

**REPORT TO HOSPITALS AND HOUSING COMMITTEE  
MEETING OF WEDNESDAY, JUNE 3, 2026**

**SUBJECT Harbour Lane Mortgage Renewal**

**ISSUE SUMMARY**

BC Housing Management Commission (BCHMC) requires a Resolution from the Capital Region Housing Corporation (CRHC) Board of Directors to renew the mortgage for Harbour Lane.

**BACKGROUND**

The mortgage for Harbour Lane, a 28-unit family townhome complex and apartment at 515 Pendray Street in Victoria is funded through BCHMC and is part of the Umbrella Operating Agreement (UOA). The mortgage is due for renewal on October 1, 2026, and the current mortgage is held by MCAP at a rate of 2.2%.

BCHMC intends to renew the mortgage through a Tendered Lending Program and will publish tender calls to interested Canada Mortgage and Housing Corporation’s (CMHC) approved lenders to secure the best interest rate and terms available in the market. BC Housing also requires a Resolution of the Directors, attached as Appendix A, to authorize the Chief Administrative Officer or Chief Financial Officer to execute all documents related to the mortgage renewal.

Renewal details are shown in Table 1.

**Table 1 – Mortgage Details**

<b>Building</b>	<b>Current interest rate</b>	<b>Estimated principal at renewal</b>	<b>Annual subsidy (2026)</b>	<b>Remaining term</b>	<b>Mortgage maturity date</b>	<b>Operating Agreement Term</b>
Harbour Lane	2.2%	\$1,795,713	\$90,458	10 years	October 1, 2036	December 31, 2029 with 5-year automatic extension

**ALTERNATIVES**

*Alternative 1*

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

1. That the resolution required by BC Housing Management Commission to renew the mortgage for Harbour Lane through the Tendered Lending Program for a term not to exceed 10 years as required be approved; and
2. That Edward Robbins, Chief Administrative Officer or Nelson Chan, Chief Financial Officer, or their duly authorized delegates, together or with any one officer or director of the Borrower for and on behalf of the Borrower be authorized to sign any documents related to the mortgage renewal.

*Alternative 2*

That staff be directed to review other financing options based on Hospitals and Housing Committee direction.

**IMPLICATIONS**

*Financial Implications*

Based on the recent BCHMC tender rates used for the Caledonia take-out mortgage, which was finalized on April 1, 2026, for a 10-year term at an interest rate of 3.834%, it is anticipated that the rate for this renewal may be similar or close to this value.

If the Board approves the BCHMC tendered mortgage renewal process, CRHC will continue to benefit from the preferential interest rates available from this process.

A Board decision to not renew the mortgage under the BCHMC tender process would necessitate acquiring BCHMC’s permission and securing a commitment for alternate financing through private sector lenders. For comparison, the current posted rate for a 10-year fixed term mortgage from Vancity is 5.29% and Scotiabank is 6.80%. An evaluation of historical borrowing rates indicates that the tendered mortgage renewal interest rate is expected to be the most cost-effective option and will ensure maximum annual rent subsidy assistance.

The UOA states that the economic operating costs will be recalculated on the renewal of the mortgage to consider new payments for the loan. This language ensures that the monthly subsidy amount received from BCHMC will be adjusted to absorb the anticipated increase in debt servicing costs, which is the result of a likely higher rate on renewal.

**CONCLUSION**

The mortgage for Harbour Lane is due for renewal on October 1, 2026. The most cost-effective option is to renew through Tendered Lending Program for a 10-year term ending October 1, 2036, which would align with the mortgage maturity date and result in the mortgage being fully paid out at the end of the term.

**RECOMMENDATION**

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

1. That the resolution required by BC Housing Management Commission to renew the mortgage for Harbour Lane through the Tendered Lending Program for a term not to exceed 10 years as required be approved; and
2. That Edward Robbins, Chief Administrative Officer or Nelson Chan, Chief Financial Officer, or their duly authorized delegates, together or with any one officer or director of the Borrower for and on behalf of the Borrower be authorized to sign any documents related to the mortgage renewal.

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

**ATTACHMENT**

Appendix A: Resolution of Directors