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PPS/RH 2019-27

REPORT TO THE HOSPITALS & HOUSING COMMITTEE MEETING OF WEDNESDAY, OCTOBER 2, 2019

SUBJECT 2019-2022 Regional Housing Service Planning

ISSUE

To provide the Hospitals and Housing Committee with an overview of relevant initiatives undertaken by Regional Housing in 2019 and planned for 2020 to deliver on approved Board Priorities and the Corporate Plan.

BACKGROUND

The Board completed its strategic planning early in 2019 and subsequently approved the *Capital Regional District (CRD) Board Strategic Priorities 2019-2022*. Top priorities included:

1. Community Wellbeing – Transportation & Housing
2. Climate Action & Environmental Stewardship
3. First Nations Reconciliation
4. Advocacy, Governance & Accountability

Following Board confirmation of priorities, staff prepared the 2019-2022 CRD *Corporate Plan* to identify potential initiatives to advance Board priorities. The Corporate Plan also identified initiatives to deliver on the CRD's established service mandates, approved plans and corporate priorities. Progress on the priorities is reported quarterly under the corporate priorities dashboard.

The Corporate Plan identified nine initiatives under *Community Wellbeing – Affordable Housing*. Staff have identified one additional initiative. Appendix A provides an overview of the Community Needs Summary – Affordable Housing and identifies the core service levels and a list of the new initiatives proposed for 2020.

The Service Planning process gathered information necessary to assemble a provisional budget for Committee and Board review. The purpose of this report is to explain how the Regional Housing provisional budget connects to Board Priorities and the Corporate Plan.

A staff report (Appendix B) outlines the 2019-2022 Service Planning and Budget Process and was received at the October 2, 2019 Governance and Finance Committee.

ALTERNATIVES

Alternative 1:

That the Hospitals and Housing Committee recommends to the Capital Regional District Board:

That the new initiatives proposed in the provisional budget related to the Hospitals and Housing Committee mandate (Appendix A: *Community Needs Summary – Affordable Housing*) be approved.

Alternative 2:

That the Hospitals and Housing Committee recommends to the Capital Regional District Board that the new initiatives proposed in the 2020 provisional budget related to the Hospitals and Housing Committee mandate (Appendix A: *Community Needs Summary – Affordable Housing*) be referred back to staff for additional information.

DISCUSSION

Initiatives identified in the Corporate Plan (including Board Priorities) cannot be undertaken without resourcing. The Board determines resourcing through its annual review and approval of financial plans. To support the Board's decision-making, staff, through the service planning process, provide recommendations on funding, timing and service levels.

FINANCIAL IMPLICATIONS

Regional Housing has identified three initiatives that will have budget implications for 2020: 1a-2, 1a-3, and 1a-8 (Table 1).

Table 1: Community Needs Summary – Affordable Housing, Initiatives 1a-2, 3 and 8

#	Initiatives	Description	Implement -ation Year	New FTEs For 2020	Budget Impact
1a-2	Housing Investment through RHFP	Invest in/build Provincial Income Assistance rate, market rate & affordable housing units through the Regional Housing First Program (RHFP) & operate housing projects through the Capital Region Housing Corporation (CRHC)	2020 - 2022	3.0 Term 8.0 Ongoing	Included in CRD Provisional Budget and CRHC Budget
1a-3	Housing Investment through CRHC	Invest in/build affordable housing through the CRHC	2019 - 2022	1.0 Term	Included in CRHC Budget
1a-8	Municipal Housing Support	Measure affordability and support municipalities in their affordable housing objectives	2020		Included in CRD Provisional Budget

1a-2 and 1a-3

The RHFP is a \$90 million (M) equity partnership between the regional, provincial and federal governments initiated to meet the housing needs of chronically homeless individuals. There are 8 approved projects equaling 912 units with 213 to be rented at income assistance rates. CRD will own and CRHC will operate 4 projects totaling 534 of units coming online from 2019 to 2021.

