

CRHC has continued recruiting, interviewing, and onboarding staff as offers are accepted. Staff continue to review internal processes and procedures to find efficiencies and realignment for performance improvements. The operational performance of the CRHC continues to improve with considerable gains being made in reducing the average days vacant in both the established housing stock and the more recently opened housing. Operations continue to move toward the opening of 97 new homes in the spring/summer of 2024, which will present a significant increase in workload due to the complexity in onboarding and tenanting up new buildings.

RECOMMENDATION

There is no recommendation. This report is for information only.

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

ATTACHMENT:

Appendix A: Applicant Waiting List Details