

## REPORT TO HOSPITALS AND HOUSING COMMITTEE MEETING OF WEDNESDAY, OCTOBER 06, 2021

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**SUBJECT**      Capital Region Housing Corporation Operational Update No. 3, 2021

### **ISSUE SUMMARY**

To provide the Capital Region Housing Corporation (CRHC) Board with a quarterly update on operations, Tenant Engagement (TE), the Routine Capital Plan 2020 – 2024 and performance in the areas of turnover, vacancy and move-ins up to and including September 10, 2021. This report also includes detailed Regional Housing First Program (RHFP) rent-up information up to September 10, 2021, attached as Appendix A.

### **BACKGROUND**

The CRHC is a wholly owned subsidiary of the Capital Regional District (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 housing providing homes to more than 3,500 residents of the capital region with low to moderate incomes. In addition, CRHC manages an additional 114 units on behalf of third parties.

### **ALTERNATIVES**

#### *Alternative 1*

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

That the Capital Region Housing Corporation Operational Update No. 3, 2021 report be received for information.

#### *Alternative 2*

That the Capital Region Housing Corporation Operational Update No. 3, 2021 report be referred back to staff for additional information based on Hospitals and Housing Committee direction.

### **DISCUSSION**

#### *Operations Update*

The 2,007 units of housing across 54 properties that are currently managed by CRHC are supported by the work of approximately 44 full time equivalencies and five auxiliary staff. Staff hires continue to require attention due to a retirement and staff movement into new roles within CRHC and into other areas of Regional Housing. In the third quarter (Q3) CRHC was successful in filling two of the vacant positions remaining from the second quarter 2021 (Q2) and back filling three positions that occurred due to internal advancements. Shortage of qualified applicants is adding to the challenge with one caretaker position remaining vacant.

#### *Tenant Engagement (TE)*

The BC Restart Plan has allowed TE to shift from a virtual meet with staff to in-person. A 'meet-the-team' event took place at Viewmont Gardens which was well attended leading to lots of feedback and many good questions. This meeting gave staff a chance to connect with tenants in-person, allowing an opportunity to see the results of the seedling program and respond to questions directly. Based on the success, TE will work to replicate these events at other communities, including a larger community event at Westview planned for September.

TE were able to organize more seedling distributions which resulted in the nearly 300 plants being given to tenants free of charge. As one tenant said, “It’s hard to feed myself and having greens conveniently nearby and that I grew them myself is awesome”... “I really want to stop my pain and heal, feel better, and part of that’s having healthy food.”

In an effort to promote tenant retention and ongoing success, the TE team have been focused on tenant onboarding. This includes already existing support (such as the sign-up of new tenancies), projects in progress (tenant orientation videos), and planned future projects (in-person orientation and a welcome email and satisfaction survey). The in-person orientation is being developed and will require further testing prior to full implementation.

During the recent heat events, TE has worked on getting information out to tenants about how to manage the abnormally high temperatures. Information sheets containing resources were distributed to buildings, put on the website, available at reception and raised at the portfolio meetings so staff know what to look for among our more vulnerable tenants. Staff continue to work on other solutions for tenants, as more frequent extreme heat events are anticipated.

#### *Housing Registry Waitlist Statistics*

**Table 1: BC Housing Registry Waitlist Statistics**

Category	July 2021	August 2021	As at Sept. 10, 2021
Total Registry Units	3,650	3,650	3,650
Applicants			
Family	827	826	803
Seniors	988	982	990
Persons with Disabilities	548	554	557
Wheelchair Modified	122	123	130
Singles	152	153	154
Total	2,637	2,638	2,634

The Housing Registry, managed by BC Housing, helps housing providers manage applicant lists and helps to eliminate duplication among providers that may otherwise receive and process applications from many of the same households. According to BC Housing-provided data, the number of households on the registry has decreased by four from August to September 10, 2021.

#### *Vacancy*

**Table 2: Vacancy Rate – Units Operating More than 12 Months**

Year	Period	# Units Vacant	# Days Vacant	Average Days Vacant
2021	As of June 15	17	816	48
2021	As of September 10	18	785	43

As of September 10, there are 18 units reported vacant across housing that is owned and operated by the CRHC that has been in operation for more than 12 months. These vacancies total 785 days for an average of 43 days vacant. This figure is down slightly from the Q2, 2021 numbers as staff have worked to prioritize renting units that have been vacant longer in an effort to reduce the vacancy loss.

