

**REPORT TO CAPITAL REGIONAL HOSPITAL DISTRICT BOARD
MEETING OF WEDNESDAY, DECEMBER 13, 2023**

SUBJECT **Mt. Tolmie Hospital Acquisition – Approval of Capital Bylaw No. 420**

ISSUE SUMMARY

Approval of a Capital Regional Hospital District (CRHD) \$10,000,000 Capital Expenditure Bylaw is required to proceed with the acquisition of Mt. Tolmie Hospital.

BACKGROUND

In a closed October 12, 2022, meeting, the CRHD Board granted the Chief Administrative Officer the authority to purchase 3690 Richmond Road (Mt. Tolmie Hospital) and execute a 20-year Lease and Operator Agreement with BC Housing.

The CRHD intends to purchase and lease the proposed site to BC Housing. The proposal will see the property renovated and operating 50 new units of affordable housing within a single-story multi-unit residential building. This building will be owned by the CRHD and operated by BC Housing. Upon purchase, the property will be leased to BC Housing on a 20-year term where BC Housing will then facilitate the required building modifications as necessary. This project will provide a significant housing contribution to the capital region that needs additional affordable housing options while also serving as a strategic acquisition for the Hospital District with the potential for a future designated health facility on the site.

A Bylaw (Appendix A) authorizing the capital contribution is required in order to proceed with the acquisition of Mt. Tolmie Hospital.

ALTERNATIVES

Alternative 1

- 1) That funding in the amount of \$10,000,000 be approved for the acquisition of Mt. Tolmie Hospital;
- 2) That Capital Regional Hospital District (CRHD) Bylaw No. 420, "Capital Regional Hospital District Capital Bylaw No. 190, 2023" be introduced and read a first, second, and third time; and
- 3) That CRHD Bylaw No. 420 be adopted.

Alternative 2

That this report be referred back to staff for additional information based on Capital Regional Hospital District Board direction.

IMPLICATIONS

Legal Implications

Capital Regional District (CRD) staff have reviewed the *Hospital District Act* and are of the opinion that the Hospital District can acquire land provided it intends to use the land for a health facility in future and as such is able to lease or license the property in the interim.

Intergovernmental Implications

The Mt. Tolmie Affordable Housing Project represents a strategic investment by the CRHD that involves the support of the CRD, BC Housing, Canada Mortgage and Housing Corporation and Island Health. The acquisition also included the Ministry of Citizen Services who manages property dispositions on behalf of Island Health and this process involved First Nations consultation.

Financial Implications

A \$10,325,000 funding contribution through the Regional Housing First Program (RHFP) will allow the CRHD to purchase the land outright and provide 50 units of affordable housing. An appraisal was conducted on May 4, 2022, by D.R. Cole & Associates estimating the value of the property at \$10,275,000.

The CRHD will contribute \$10,000,000 to acquire the land, and the CRD will provide the balance of funding, \$325,000 through the Land Banking and Housing Service. The \$10,000,000 project budget is reflected in the amended 2023-2032 CRHD Ten Year Capital Plan that was approved by the Board on March 15, 2023, as the project was still confidential it was listed as an RHFP contribution. As planned, the project will be fully funded from Reserve.

A public notice of disposition is required prior to executing the long-term lease with BC Housing and will be undertaken by staff after acquiring the property.

CONCLUSION

The acquisition of the Mt. Tolmie property will allow the Hospital District to meet its Board-directed contribution to the RHFP and increase its land holding equity base for the development of a future designated health facility. Adoption of the capital expenditure bylaw is required to complete the purchase.

RECOMMENDATION

- 1) That funding in the amount of \$10,000,000 be approved for the acquisition of Mt. Tolmie Hospital;
- 2) That Capital Regional Hospital District (CRHD) Bylaw No. 420, "Capital Regional Hospital District Capital Bylaw No. 190, 2023" be introduced and read a first, second, and third time; and
- 3) That CRHD Bylaw No. 420 be adopted.

Submitted by:	Michael Barnes, MPP, Senior Manager, Health and Capital Planning Strategies
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Concurrence:	Rianna Lachance, BCom, CPA, CA, Acting Chief Financial Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENT

Appendix A: CRHD Bylaw No. 420, "Capital Regional Hospital District Capital Bylaw No. 190, 2023"