In 2016, the CRHC approved the Long Term Financial and Asset Management Plan providing overall guidance and direction for the CRHC's capital assets. The Redevelopment, Development and Renewal Strategy was approved in 2016 identifying the development/redevelopment of four projects, two of which have received funding approvals from BC Housing and the others have received Proposal Development Funding Loan commitments from BC Housing. The total number of units in development for the CRHC are 356.

Of the 890 units under development under the RHFP and CRHC, 323 units will be commissioned in 2020 and 152 units will be commissioned in early 2021. Significant resources are required for the development, onboarding and operations of the new housing units. Staff are requesting 8.0 ongoing and 4.0 term full time equivalent (FTE) for the project management, marketing, financial support, leasing and operating of the new units. Approval of new projects will require appropriate human resources to provide oversight and ensure that the owners (CRD/CRHC) interests are represented. The requested staff for operations of housing is aligned with the current staff ratios. The increased cost implications for 2020 for these corporate initiatives is \$770,000 (CRD budget \$350,000; CRHC budget \$420,000) and will be recovered from the capital projects and the tenant rental revenue.

1a-8

In recent years municipalities and electoral areas have been developing policies to encourage the development and delivery of affordable housing. The Government of BC has recently introduced legislation that requires municipalities and electoral areas to complete and submit Housing Needs Assessments and update them every five years. There has been agreement by the majority of municipalities and electoral areas to work together on this initiative. Staff will be applying for a grant through the Union of BC Municipalities (UBCM) to fund this initiative. The cost implication for this initiative is \$160,000.

Inclusion of all proposed new initiatives would result in no 2020-2022 requisition increase for Regional Housing.

BOARD PRIORITY IMPLICATIONS

Board approval of the budget/financial plans will enable staff to effectively and efficiently deliver services as outlined in the Board's priorities.

CONCLUSION

Effectively and transparently aligning financial planning to Board Priorities/Corporate Plans is considered a governance best-practise. Regional Housing has identified three initiatives that will have budget implications for 2020: 1a-2, 1a-3, and 1a-8 as identified in Appendix A. Significant resources are required for the development, onboarding and operations of the new housing units. The combined increased cost implications for CRD and CRHC budgets for 2020 are \$930,000. All costs associated with the identified initiatives will be recovered from the following sources – capital development projects, program grants and operational tenant rental revenues.

RECOMMENDATION

That the Hospitals and Housing Committee recommends to the Capital Regional District Board:

That the new initiatives proposed in the provisional budget related to the Hospitals and Housing Committee mandate (Appendix A: *Community Needs Summary – Affordable Housing*) be approved.

Submitted by:	Christine Culham, Senior Manager, Regional Housing
Concurrence:	Kevin Lorette, P.Eng., MBA, General Manager Planning & Protective Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

CC:ce

Attachments: Appendix A – 2020 Community Needs Summary – Affordable Housing
 Appendix B – 2019-2022 Service Planning and Budget Process

COMMUNITY NEED SUMMARY

Affordable Housing

Strategy

Target Outcome
We envision that residents have access to affordable housing that enhances community well-being.

Related Strategies
<ul style="list-style-type: none"> • Regional Housing Affordability Strategy • Capital Regional Housing Corporation (CRHC) Strategic Plan • Regional Growth Strategy

Core Service Levels
<p>Housing Planning and Programs</p> <ul style="list-style-type: none"> • Housing Policy and Programs (HPP) facilitates the development of affordable housing through collaboration with other levels of government, community and housing agencies, private development industry, and other funders in accordance with the Regional Housing Affordability Strategy (RHAS). HPP acts as the Community Entity for the Government of Canada on the Reaching Home program.
<p>Capital Region Housing Corporation</p> <ul style="list-style-type: none"> • The Capital Region Housing Corporation (CRHC) a wholly owned subsidiary of the CRD, develops, manages and promotes affordable housing for low and moderate income families, seniors and persons living with disabilities. The CRHC currently owns and operates 1,418 units of housing and has four projects in varying stages of development.

