

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, SEPTEMBER 01, 2021**

SUBJECT **Mortgage Renewal – Village on the Green**

ISSUE SUMMARY

The Capital Region Housing Corporation's (CRHC's) mortgage renewal process requires the approval of the Board of Directors, and requires the Board to authorize staff to sign all required documentation to renew the mortgage for Village on the Green (VoG.)

BACKGROUND

The mortgage for VoG, a 38-unit complex at 1132 Johnson Street, Victoria, is due for renewal on October 1, 2021. The existing mortgage is secured by Vancouver City Savings Credit Union (Vancity) at a rate of 3.50%. VoG is also secured as collateral property for the Vergo mortgage.

Renewal details are shown in Table 1:

Table 1

Building	Estimated Principal at renewal	Interest rate*	Requested Term	Mortgage Maturity Date
Village on the Green	\$1,797,949	2.31%	3 years	October 1, 2039

* Rate quoted as at August 20, 2021. Vancity cannot hold a guaranteed rate until within 30 days of the renewal date, therefore this rate may change.

ALTERNATIVES

Alternative 1

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

1. That the mortgage for Village on the Green be renewed with Vancouver City Savings Credit Union; and
2. That the Chief Administrative Officer and Chief Financial Officer be authorized to sign any documents related to the mortgage renewal.

Alternative 2

That staff be directed to review other financing options based on CRHC Board direction.

IMPLICATIONS

Financial Implications

If the Board approves the Vancity mortgage renewal process, CRHC will maintain collateral required to maintain the Vergo mortgage. Remortgaging VoG with a new lender would require

Vancity to release the collateral requirement for Vergo and also require additional approval items (appraisal, environmental inspection, etc.) to be submitted to a new lender. Staff is satisfied that a materially lower rate is not available from another lender and therefore recommends renewing with Vancity.

VoG has been identified as a possible redevelopment opportunity in the CRHC Redevelopment and Renewal Strategy. To avoid possible early discharge penalty fees, and allow for maximum flexibility, staff are recommending renewing for a 3-year fixed term at this time.

CONCLUSION

Board approval is required to process the VoG mortgage renewal and to authorize staff to sign renewal documents with Vancity. There are no materially lower interest rates available from other lenders, therefore staff recommend renewing with Vancity.

RECOMMENDATION

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

1. That the mortgage for Village on the Green be renewed with Vancouver City Savings Credit Union; and
2. That the Chief Administrative Officer and Chief Financial Officer be authorized to sign any documents related to the mortgage renewal.

Submitted by:	Don Elliott, BA, MUP, Senior Manager Regional Housing
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