

REPORT TO HOSPITALS AND HOUSING COMMITTEE MEETING OF WEDNESDAY, JULY 2, 2025

SUBJECT **Bylaw No. 4691, “A Bylaw to Repeal Bylaws No. 3294 and 3296, 2025” - Regional Housing Trust Fund Commission and Advisory Committee**

ISSUE SUMMARY

To recommend to the Capital Regional District (CRD) Board that it approves Bylaw No. 4691 to repeal two bylaws that established a Regional Housing Trust Fund (RHTF) Commission and Advisory Committee, and to further recommend to the CRD Board that it approves disbursement of remaining unallocated funds under the RHTF.

BACKGROUND

The RHTF provides capital funding to support the development of housing that is affordable and has issued approximately \$15.2 million (M) in funding since 2005. There is an additional \$3.2M in committed funding for the Capital Region Housing Corporation’s (CRHC) Campus View (CV) and Village on the Green (VoG) projects.

As a sub-regional service, the RHTF draws an annual requisition, which is used to provide capital grants to approved projects. Since 2019, the RHTF has prioritized funding to Regional Housing First Program (RHFP) projects. As debt servicing costs were incurred under the RHFP, the annual requisition under the RHTF was proportionally reduced to help offset requisition increases related to the CRD’s contribution to the RHFP. Starting in 2025, the budgeted requisition under the RHTF was \$0 as the full borrowing under the RHFP has been advanced. Staff have identified a remaining balance of approximately \$1.1M in uncommitted funds from the RHTF, which is due to interest earned on retained funds from prior years. This balance can be used to support eligible projects, with the final RHFP project being the Verdier development in Central Saanich.

Staff have also received clarification regarding the funding strategy for the Rural Housing Program (RHP) Pilot Project, which was initially to borrow the \$1.0M in funds through the Municipal Finance Authority (MFA) to support Accessory Dwelling Units (ADUs) and Pre-Development Funding (PDF). Staff had intended to use Housing Agreements and Contribution Agreements as the means through which the MFA borrowing could be secured. However, it has since been identified that MFA requires borrowed funds be used only for tangible capital assets owned by the borrowing entity. Therefore, the CRD needs to revise its approach to funding the \$1.0M commitment in support of the RHP Pilot Project and the RHTF has the authority to requisition for this purpose.

The RHTF is delivered through a series of bylaws including, Bylaw No. 3294, “A Bylaw Establishing the Regional Housing Trust Fund Commission and the Administration of the Fund”, which created a RHTF Commission and Bylaw No. 3296, “A Bylaw to Establish a Regional Housing Trust Fund Advisory Committee”, which established an Advisory Committee.

Repealing these bylaws helps streamline the approval process and enables the CRD Board to allocate the remaining uncommitted RHTF funds directly without obligations to operationalize an advisory committee and appoint members to a commission. This would support both the CRHC’s Verdier Project and the CRD’s RHP Pilot Project. Bylaw No. 4691, “A Bylaw to Repeal Bylaws No. 3294 and 3296, 2025” is attached to this staff report as Appendix A.

ALTERNATIVES

Alternative 1

The Hospitals and Housing Committee recommends to the Capital Regional District Board:

- 1) That Bylaw No. 4691, “A Bylaw to Repeal Bylaws No. 3294 and 3296, 2025”, be introduced and read a first, second and third time;
- 2) That Bylaw No. 4691 be adopted;
- 3) That up to \$250,000 of the funds in the Regional Housing Trust Fund be allocated to the Rural Housing Program Pilot Project, with the remaining funds (approximately \$850,000) allocated to the Capital Region Housing Corporation’s Verdier Project;
- 4) That \$750,000 in requisition under the Regional Housing Trust Fund be included in the CRD provisional 2026 Financial Plan; and
- 5) That Edward Robbins, Chief Administrative Officer, or their duly authorized delegate, be authorized to negotiate and execute agreements, issue funds from the Regional Housing Trust Fund to the Rural Housing Pilot Project and the Capital Region Housing Corporation’s Verdier Project, and do all things incidental to finalize such agreements and implement the projects.

Alternative 2

That this report be referred back to staff for additional information based on Hospitals and Housing Committee direction.

IMPLICATIONS

Service Delivery Implications

The CRHC’s Verdier project is a proposed multi-unit, mixed use development at 1183 Verdier Avenue in Central Saanich. In addition to 110 residential units, the project includes approximately 2000 sq. ft. of commercial space. Following discussions with the District of Central Saanich, the CRHC is proposing to use this space as a childcare facility, which would provide an additional benefit to the community. Appendix B contains the Verdier Project’s application for RHTF funding, submitted on May 5, 2025, which offers a detailed overview of the project for the Board’s consideration.

In March 2025, a staff report was presented to the CRD Board providing information on the RHP Pilot Project, which launched in April 2025 on the Southern Gulf Islands (SGI) and Salt Spring Island (SSI) Electoral Areas (EAs), which is attached as Appendix C.

Shortly after the March CRD Board meeting, the Province of British Columbia announced that the Secondary Suite Incentive Pilot Program will cease accepting applications as of March 31, 2025. This decision was attributed to uncertain economic conditions and the federal government’s stated intention to introduce a similar national secondary suite initiative. Apart from a news release issued in December 2024, CRD staff have not received further information from the federal government regarding the scope, details, or implementation of the proposed Canada Secondary Suite Loan Program.

