



Making a difference...together

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Minister of Housing and Municipal Affairs

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Dear :

RE: MOUNT TOLMIE PROJECT

On behalf of the Capital Regional District (CRD) Board, I would like to extend sincere appreciation for your presentation to the Board on December 10, 2025. Your willingness to engage directly with regional directors and outline provincial housing priorities was greatly valued. The dialogue that followed underscored the importance of continued collaboration between different orders of government as we work together to address the housing challenges throughout our region and across our province.

Your presentation outlined the critical role of supportive housing in the Province's response to the housing crisis, and Board members welcomed the opportunity to discuss how provincial initiatives intersect with regional needs and ongoing CRD efforts. You also emphasized the importance of locating supportive housing facilities outside the City of Victoria and noted that the Province may have resources available to support the development of such projects.

As part of our ongoing partnership, the Board wishes to highlight the importance of continued provincial support for the Mount Tolmie Project, located in the District of Saanich. This project is to provide up to 50 deeply affordable rental homes with on-site support services in partnership with BC Housing. In December 2023, the Capital Regional Hospital District (CRHD) approved a \$10 million (M) investment through the Regional Housing First Program (RHFP) for the acquisition of Mount Tolmie Hospital, enabling the purchase of the land by the CRHD. The lands were then leased to BC Housing for a nominal amount to support the creation of 50 homes through a renovation undertaken by BC Housing. The RHFP is a partnership between the CRD, BC Housing and Canada Mortgage and Housing Corporation (CMHC) that required that construction be started by December 31, 2025.

The Mount Tolmie Project will directly support the approach you encouraged by locating much-needed housing with on-site support outside the region's core. In support of this project, significant milestones have been achieved, including:

- ❖ **May 2022** - A Letter of Intent between the CRD and BC Housing was executed, confirming the parties' mutual intention to enter into a formal agreement to acquire the property through the RHFP.
- ❖ **October 2022** - The CRHD Board authorized the Chief Administrative Officer to purchase 3690 Richmond Road and to execute a 20-year Lease and Operator Agreement, which obligates BC Housing to substantially complete renovations no later than two years following commencement of the lease.

- ❖ **December 2023** - The CRHD approved a \$10M funding contribution via the RHFP for the acquisition of the Mount Tolmie Hospital, enabling the purchase of the land under the terms of the RHFP.
- ❖ **November 2024** – CRHD acquired lands and improvements at 3960 Richmond Road, Saanich.
- ❖ **December 2024** - The CRHD entered a 20-year lease with BC Housing for a nominal amount, which requires construction to be substantially complete within two years to convert the existing structure into approximately 50 rental homes.

The project now awaits next steps from BC Housing and the Province. Throughout 2025, CRD staff sought confirmation from BC Housing regarding the anticipated construction start date. In November 2025, BC Housing staff advised that the Mount Tolmie Project would not meet the required construction start date of December 31, 2025.

Given the CRD's significant financial commitment, the acquisition of the property, and the project's alignment with provincial priorities, the CRD Board welcomes provincial support in clarifying next steps and establishing timelines to advance the project under the lease agreement that was entered into in December 2024. Timely provincial direction and coordination with BC Housing will be essential to avoid further delays and to maintain compliance with the RHFP funding agreements and associated program requirements.

Our Board values your commitment to working collaboratively with the CRD and remains eager to continue this project with the Ministry of Housing and Municipal Affairs. Should you or your staff wish to discuss the Mount Tolmie Project or broader regional housing priorities, CRD staff would be pleased to arrange a follow-up meeting.

Thank you again for your leadership and continued partnership with the CRD.

Sincerely,

Chair, Capital Regional District Board

Draft for Consideration

