



Capital Region Housing Corporation Quarterly Operational Report Period Ending June 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 Tenancyⁱ

Evictions

Notices to end tenancy could not be given for any reason during phase 1 and 2 of the state of emergency. In exceptional circumstances, a landlord could apply directly to the Residential Tenancy Branch to end the tenancy. Staff were able to move forward an eviction based on serious social reasons in consultation with BC Housing during COVID-19.

A landlord can now issue a Notice to End Tenancy for reasons other than unpaid or late payment rent. Landlords with existing orders for eviction can take them to the courts beginning July 2, 2020 for enforcement, and can enforce a writ order effective immediately.

Rent

The legislation still requires that tenants pay rent in full and on time. The state of emergency temporarily suspends a landlord's ability to end a tenancy if a tenant does not pay the rent in full and on time. A tenant who has not paid rent could face eviction once the state of emergency is over. 42 households are currently in arrears and staff are working with them on payment plans. The current amount in arrears is \$52K.

Temporary Rent Supplement

A temporary rent supplement is available to residents in properties that do not receive a BC Housing operating subsidy. CRHC residents living in Village on the Green, Westview, Vergo and Millstream Ridge qualify for this rent supplement.

Eligible households with dependents can receive up to \$500 per month. Eligible households without dependents can receive up to \$300 per month. The supplement is paid directly to landlords. 28 households have received rental supplements.

Rent Increases

A landlord can give a notice for rent increase during the state of emergency. The rent increase will not come into effect until the state of emergency is over.

CRHC raises rents on all affordable and near market units (non-subsidized units) as per the allowable annual rent increase determined by the Province (approximately 2.5%). This affects approximately 32% of CRHC units.

Accessing Rental Units

During phase 1 and 2 of the emergency order, to encourage physical distancing and minimizing the transmission of COVID-19, landlords were not able to enter rental units without the consent of the tenant (even if proper notice has been served) unless there is risk to personal property or

life. If parties are not sick or in self-isolation and the tenant does consent, CRHC staff would enter units while maintaining safe physical distancing and practice all other health measures to prevent transmission.

This change has had a significant impact on the renting of units. Staff were unable to show units until they were vacant. This impacted the number of months it takes to turn units around and can represent a loss of income.

In 2015, the CRHC Board set a target for vacant units to be turned over, on average, under 30 days. Due to not being able to enter units for showings or inspections from April to July, turnover has been closer to 60 days. This has been somewhat mitigated by the fact that turnover of units decreased in April, May and June as households were reluctant to move. There have been significantly more tenants submitting notices for July.

As of phase 3, landlords can now enter a rental suite with 24-hours notice and do not need the tenant's consent as long as they follow health guidelines like physical distancing, cleaning and wearing masks when appropriate.

Common Areas

CRHC has restricted access to common/amenity rooms during the COVID-19 pandemic.

Cleaning

Staff have increased frequency of cleaning in common areas of properties, especially in high-touch areas.

Occupational Health and Safety

Management have implemented safe operating procedures for office and field staff including the provision of appropriate personal protective equipment required to do their work.

Millstream Ridge

Millstream Ridge has been most impacted due to COVID-19 due to the high ratio of affordable and market units. This property had the highest number of arrears (18 households) and has been most impacted by high turnover, mostly due to economic reasons. Staff will return to the Board with the financial impacts to Millstream in September.

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 to date. The outstanding staff are caretakers who will be hired prior to the commissioning of Spencer Close and West Park.

Two project staff were approved to support the planning, development and construction of new properties. One staff has been hired and staff are in the process of hiring the second.

Regional Housing has also hired a Communications Coordinator. This position supports CRD and CRHC housing programs.

Westview Commissioning

Westview received its occupancy permit on April 30, 2020 and CRHC began housing tenants on May 15, 2020. The project was on time and under budget. 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. This will only come into effect once the take out mortgage is finalized.

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. Staff worked with BC Housing to accommodate the additional month's revenue loss within the capital budget.

The building is 75% rented.

3. Umbrella Operating Agreement Finalization of 2020-2024 Agreement

5 year Capital Plan

BC Housing has approved the \$11 million Capital Plan (2020-2024) for the Umbrella Operating Agreement (UOA). The UOA includes 39 of CRHC's 47 properties.

Carey Lane Building Envelope Remediation

BC Housing is supportive of contributing funding for the Carey Lane Building Envelope Remediation in 2021 through the Capital Renewal Fund (CRF). The CRHC Board has committed \$600,000 to the project. The anticipated total cost is \$4,500,000. BC Housing's Asset Strategies team will work with CRHC staff over the next year to fully develop the scope.

4. BC Housing Applicant Waitlist – Capital Region

The Housing Registry provides a centralized database where applicants can apply for housing through multiple housing providers who participate.

The following information represents the number of units in the capital region that are on the Housing Registry as well as the number of applicants. The CRHC represents approximately 950 units on the Housing Registry.

Date	Total Units	Total Applicants
June 2020	3,358	2,349
June 2019	3,186	2,279

5. Developments

Michigan Square Redevelopment (106 units)

1 building: 53 units

1 building: 44 units

1 building: 9 units (remaining)

- City of Victoria has given a tentative Public Hearing date of August 6, 2020 pending execution of legal agreements.
- The project has not received funding from BC Housing. Three funding applications are underway: preliminary funding approval for 15 units was received under the Regional Housing First Program in April; funding for 38 units under the Regional Housing Trust Fund was requested in July 2020; and a funding request for 44 units will be submitted under BC Housing's *Building BC: Community Housing Fund* by September 2020.

Caledonia Redevelopment (158 units)

- Land transfers were approved by Victoria City Council on April 23, 2020.
- Rezoning and Development Permit went to Committee of the Whole on Thursday May 7, 2020.
- CRHC and the City of Victoria are working towards confirming a Public Hearing date. At present, the City of Victoria has indicated that an August 2020 hearing is probable.

Spencer Close (130 units)

- Phase 1: Finishing work inside suites is 85% complete. Juliet balcony railings are 60% complete.
- Phase 2: Insulation installation is complete. Painting is underway on L6. Drywall 60% complete from L5 down.
- Permanent power has been installed to the entire building.
- Exterior cladding is complete and scaffolding is being removed.
- Project completion November 2020.

West Park (152 units)

- Phase 1: Roofing is complete, and cladding 95% complete. Drywall is complete on L6 - L2. Painting started L6 - L2.
- Phase 2: Roofing 95% complete. Cladding started on all sides but north. Electrical and sprinkler rough-ins complete. Mechanical and Plumbing rough-ins complete except on L6 & L1.
- Window installation is complete on both buildings.
- Project completion November 2020

Hockley House (120 units)

- Phase 1: Suite rough-in 90% complete. Mechanical and Electrical rough-ins complete. Insulation is complete. Drywall installation is 90% complete on L6 and progressing downwards. Painting on L6 complete and progressing downwards.
- Phase 2: Framing is complete, and fire suppression rough-in is 75% complete.
- Window installation – Phase 1 complete. Phase 2 40% complete.
- Roof membrane and cladding installations are underway.
- Project completion estimated for end of March 2021.

ⁱ <https://www2.gov.bc.ca/gov/content/housing-tenancy/residential-tenancies/covid-19>