**Table 3: Vacancy Rate – Units Operating Less Than 12 Months**

Year	Period	# Units	# Unit Vacant	% Units Vacant
2021	As of March 31	402	203	51%
2021	As of June 18	402	135	34%
2021	As of September 10	402	95	24%
Difference since last report		0	(-40)	(-10%)

At the end of Q3, 2021 CRHC reported a vacancy rate of 34% in the 402 units that had been opened up at the end of the fourth quarter (Q4), 2020. Between mid-June and September 10, 2021 staff have rented another 40 units bringing the overall vacancy rate down to 24% for an overall reduction of 10% in these new units. Spencer Close has been moved to operational staff to continue with tenant selection allowing the rental team to focus on the remaining units at West Park Lane and Hockley House.

#### Turnover

**Table 4: Q3 Turnover Rate – All Units**

Year	Period	# Turnovers Operating More Than 12 Months	# Turnovers Operating Less Than 12 Months	Total
2021	March 31	39	4	43
2021	April 1-June 15	31	6	37
2021	June 16-September 10	40	11	51
	<b>Year to Date Total</b>	<b>110</b>	<b>21</b>	<b>131</b>

The higher number of turnovers in this quarter was anticipated in part due to annual seasonal movement ahead of school terms starting. The increase in vacancies allowed staff to offer temporary relocation options to the remaining tenants at Michigan Square before the November 1, 2021 construction start.

#### Housed

**Table 5: Q3 Housed Rate**

Year	Period	# Housed Operating Less Than 12 Months
2021	January 1 – March 31	60
2021	April 1 – June 18	69
2021	June 16-September 10	51
	<b>Year to Date Total</b>	<b>180</b>

#### RHFP Unit Turnover and Rent-Up

Turnover at Millstream Ridge continues to decrease, however the building and property are still impacted by neighbouring construction. New tenants are aware of the surroundings prior to move in which adds longevity to tenancies, reducing 2021's unit turnovers to 25% of the building, down from 48% in 2020.

As of September 10, 2021, Spencer Close is 93% rented with only accessible units remaining. As noted earlier, the building has been moved to operational staff to finish the rent up process. West Park is 77% rented and Hockley House is 59% rented, trending with the revised rent up period previously reported. Staff continue to network with societies and organizations that have clients who require fully modified units, as well as exploring how CRHC might be able to further incentivize these units to meet the financial constraints of the end user.

Staff efforts to increase the rent-up rates has brought considerable success in terms of the high numbers of inquiries being received. Staff continue to manage the volume on inquiries and have been able to keep responses prompt. Additionally, staff have maximized available resources by streamlining responsibilities and utilizing caretaker staff to show units when possible. The influx of students to the region has been considered and staff have proactively connected with student housing offices at various educational institutions within the region.

*Routine Capital Plan*

The updated Five-Year Routine Capital Plan budgeted for \$4 million (M) in 2021. Up to August 31, 2021, staff have spent approximately \$1.7M under this Plan. The pandemic continues to impact this work due to the available capacity of contractors as well as wait times for materials and products. Routine capital work that can be completed before year end continues to move forward. As part of the capital planning process that staff are currently engaged in, work that is not likely to be completed this fiscal year will be balanced across the remaining three years to ensure the \$11M Umbrella Operating Agreement (UOA) targets are met by the end of 2024. This realignment is done annually and currently there is good capacity in the final year to ensure we won't create excessive work in any one year. Warranty inspections and deficiency reporting continues at new buildings as they reach the end of their warranty period.

**CONCLUSION**

Through Q3, 2021, CRHC has been impacted by unexpected staffing changes across all levels of the Corporation, finding it more challenging to find qualified staff once the bumping of internal moves has occurred. TE activities have moved to face to face connections with the anticipation that this may change again as we move into the autumn and winter. Some new ideas involving welcomes and satisfaction surveys have come forward through the quarterly work with the Tenant Advisory Committee, which will roll out in the coming months.

Most of CRHC's housing portfolios are stable though the ongoing pandemic does impact unit turnover timelines and targets. Unit Vacancy in the newly opened buildings is coming down although slower than anticipated, but staff are working to capitalize on the increased demand to fill existing vacancies.

Work on the Routine Capital Plan slowed during the summer due to staffing changes and with training underway it is expected more work will be underway or in process ahead of Q4.

**RECOMMENDATION**

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

That the Capital Region Housing Corporation Operational Update No. 3, 2021 report be received for information.

Submitted by:	Don Elliott, BA, MUP, Senior Manager, Regional Housing
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

**ATTACHMENT:**

Appendix A: RHFP Rent-up Information