

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, JULY 06, 2022**

SUBJECT **Capital Region Housing Corporation Financial Plan Amendment**

ISSUE SUMMARY

To amend the Capital Region Housing Corporation (CRHC) 2022-2026 Major Capital Plan (Major Capital Plan), attached as Appendix A.

BACKGROUND

From time-to-time within a calendar year, amendments to the Financial Plan will be made for certainty. Amendments will occur for material changes in assumptions or estimates typically for recognition of grants received, capital expenditures, opportunities identified in year and/or unforeseen or emergency circumstances.

On December 8, 2021, the CRHC Board approved the Major Capital Plan that included identified expenditures for 2022 through to 2026. On June 8, 2022, the CRHC Board approved the final project budget for the Caledonia redevelopment and directed the amendment to the Major Capital Plan.

This report captures budget amendments identified or recognized through the first and second quarter of 2022. The only amendment identified is to the Major Capital Plan for the CRHC Board-approved project budget for the Caledonia redevelopment project. There are no other amendments required to either the operating or capital budgets up to June 30.

ALTERNATIVES

Alternative 1

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

That the Capital Region Housing Corporation Major Capital Plan Amendment be approved as attached.

Alternative 2

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

IMPLICATIONS

Financial Implications

In December 2021, the CRHC Board approved the Major Capital Plan (2022-2026) which included a project budget of \$64.4M. The budget was based on a Class B estimate which was carried out in August 2021. On May 25, 2022, BC Housing Management Commission (BC Housing) approved the Caledonia Redevelopment final project budget of \$71.0 million (M). The final project budget has increased by \$6.6M or 10.2% from the estimated budget in the CRHC Major Capital Plan (2022-2026). The increase in expenses will be funded by additional mortgage debt supported by tenant rents and BC Housing operating subsidy revenue.

Table 1 summarizes the impact to the 2022-2026 Major Capital Plan as a result of the proposed amendments.

Table 1: Changes in 5-Year Major Capital Plan

Caledonia Redevelopment:

	Approved 2022-2026 Major Capital Plan	Amendment	Revised Project Value
Spent to Dec 2021	2,500,000	-654,990	1,845,010
Remaining Balance	61,915,036		69,144,376
2022	13,000,000	828,875	13,828,875
2023	26,475,000	1,182,750	27,657,750
2024	22,440,036	5,217,714	27,657,750
2025	-	-	-
2026	-	-	-
Total Project	64,415,036	6,574,350	70,989,386

CONCLUSION

From time-to-time within a calendar year, amendments to the Financial Plan will be made for certainty. This report identifies amendments required to the operating and capital budgets of the Capital Region Housing Corporation to reflect new information available in the first and second quarter of the calendar year. This report amends the 2022-2026 Major Capital Plan to reflect the change in the Caledonia redevelopment project budget, as approved by the CRHC Board at the meeting of June 8, 2022. There are no other amendments required to the Major Capital Plan as of June 30.

RECOMMENDATION

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

That the Capital Region Housing Corporation Major Capital Plan Amendment be approved as attached.

Submitted by:	Rianna Lachance, BCom, CPA, CA, A/Chief Financial Officer
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT(S):

Appendix A: 2022-2026 CRHC Amended Major Capital Plan