



**REPORT TO GOVERNANCE COMMITTEE
MEETING OF WEDNESDAY, MARCH 28, 2018**

SUBJECT **Capital Region Housing Corporation Revised Governance Structure**

ISSUE

To consider a revised governance structure for the Capital Region Housing Corporation (CRHC) that will improve the alignment of decision making with the Capital Regional District's (CRD) other legal entities.

BACKGROUND

Capital Region Housing Corporation

The CRHC is a wholly owned subsidiary of the CRD. It was established on December 19, 1982 under the legislated authority of the CRD Land Banking and Housing function which allowed for land assembly and housing for public or private housing purposes. The CRHC was formed to address the lack of affordable and accessible rental housing with members of the CRD Board recognizing a collective benefit in collaborating to form a regional housing corporation. The CRHC was registered under the *BC Company Act*.

Currently the CRHC Board has seven members (*Articles of Incorporation 2008*, Part 10). The current *Articles of Incorporation, 2008* can be found in Appendix A. Four of the Directors are CRD Directors, the three remaining Directors are members appointed from the community. This includes one Tenant Representative. The Tenant Representative is not prescribed through the *Articles of Incorporation* but rather through a policy of the Board of Directors (*CRHC Board Composition and Appointment*, Policy 1.16).

Regional Housing First Program (RHFP)

The CRD and the provincial government through British Columbia Housing Management Commission (BC Housing) have each committed \$30 million to the delivery of the RHFP to create approximately 1,340 units of housing. The CRD is also pursuing Federal support to increase this investment.

Due to the scale and pace of development required to deliver multiple housing projects, the CRD and BC Housing have been reviewing the current program delivery model. It will be required that the CRD and BC Housing take a more proactive approach to ensure the success of the program.

Within the CRD the RHFP is currently governed by three Boards; the CRD Board of Directors, the Capital Regional Hospital District (CRHD) Board of Directors and the CRHC Board of Directors. The CRD and CRHD Board of Directors are represented by the same membership and voting with similar roles and responsibilities for Directors. Staff are recommending that the CRD Board of Directors, as the sole shareholder of the CRHC, restructure the membership of the CRHC Board of Directors to align its governance structure with that of the CRD and CRHD Board. Proposed changes to the *Articles of Incorporation* would result in the Directors of the CRHC being consenting members of the CRD Board of Directors, with the intent that the entire membership of the CRD Board would serve as the CRHC Board. This governance structure has now been established for the Metro Vancouver Housing Corporation and given the significant expansion of CRHC operations underway, is considered necessary to not only align the CRD corporate entities, but to provide for expanding administrative and operational responsibility.

ALTERNATIVES

Alternative 1

That the Governance Committee recommends to the Capital Regional District (CRD) Board:

- a) That the amendments to the *Articles of Incorporation* of the Capital Region Housing Corporation (CRHC) as presented in Appendix B of this report be approved;
- b) That staff register the amendments as presented in the *Articles of Incorporation* with BC Registries;
- c) That the Terms of Reference of the Hospitals and Housing committee be amended to include the CRHC; and
- d) That a Tenant Advisory Committee be established to make recommendations to the CRHC Board of Directors on CRHC policies and programs through the CRD's Hospitals and Housing Committee.

Alternative 2

That the report be referred back to staff based on Committee direction.

IMPLICATIONS

Governance Implications

The proposed amendments to the *Articles of Incorporation* for the CRHC would provide for a change in the composition of the CRHC Board of Directors from its current membership of four CRD Board members and three community members to those consenting members of the CRD Board of Directors. As with other Boards and bodies established by the CRD, directors of the CRHC would have liability insurance in their capacity as corporate directors and CRD staff would have responsibilities aligned with the roles they serve in under the organizational structures of the CRD and CRHD.

In the proposed amendments to the *Articles of Incorporation*, CRHC Directors will each have one vote at a meeting and questions arising are to be decided by a majority of votes. The CRHC board membership will be decided by the CRD following its annual inaugural meeting and be confirmed at the next CRHC general meeting as determined by the CRD as the shareholder. The convening Chair and Vice Chair of the CRHC Board of Directors will be selected on an annual basis at the meeting of the CRHC Board of Directors following the announcement of Board membership.

