



REGIONAL
DISTRICT
OF NANAIMO

INFORMATION REPORT ON THE BACKGROUND, FUNDING STRUCTURE AND HOUSING PROGRAMS OF THE CAPITAL REGIONAL HOUSING CORPORATION

RECOMMENDATION

1. That the Board receive the information report on the background, funding structure and housing programs of the Capital Regional Housing Corporation.

BACKGROUND

At the regularly scheduled Regional District of Nanaimo (RDN) Board Meeting on January 24, 2023, the Board passed the following resolution:

No. 23-060 *It was moved and seconded that an information report on the background, funding structure and housing programs of the Capital Regional Housing Corporation be provided.*

In response, this report provides information on the background, funding structure and housing programs of the Capital Regional Housing Corporation as well as information on how other regional districts on Vancouver Island address housing.

Capital Regional District (CRD)

In BC, the Capital Regional District (CRD) is the only local government to establish a regional housing service and housing corporation, wholly owned by the regional district. First established as a land bank in 1974, the CRD expanded their service to include a housing financial contribution and reserve fund in 1982. The CRD now operates the Capital Regional Housing Corporation, a Regional Housing Trust Fund, and a Regional Housing First Program.

Capital Region Housing Corporation (CRHC)

The Capital Region Housing Corporation (CRHC) is a wholly-owned subsidiary of the CRD which develops and manages affordable housing to meet the needs of people living within the capital region. The CRHC provides low- and moderate-income families with safe, suitable homes that remain affordable as their lives and families change and grow. The CRHC also provides affordable housing for low-income seniors and people living on government disability pensions. The primary activity of the CRHC is the day-to-day management of housing, property management, and providing services to residents who live in the 1893 units in 50 housing complexes across seven municipalities.

In 2022, 52 full-time equivalent positions were dedicated to housing planning and CRHC operations with an operating budget of \$27 million and a \$ 70 million capital budget. The capital region's proposed budget for 2023 includes a \$ 29 million operating budget and a \$ 49 million capital budget for the CRHC.

Regional Housing Trust Fund (RHTF)

The RHTF (the Fund) was established by the CRD Board in 2005, recognizing that housing affordability is a regional priority and key issue in the capital region.

The Fund provides capital grants for the acquisition, development, and retention of housing (“bricks and mortar”) that is affordable to households with low or moderate incomes in the region. The RHTF has significantly increased the Capital Region’s ability to raise funds for affordable housing, through an ongoing equity stake that can be used to leverage additional funds, primarily from senior levels of government and the private sector.

The Regional Housing Trust Fund Commission oversees the Fund, prioritizes the use of RHTF grants for the development of affordable housing units within the approved Regional Housing First Program (RHFP), and advises the CRD Board on its operations in tandem with implementing the priorities set out in the Regional Housing Affordability Strategy.

Regional Housing First Program (RHFP)

The RHFP is an equal partnership agreement between the CRD, BC housing and the Canada Mortgage and Housing Corporation (CMHC). The partnership aims to achieve a target of up to 2,000 Affordable Rental Units, with up to 400 of those units having rents set at the Shelter Rate. Overall, the program is expected to leverage the development of approximately \$600M in capital development.

Alternative approaches were undertaken to create affordable housing by regional districts on Vancouver Island:

The CRD housing program has grown and evolved over the last 49 years. This mature program is an example of the potential programs and services which can be established through a long term affordable housing program.

The Cowichan Valley Regional District (CVRD) and the Comox Valley Regional District (CoVRD) are examples of regional districts on Vancouver Island which have established services to support the creation of affordable housing in their region in recent years.

Cowichan Valley Regional District (CVRD)

In 2018, the CRVD held a referendum that supported establishing an affordable housing service. This service was established by the Cowichan Housing Association Annual Financial Contribution Service Establishment Bylaw, 2018. The Cowichan Housing Associated Financial Contribution Service (the CHAFC Service) is an annual financial contribution to the Cowichan Housing Association by the CVRD. The purpose of the CHAFC is to provide programs and services for affordable housing and homelessness prevention in the CVRD.

The CHAFC enables the Cowichan Housing Association to match non-profit housing ideas with suitable land, find developers to build the housing, and secure grants from federal and provincial governments. The Cowichan Housing Association is accountable to the CVRD and the community through approved annual work plans, with requirements for annual reporting of results. The annual cost to provide this service is a maximum of \$765,000 which is raised by property value tax and other authorized means. The residential contribution for this service is \$3.87/\$100,000 assessed value – for a home valued at \$500,000 the annual cost is \$19.35.

Comox Valley Regional District (CoVRD)

In 2015, the electors within the CoVRD passed a referendum to establish a homelessness support service. This service was established through the Comox Valley Homelessness Supports Service Establishment Bylaw which provides funds for the CoVRD to fund one or more governmental organization(s) in the Comox Valley based on a Board approved action plan to address homelessness. The CoVRD oversees the service with assistance from the Comox Valley Housing Task Force on housing priorities and solutions. Since 2015, 75 units of affordable housing have been built and funded in part through this service. The annual cost of the service is the greater of \$165,000 or \$0.02 per \$1,000 applied net taxable value or other authorized means.

The CoVRD undertook a review of this service in 2021. Key recommendations included: reviewing the level of funding, increasing the awareness of the service, and refining the process of allocating funding to local services. Implementation of the recommendations is currently underway.

FINANCIAL IMPLICATIONS

As this report is for information only, there are not any financial implications.

STRATEGIC PLAN ALIGNMENT

Potential actions the Board may consider for housing programs aligns with the 2019-2022 Board Strategic Plan key strategic area of housing: to promote affordable housing for residents.

REVIEWED BY:

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