Financial Implications

Verdier Project

Existing funding for the Verdier project includes approximately \$23.0M in partnership grant funding, with over \$5.0M contributed by the RHFP. Since much of the partnership funding is allocated to support the residential components of the development, CRD staff estimate that approximately \$850 thousand (K) in uncommitted funds from the RHTF could be used to support the mixed-use elements of the project.

Since February 2019, the RHTF Commission has only allocated funds to approved RHFP projects, the last of which will be the Verdier development in Central Saanich, which does not have any RHTF funds currently committed. Verdier was approved on the CRHC’s Major Capital Plan with a total estimated cost of \$65.4M and has been awarded funds through the RHFP and BC Housing’s Community Housing Fund (CHF). However, since November 2024, due in part to price escalation and ongoing refinements to design and costing, CRHC staff are forecasting an increase of almost \$600K, which would bring the total estimated cost to more than \$66.0M. To help mitigate the cost escalation, support the mixed-use aspects of the project, and advance the project as rapidly as possible, the CRHC is seeking a RHTF contribution of \$850K.

RHP Pilot Project

In the March 2025 staff report on the RHP Pilot Project, the 2025-2029 Land Banking and Housing 5-Year Capital Plan included \$500K/year for both 2025 and 2026 to support the initiative. The \$1.0M in total funding was initially planned to be borrowed from the MFA, with repayment by requisition through service 1.310 Land Banking and Housing.

However, due to MFA lending constraints, staff are seeking authority from the CRD Board to pivot approach and commit \$250K from the unallocated resources in the RHTF in 2025. The remaining \$750K needed for the project will be included as a one-time requisition increase in 2026 budget. This maintains the \$1.0M total funding commitment over two years that the CRD Board has committed to the RHP Pilot Project, but may result in a higher-than-anticipated requisition impact in 2026 compared to the initial forecast in the CRD’s Financial Plan.

Regional Housing Trust Fund

The RHTF currently contains a balance of approximately \$4.3M, with \$3.2M in committed funding for the CV and VoG projects under development by the CRHC, for a current total of \$1.1M in uncommitted funding.

Requisition under the RHTF has been reduced to \$0 starting in 2025 and ongoing, which was to help offset the impacts of increased debt servicing costs under the RHFP. For the RHP Pilot Project to continue, the CRD would need to include a one-time requisition of \$750K under the RHTF in the 2026 Financial Plan. Without this additional requisition, the RHP Pilot Project would not be financially viable and could not continue into its second year.

Legal Implications

Adopting Bylaw No. 4691 would repeal Bylaw Nos. 3294 and 3296, and enable the CRD to streamline the allocation of uncommitted funds from the RHTF to the Verdier project and the RHP Pilot Project, in accordance with the direction provided by the CRD Board.

Intergovernmental Implications

Participating jurisdictions include the District of Metchosin, the District of North Saanich, the District of Saanich, the Town of View Royal, the City of Victoria, the District of Sooke, the Township of Esquimalt, the District of Central Saanich, the District of Oak Bay, the Town of Sidney, the District of Highlands and the electoral areas of Salt Spring Island and Southern Gulf Islands. Jurisdictions that do not participate include the City of Langford, the City of Colwood and the Juan de Fuca Electoral Area.

As the RHTF is a sub-regional service, it is the intent of staff to requisition \$750K in 2026 solely for the purpose of completing the RHP Pilot Project. Staff will also canvas jurisdictions not currently participating in the program to assess their interest in supporting the RHP on an ongoing basis, should the Board provide direction to continue the program beyond its pilot period.

CONCLUSION

The adoption of Bylaw No. 4691 will repeal Bylaws No. 3294 and 3296, formally dissolving the Regional Housing Trust Fund Commission and Advisory Committee. This will enable the reallocation of approximately \$1.1M in uncommitted RHTF funds, including approximately \$850K for the Verdier project and a \$250K commitment toward the RHP Pilot Project. The proposed approach ensures that the remaining resources are directed toward advancing current regional housing priorities.

RECOMMENDATION

The Hospitals and Housing Committee recommends to the Capital Regional District Board:

- 1) That Bylaw No. 4691, “A Bylaw to Repeal Bylaws No. 3294 and 3296, 2025”, be introduced and read a first, second and third time;
- 2) That Bylaw No. 4691 be adopted;
- 3) That up to \$250,000 of the funds in the Regional Housing Trust Fund be allocated to the Rural Housing Program Pilot Project, with the remaining funds (approximately \$850,000) allocated to the Capital Region Housing Corporation’s Verdier Project;
- 4) That \$750,000 in requisition under the Regional Housing Trust Fund be included in the CRD provisional 2026 Financial Plan; and
- 5) That Edward Robbins, Chief Administrative Officer, or their duly authorized delegate, be authorized to negotiate and execute agreements, issue funds from the Regional Housing Trust Fund to the Rural Housing Pilot Project and the CRHC’s Verdier Project, and do all things incidental to finalize such agreements and implement the projects.

Submitted by:	Don Elliott, BA, MUP, Senior Manager, Regional Housing
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Housing, Planning and Protective Services
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Varinia Somosan, CPA, CGA, Acting Chief Financial Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENTS

- Appendix A: Bylaw No. 4691, “A Bylaw to Repeal Bylaws No. 3294 and 3296, 2025”
Appendix B: Regional Housing Trust Fund Application: 1183 Verdier Avenue
Appendix C: Rural Housing Program Pilot Project Staff Report, March 2025