

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

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**SUBJECT Major Capital Plan Status Report – Second Quarter 2022**

**ISSUE SUMMARY**

To provide a quarterly update to the Hospitals and Housing Committee on the Capital Region Housing Corporation (CRHC) Major Capital Plan (2022-2026). This report is to complement the Capital Variance Report presented quarterly to the Capital Regional District (CRD) Board by the Chief Administrative Officer.

**BACKGROUND**

The CRHC is a wholly owned subsidiary of the CRD with the mandate to develop and manage affordable housing to meet the needs of individuals and families residing within the capital region. In working to fulfill its mandate, the CRHC owns and operates 1,893 units of affordable housing, providing homes to more than 3,500 residents of the capital region with low to moderate incomes. In addition, CRHC currently has 522 new units under construction and 462 units in pre-construction and development. This report contains projects that will receive grant funding through the following programs: Regional Housing First Program (RHFP), Regional Housing Trust Fund (RHTF), Building BC: Community Housing Fund (CHF), Investment in Housing Initiative (IHI), National Housing Co-Investment Fund (NHCF), Green Municipal Fund (GMF), Capital Replacement Fund (CRF) and Victoria Housing Reserve Fund (VHRF).

**IMPLICATIONS**

*2782 Spencer (CHF)*

2782 Spencer, a 5-storey 58-unit development in Langford, will be completed through a fixed price design-build contract. The building is watertight and interior finishing is underway. Construction will be completed in Q4 2022, as scheduled. The project budget of \$19.9 million (M) with a total of \$5.9 M awarded through grants remains unchanged from the approved Major Capital Plan (2022-2026).

*Michigan Square (RHFP, RHTF, CHF & VHRF)*

The Michigan Square project, a 97-unit redevelopment in James Bay, will be completed through the construction management delivery model. Micro-pile installations and foundation upgrades to the existing parkade are underway and will continue into Q3 2022. Wood framing will commence in August 2022 and the project remains on schedule for completion in Q4 2023. The project budget of \$34.2 M with a total of \$10.9 M awarded through grants remains unchanged from the approved Major Capital Plan (2022-2026).

*Caledonia (CHF & VHRF)*

It was reported in the CRHC Major Capital Plan (2022-2026) that the project budget for the Caledonia project, a 158-unit redevelopment in the Fernwood neighbourhood, was \$64.4 M. The budget was based on a Class B estimate which was carried out in August 2021. Class B estimates are based on a minimum 65% design development drawings and are typically accurate to within 10% to 15%. In April 2022, procurement of 36 subcontracts was carried out to facilitate project delivery under the construction management model. Through this procurement the final

control budget has been increased by 10.2% or \$6.6 M from the estimated budget in the Major Capital Plan (2022-2026). Cost increases can be attributed to supply chain disruptions, material cost increases, the overall availability of materials and an oversaturated construction market with a shortage of available trade contractors. The final control budget, approved by BC Housing Management Commission (BCHMC) in May 2022 and the CRHC Board in June 2022, is \$71.0 M, including \$19.5 M awarded through grants.

Demolition of the existing Caledonia townhouses was carried out in Q2 2022. With the execution of land transfers, consolidation and registration of the new lease in June 2022, construction is scheduled to commence in early July 2022.

#### *Carey Lane BER (CRF)*

Carey Lane, a 22-unit townhouse complex that is owned and operated by CRHC, will undergo a full building envelope remediation (BER). Design work continues with mechanical and electrical feasibility investigations underway to potentially incorporate energy efficient heating and cooling systems within the project scope. The project budget of \$3.8 M with a total of \$3.2 M awarded through grants remains unchanged as reported in the CRHC Major Capital Plan (2022-2026). Staff will return to the Board in Q4 2022 for final project approval.

#### *Pandora (CHF)*

Pandora is a partnership project between the City of Victoria, BC Housing and CRHC to build 220 new non-market rental homes and create a new neighbourhood community centre in the North Park neighbourhood. The CRHC would lease an air-space parcel from the City of Victoria to accommodate 170 affordable rental units that would be operated by CRHC. Included in the proposed development is an additional 50 supportive housing units leased by BC Housing, who would select an experienced non-profit operator. A further 19,000 square feet of community space owned by the City of Victoria is also included in the proposal. This space is anticipated to include a community centre with neighbourhood programs, and a gymnasium, as well as child care services. The Master Agreement between CRHC, BC Housing and the City of Victoria is currently in draft form. Project partners are targeting execution of the Master Agreement in Q3 2022. Design work and space programming is currently in the schematic stage with a targeted rezoning submission anticipated for Q3 2022. The project is anticipated to receive support to proceed through the City of Victoria's Rapid Deployment of Affordable Housing initiative for municipal approvals. The project budget of \$58.5 M with a total of \$21.7 M awarded through grants remains unchanged from the approved Major Capital Plan (2022-2026).

#### *161 Drake Road*

In January 2022, it was announced that BC Housing would be providing up to 28 new permanent homes with supports, as well as dedicated shelter and programming space at 161 Drake Road on Salt Spring Island. This partnership will see CRD lease a portion of the land to BC Housing to facilitate the development. The proposed development would utilize the available groundwater source that was proven in 2019. Staff are working alongside BC Housing to advance the subdivision, secure a water license and execute a lease agreement. In Q3 2022, staff will advance an additional groundwater feasibility testing program in an effort to secure an adequate alternate water source to service future affordable housing at 161 Drake Road. The 2022 budget of \$80,000 with all funds coming from Community Works Funds remains unchanged from the CRHC Major Capital Plan (2022-2026).

*Campus View (RHFP)*

Campus View, an existing 12-unit CRHC townhouse complex located in the Gordon Head neighbourhood, has received provisional approval from the RHFP Selection Committee to obtain \$8.4 M in grant funding. In April 2022, the rezoning and development permit application was submitted to the District of Saanich (Saanich) for the 119-unit redevelopment. Pending Saanich’s review of the development permit drawings, staff will carry out a Class D estimate to reflect current market conditions. Saanich staff have indicated that the rezoning and development permit application will be reviewed by Council in the next 12-18 months. CRHC staff are currently carrying out a feasibility analysis of additional grant funding through the GMF, NHCF, RHTF and District of Saanich Housing Fund which will be required in order to advance the redevelopment. At this time, the conceptual budget of \$39.3 M remains unchanged from the CRHC Major Capital Plan (2022-2026).

**CONCLUSION**

As part of staff’s commitment to providing updates to the CRHC Board, the CRHC Major Capital Plan Status Report provides a snapshot of issues and items that have a potential to impact the Major Capital Plan. Despite the impacts from the ongoing pandemic, the majority of CRHC major capital projects are within budget, on schedule and in alignment with the Major Capital Plan (2022-2026).

**RECOMMENDATION**

There is no recommendation. This report is for information only.

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