

Capital Region Housing Corporation Quarterly Operational Report Period Ending September 30, 2020

The Capital Region Housing Corporation (CRHC) owns and operates 1,491 units of housing.

1. COVID-19 Impacts to CRHC

Provincial changes to Residential Tenancy ease which had impact on residential tenancies and the work of CRHC.

Rent Arrears created during Phase 1 & 2

The state of emergency temporarily suspended a landlord's ability to end a tenancy if a tenant did not pay the rent in full and on time. Effective September 1, 2020, the ability to evict for unpaid rent has been restored to the landlord. The legislation outlined direction to landlords on how to collect rent arrears for the period of April 1 and August 31, 2020 to ensure leniency and prevent evictions. Staff have prepared repayment plans, as per the legislation, for all tenants who have rent arrears from this time period.

Effective October 1, 2020, 34 households are to begin arrears repayment of \$52,000. This figure reflects changes from the 42 households owing \$52,000 at the end of the 2nd quarter and the 74 households owing \$76,000 from April 2020.

Rent Freeze

During the state of emergency a landlord was prevented from issuing annual notices of rent increase. In September, it was announced that the restrictions would be lifted to allow landlords to issue notices of increase for 2021 at a maximum allowable rent increase of 1.4%. This is lower than previous annual increases of 2.6%. Staff will confirm post-election if the rent freeze will continue or be removed.

Westview Rentals

Westview received its occupancy permit on April 30, 2020 and CRHC began housing tenants on May 15, 2020. It was originally anticipated that all units would be rented by July 2020. Due to COVID 19, staff extended this to end of August 2020. As of October 15, 2020 the building will be 100% rented. The additional delay was due to some prospects rescinding their interest in moving even though COVID restrictions had eased into Phase 3.

Due to the project being under budget, BC Housing has agreed to allow CRHC to lower the rents, making the property more affordable than originally projected. Now that the take out mortgage has been finalized, rent levels will be adjusted as turn over occurs.

Capital Spending

Seasonal and annual exterior capital work was impacted this year by COVID 19. Contractors had a hard time retaining and remobilizing staff as a result of the state of emergency and subsequent access to the Canada Emergency Response Benefit (CERB). Staff are currently completing capital plan review for work that can be accomplished in the 4th quarter. Work that will not be completed this year will be redistributed in future years 2021-2024 to ensure that the \$11M

spending requirements of the Umbrella Operating Agreement (UOA) are met. Estimated 2020 spending is \$1.8M which is lower than the planned \$3.4M. More comprehensive budget information will come forward to the Board at the December meeting.

2. Staffing

Nine new operations staff were approved in the 2020 budget process to manage Westview, Spencer Close and West Park. Seven have been hired and offers of employment have been made for the final two caretaking staff for Spencer Close and West Park to ensure their readiness when the buildings open.

3. Developments

West Park (152 units)

- Phase 1: Occupancy permit was issued on September 15, 2020.
- Phase 1: Capital Regional District (CRD) third-party inspections are underway.
- Phase 2: Deficiency repairs and final cleaning underway.
- Phase 2: Commissioning, testing, balancing and inspections are underway.
- Phase 2: Anticipated occupancy permit date is October 9, 2020.
- CRD/CRHC project closing is scheduled for November 2, 2020.

Spencer Close (130 units)

- Phase 1: Floors 6-2 are 98% complete with deficiency repairs underway. Floor 1 is 85% complete with final paint underway.
- Phase 2: Floors 6-3 are 98% complete with deficiency repairs underway. Floors 2-1 are 85% complete with final paint underway.
- Carpet in the common stairwells and corridors is complete on floors 6-3.
- Parking lot paving and line painting is underway.
- Commissioning, testing, balancing and inspections will commence in the second week of October.
- The anticipated occupancy permit date is October 30, 2020.
- CRD/CRHC project closing is scheduled for November 20, 2020.

Hockley House (120 units)

- Phase 1: Drywall, cabinet installation and vinyl flooring are complete with second coat painting underway.
- Phase 2: Drywall installation and first coat paint underway.
- The building is watertight with roofing and rain screen complete. Cladding is 25% complete. Anticipated completion of the building envelope system is November 20, 2020.
- Elevator installation is underway.
- Offsite water connections are complete for domestic and fire suppression systems.
- Project completion estimated for March 2021.

Michigan Square Redevelopment (97 units)

- 15 units have received \$4.5 million through the Regional Housing First Program; 38 units have been approved for \$570,000 through the Regional Housing Trust Fund; and 44 units are pending approval through Building BC: Community Housing Fund (CHF).
- City of Victoria has scheduled the Public Hearing date for October 22, 2020.
- Design development will commence once the Development Permit has been issued.

- The tenant relocation process will commence in November 2020, once the Development Permit has been issued.
- Anticipated construction start is November 2021.

Caledonia Redevelopment (158 units)

- CRHC and the City of Victoria are working towards confirming the Public Hearing date. At present, the City of Victoria has indicated that a November 2020 hearing is probable.
- Design Development is underway with an anticipated building permit submission in January 2021.
- Anticipated construction start is May 2021.

Triway (58 units)

- Rezoning of the Triway lands was approved on August 26, 2020.
- The project was selected to move forward through BC Housing's Building BC: CHF on September 20, 2020.
- Design development for the 58 unit affordable seniors building is underway.
- Building permit submission is anticipated for December 2020.
- Anticipated construction start is January 2021.