

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, NOVEMBER 04, 2020**

SUBJECT **Capital Region Housing Corporation Operational Update – 3rd Quarter**

ISSUE SUMMARY

To provide quarterly updates to the Hospitals and Housing Committee on the Capital Region Housing Corporation (CRHC) including operations, capital plan and development projects.

BACKGROUND

The CRHC owns and operates 1,491 units of affordable housing within the capital region for low to moderate income households. Currently there are 402 new units under construction and 313 units in development. The CRHC has a five year \$13 million (M) capital replacement plan that is updated annually.

The attached report (Appendix A) summarizes the CRHC 3rd quarter activities and progress.

IMPLICATIONS

Operational Implications

At the CRHC Board meeting of October 14, 2020 the Board debated the Applicant Eligibility Policy as it related to applicant selection for subsidized units. There was a request to report back more information related to using facilitated tenant education programs in lieu of two years favourable landlord references.

CRHC has had success recommending the RentSmart program (formerly known as Ready to Rent) named in the policy. The practise of using this program as an alternative to references has been in place since 2010 and is now utilized as a tool for eviction prevention during tenancies as well.

Typically an in person course, RentSmart is now offering a virtual format in response to the pandemic. The cost for the course is low and RentSmart commits to 'walk with' services after completion in order to support graduates to maintain successful tenancies. RentSmart anticipates scheduling 12-15 courses per year and have recently offered landlords the ability to host additional courses. This option is available if a landlord has a specific need or volume of applicants which doesn't align with waiting for the publicly offered courses. More information has been requested for this arrangement.

Staff attribute long term success of the applicants who hold a RentSmart certificate to the behavioural changes that occur from the program including life and social skills development. Such as, creating positive relationships with neighbours and the importance of budgeting which also play a part in successful tenancies.

Other programs offered such as Renting It Right focus on the basics of residential tenancy which does not always address the underlying reasons that applicants may not have had successful landlord references.

CRHC has not kept statistics on how many tenants have utilized the certificate in lieu of references over the past decade; however, six RentSmart certificate holders became tenants during the rent up at Westview this past summer.

Financial Implications

Vacancies

Millstream Ridge was the building most impacted by vacancies due to COVID, and a Building Operating Budget Amendment was presented and approved at the October 14, 2020 CRHC Board meeting.

Rent Arrears

As of October 1, 2020, rent arrears accounts for 0.35% of the overall annual budgeted rental revenue. Staff have created repayment plans with affected tenants and these arrears are not considered a significant risk to operations.

Rent Freeze

Due to COVID, staff were unable to apply the majority of the budgeted \$94,000 rent increases in 2020, and staff are waiting for confirmation before applying future increases. However, due to a longer development process of capital redevelopment projects, some tenants have remained in place longer than anticipated, resulting in a favourable variance of approximately \$136,000. Overall, excluding Millstream Ridge, rents are forecast to exceed the 2020 budget.

Capital Replacement Spending

Estimated 2020 spending is 1.8M which is lower than the planned 3.4M. The CRHC is required to report to BC Housing if the annual capital variance on Umbrella Operating Agreement (UOA) buildings exceeds 10%. BC Housing has been notified that CRHC will be unable to achieve spending within 10% of our approved capital plan in 2020, and a formal report will be sent at year end. Work that was unable to be completed in 2020 will be redistributed across the remaining years of the 2020-2024 UOA to ensure the total spending requirements are met.

ALTERNATIVES

Alternative 1

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

That the Capital Region Housing Corporation Operational Update – 3rd Quarter report be received for information.

Alternative 2

That the Capital Region Housing Corporation Operational Update – 3rd Quarter report be referred back to staff for additional information.

RECOMMENDATION

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

That the Capital Region Housing Corporation Operational Update – 3rd Quarter report be received for information.

Submitted by:	Sharon Grigg, CRHC Manager, Operations, Regional Housing
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

ATTACHMENT

Appendix A: Capital Region Housing Corporation Operational Update – 3rd Quarter