The meeting and processes for the CRHC Board would be aligned with the CRHD and CRD Boards. It is anticipated that the new governance structure would be implemented following the elections in the fall, however it could be implemented earlier if required.

The recommended amendments to the *Articles of Incorporation* can be found in Appendix B.

Hospitals and Housing Committee

Regional housing matters and real estate matters relating to hospitals and housing are currently the responsibility of the Hospitals and Housing Committee (Appendix C, *Hospitals and Housing Committee Terms of Reference*). Staff are recommending that the CRHC be included in the mandate of this committee so that all matters relating to housing be overseen by one committee. The Hospitals and Housing Committee would then make recommendations to the appropriate Board (CRD, CRHD or CRHC). This will allow for better alignment of decision making and

strategic priorities, particularly with respect to business associated with the RHFP.

Housing Action Team (HAT)

Currently there is one advisory body reporting through the Hospitals and Housing Committee: the HAT. The HAT is an advisory committee established to advise the CRD with respect to CRD housing planning, policies and programs. The HAT may include membership of housing funders and stakeholders including municipalities, private development sector, real estate sector, community service organizations and the business sector. The HAT will continue in this advisory role.

Intergovernmental Implications

BC Housing Requirements

The *Articles of Incorporation* can only be altered by the CRD as sole shareholder of the CRHC, however BC Housing requires all non-profit organizations who receive loans or other financial assistance totalling \$50,000 or more have the following in their constating documents:

1. A stated purpose to provide affordable housing for low (or low and moderate) income households, or another similar purpose consistent with the type of services being provided.
2. A provision regarding non-remuneration of directors in any capacity; bylaws must not permit directors to serve as employees.
3. A provision regarding the disposition of assets upon dissolution or wind up to an organization(s) with a similar charitable purpose.

These requirements are included in the *Articles of Incorporation* under Part 18, Part 10.13 and Part 18.3, respectively. These requirements cannot be altered without permission from BC Housing.

Social Implications

Tenant Advisory Committee

The CRHC Board has always valued tenant input into CRHC decision making. This is evidenced through the longstanding position of Tenant Director on the CRHC Board of Directors. In 2017, the CRHC Board of Directors increased their commitment through increased staff resources for activities related to tenant engagement. Staff are recommending that a Tenant Advisory Committee be established to make recommendations to the CRHC Board of Directors on CRHC policies and programs through the CRD Hospitals and Housing Committee.

CONCLUSION

The CRD in partnership with the provincial governments have each committed \$30 million to the delivery of the RHFP to create approximately 1,340 units of housing and the CRD is pursuing federal support to increase this investment. Due to the scale and pace of development required to deliver multiple housing projects, the CRD will be required to take a more proactive approach to ensure the success of the program including acquiring land, constructing buildings and expanding operations.

In order for this to be successful staff are recommending that the CRHC governance structure be realigned to mirror the other CRD corporate entities. CRD staff would have responsibilities aligned with the roles they serve in under the organizational structures of the CRD and CRHD to provide for expanding administrative and operational responsibility. Operational reporting and recommendations to the CRHC Board would be added to the terms of reference of the Hospitals and Housing Committee.

To ensure continued engagement from Tenants, a Tenant Advisory Committee would be established to make recommendations on CRHC policies and programs through the Hospitals and Housing Committee, formalizing the CRHC's continued commitment to tenant engagement.

RECOMMENDATIONS

That the Governance Committee recommends to the Capital Regional District (CRD) Board:

- a) That the amendments to the *Articles of Incorporation* of the Capital Region Housing Corporation (CRHC) as presented in Appendix B of this report be approved;
- b) That staff register the amendments as presented in the *Articles of Incorporation* with BC Registries;
- c) That the Terms of Reference of the Hospitals and Housing committee be amended to the CRHC; and
- d) That a Tenant Advisory Committee be established to make recommendations to the CRHC Board of Directors on CRHC policies and programs through the CRD's Hospitals and Housing Committee.

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Appendix A: *Articles of Incorporation, 2008*

Appendix B: Schedule of Draft Amendments to *Articles of Incorporation, 2008*

Appendix C: Hospitals and Housing Committee Terms of Reference