



Capital Region Housing Corporation

2019 Updated Five Year Routine Capital Plans & Major Capital Plan

December 12, 2018





PURPOSE



To update the Capital Region Housing Corporation (CRHC) Board of Directors on the status of the 2015-2019 Capital Plans for the three operating agreement portfolios:

- Umbrella Operating Agreement (UOA) 42 properties;
- Independent Living BC (ILBC) Operating Agreement, 1 property ;and
- the No Operating Agreement (NOA) Portfolio, 2 properties

And to recommend allocations of UOA operating surpluses.

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UOA – CAPITAL FUNDING STRATEGIES



Under the UOA these operating surpluses are required to be used in the following order:

- a) To fund any operating deficits;
- b) To fund the approved five year capital plan;
- c) To pay for costs directly relating to a project; and
- d) In any other way the CRHC chooses to advance the management and development of affordable housing.





UOA - CAPITAL PLAN

- \$11 million approved by CRHC Board of Directors and BC Housing for 2015-2019
- 2018 estimated variance is \$462,550 (-18.7%)
 - Not within the +/-10% variance threshold
 - Variance relates to works awarded in 2018, but completed and expensed in 2019
- Reallocation of unspent \$462,550 into the remaining 2019 Plan
- Annual contribution to PRR is \$943,020.
- The estimated December 31, 2018 balance of the UOA replacement reserve (RR) is \$3,384,850

UOA Five Year Capital Plan \$ millions	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Plan	Total
Total Routine Replacement Reserve Expenditures	2.02	1.79	2.27	2.01	2.90	11.00



UOA – CAPITAL FUNDING STRATEGIES



- UOA operating surpluses are deposited annually into the UOA Portfolio Stabilization Reserve (PSR)
- The UOA allows CRHC greater latitude regarding expenditures and therefore has increased capacity to determine spending priorities
- Staff are recommending the Board allocate all UOA surpluses prior to the expiry of the UOA to ensure that the Board can directly control the allocation
- Recommending a 2019 transfer of \$1,056,980 from UOA surplus, combined with annual contribution to PRR from \$943,020, for a total of \$2m for 2019
- 2018 UOA PSR estimated ending balance is \$1,381,310

ILBC– CAPITAL PLAN



- Funded through an annual replacement reserve (RR) contribution of \$16,600 approved by BCHMC
- The estimated December 31, 2018 balance of the ILBC RR is \$29,660
- Spending for routine replacement in 2018 was \$22,270

Five Year Capital Plan \$	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Plan	Total
Total Routine Replacement Reserve Expenditures	72,726	24,280	9,004	22,270	32,740	161,020

NOA – CAPITAL PLAN



- Village on the Green (VoG) and Vergo are independent of BCHMC operating agreements
- Annual contribution to PRR is \$41,900 (\$65/month per unit)
- The estimated December 31, 2018 balance of the NOA PRR is \$364,810
- Spending for routine replacement in 2018 was \$36,544

Five Year Capital Plan \$	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Plan	Total
Total Routine Replacement Reserve Expenditures	51,160	37,930	30,236	36,554	788,160	944,040

MAJOR CAPITAL PLAN 2019



Project	Major Capital	Units	\$ millions
Westview	Development	73	50.2
Michigan	Redevelopment	increase from 62 to 107	35.2
Drake Rd	Development	decrease from 80 to 30 (Phase 1)	7.4
RHFP	Turn-key	132 (1 property, 2019)	34.4
RHFP	Turn-key	250 (2 properties, 2020)	54.4
Total			181.6



RECOMMENDATION



- 1)
 - a) That the Capital Region Housing Corporation 2019 updated Umbrella Operating Agreement Five Year Capital Plan 2015-2019 be received;
 - b) That staff be authorized to implement the Umbrella Operating Agreement 2019 capital plan; and
 - c) That the 2019 transfer of funds of \$1,056,980 from the Umbrella Operating Agreement Portfolio Stabilization Reserve to the Capital Replacement Reserve Fund be approved.
- 2)
 - a) That the Independent Living BC (ILBC) Operating Agreement (Parry Place) 2019 updated Five Year Capital Plan 2015-2019 be received; and
 - b) That staff be authorized to implement the ILBC Operating Agreement (Parry Place) 2019 capital plan year.
- 3)
 - a) That the No Operating Agreement Portfolio 2019 updated Five Year Capital Plan 2015-2019 be received; and
 - b) That staff be authorized to implement the No Operating Agreement Portfolio 2019 capital plan year.
- 4)
 - a) That the 2019-2023 Major Capital Plan be approved; and
 - b) That the General Manager, Planning & Protective Services be authorized to apply to BC Housing for the pre-development repayable loan for Drake Road.