Regional Housing First Program

- The Regional Housing First Program (RHFP) is a \$90M equity partnership the CRD, BC Housing Management Commission (BC Housing), Canada Mortgage and Housing Corporation (CMHC) and Island Health in delivering the RHFP. Activities include: issuing Expression of Interests to non-profit and private developers, acquiring, developing and building housing in accordance with the Regional Housing First Program Framework and transitioning CRD owned housing to the CRHC for operations. There are currently 8 projects/912 units that have been approved under the RHFP. A CRD Alternative Approval Process has been approved to request authority for an additional \$10M CRD long-term borrowing for the RHFP.

#	Initiatives	Description	Implementation Year	New FTEs For 2020	Budget Impact
1a-1	Affordable Housing per RGS	Create & deliver more affordable housing across the region in a manner aligned with the Regional Growth Strategy in order to address the needs of a diverse & growing population, including vulnerable residents	2019 - 2022		Absorbed in IBC 1a-2 to 1a-10
1a-2	Housing Investment through RHFP	Invest in/build Provincial Income Assistance rate, market rate & affordable housing units through the Regional Housing First Program (RHFP) & operate housing projects through the Capital Region Housing Corporation (CRHC)	2020 - 2022	3.0 Term 8.0 Ongoing	Included in CRD Provisional Budget and CRHC Budget
1a-3	Housing Investment through CRHC	Invest in/build affordable housing through the CRHC	2019 - 2022	1.0 Term	Included in CRHC Budget
1a-4	Housing Continuation beyond RHFP	Determine continuation of housing supply program beyond RHFP implementation	2020 - 2022		No impact in 2020

#	Initiatives	Description	Implementation Year	New FTEs For 2020	Budget Impact
1a-5	Housing Affordability Measurement	Measure housing affordability & engage with municipalities on affordability	2019 - 2020		Absorbed in core service
1a-6	Housing Asset	Optimize management of housing assets	2019 - 2022		No impact in 2020
1a-7	GV Coalition to End Homelessness Support	Fund & participate as leaders in Greater Victoria Coalition to End Homelessness	2020		Already funded in Community Health
1a-8	Municipal Housing Support	Measure affordability and support municipalities in their affordable housing objectives	2020		Included in CRD Provisional Budget
1a-9	Housing System Improvement	Lead & participate in regional, provincial & federal affordable housing system improvement & planning initiatives	2019 - 2022		Already funded
1a-10	Reaching Home *	Reaching Home Program	2019 - 2022		Already funded

* New - Initiatives not in the 2019-2022 Corporate Plan

Business Model

Value Proposition
<p>Regional Housing</p> <p>The Regional Housing division develops, maintains and manages affordable housing throughout the region. The Regional Housing division works in collaboration with for-profit, non-profit and government partners to improve the housing ecosystem.</p>

Who Contributes

- All municipalities and electoral areas (EAs) participate in some aspect of these services
- All local First Nations
- Non-profit housing & private housing providers
- BC Housing Management Commission (BCHMC)
- Canada Mortgage and Housing Corporation (CMHC)
- Employment and Social Development Canada

Metrics

Metric #1

Target: Increase affordable housing for low to moderate income households by 2,000 units through investment of the RHFP, RHTF, housing administration or direct development.

Current Status: The CRHC currently has 1,418 affordable housing units for low to moderate income households. The CRD manages housing administration agreements.

Metric #2

Target: Invest 2020-2024 \$11M (\$2.5M annually) in improving the current existing CRHC housing stock.

Current Status: CRHC is currently not meeting this target. CRHC currently invests \$2M - \$2.2M per year.

Metric #3

Target: Ensure turnover of CRHC units is no greater than 30 days.

Current Status: CRHC is currently not meeting this target. CRHC is currently at 32-34 days.

Metric #4

Target: Decrease chronic homelessness.

Current Status: Point-in-Time count numbers and annual shelter use data. Metric is currently under development with the implementation of the Housing Management Information System (HMIS) software.