

Deborah Liske

Subject: FW: Letter from Kristen Morley, General Manager, Corporate Services, CRD Re: Municipal Consent for Bylaws No. 4326 and 4327, Loan Authorization and Amendments to the Land Banking and Housing Service

Attachments: OutgoingLetterToEsquimaltFromKMorleyRHFPAAAP.PDF; Attachment1Staff Report-RHFP-AAP.PDF; Attachment2Bylaw4326.pdf; Attachment3Bylaw4327.pdf; Attachment4RHFP-AAP-FAQ.PDF

From: Kelly Timms [mailto:ktimms@crd.bc.ca]
Sent: January-08-20 4:06 PM
To: Rachel Dumas
Cc: Laurie Hurst; CRDBoard; Kristen Morley
Subject: Letter from Kristen Morley, General Manager, Corporate Services, CRD Re: Municipal Consent for Bylaws No. 4326 and 4327, Loan Authorization and Amendments to the Land Banking and Housing Service

Dear Ms. Dumas,

Please find attached a letter and attachments from Kristen Morley, General Manager, Corporate Services, CRD, regarding Municipal Consent for Bylaws No. 4326 and 4327, Loan Authorization and Amendments to the Land Banking and Housing Service.

Sincerely,

Kelly Timms | Executive Services Coordinator
 Office of the CAO and Board Chair
 (250) 360-3129 | Capital Regional District
www.crd.bc.ca | [Facebook](#) | [Twitter](#) | [YouTube](#)



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CORPORATION OF THE TOWNSHIP OF ESQUIMALT
 For Information:
 CAO Mayor/Council

 RECEIVED: JAN 09 2020
 Referred: Rachel
 For Action For Response COTW
 For Report Council Agenda IC

January 8, 2020

File: 3900

Mayor and Council, Township of Esquimalt
Attention: Rachel Dumas, Corporate Officer
1229 Esquimalt Road
Esquimalt, BC V9A 3P1
Via email: rachel.dumas@esquimalt.ca

Dear Ms. Dumas:

RE: MUNICIPAL CONSENT FOR BYLAWS NO. 4326 AND 4327, LOAN AUTHORIZATION AND AMENDMENTS TO THE LAND BANKING AND HOUSING SERVICE

On September 11, 2019 Capital Regional District (CRD) Board gave three readings to the following bylaws:

- Bylaw No. 4326, "Land Assembly, Housing and Land Banking Service Establishment Bylaw No. 1, 2010, Amendment Bylaw No. 1, 2019" to remove the limitations to borrowing; and
- Bylaw No. 4327, "Regional Housing First Program Loan Authorization Bylaw No. 1, 2019" to authorize the borrowing of an additional ten million dollars (\$10,000,000) for the Land Assembly, Housing and Land Banking Service.

The intent of Bylaws No. 4326 and 4327 is to increase the CRD's contribution to the Regional Housing First Program (RHFP) by \$10 million, to meet the original program goal of creating 400 units rented at the provincial income assistance shelter rate. Adoption of both bylaws is required to raise the funds and receive \$10 million in matching funds from BC Housing. The additional investment by BC Housing and CRD will bring the total program funding to \$110 million. BC Housing and CRD will continue to work with CMHC to leverage their matching grant to bring the total to \$120 million. Currently, 211 units at provincial income assistance shelter rates and 907 units of affordable housing have been approved in the region.

In order to amend the establishing bylaw and the loan authorization bylaw, elector consent is required from 2/3rds of participants which include all 13 municipalities and 3 electoral areas of the Capital Regional District (or a minimum of 11 out of 16). The CRD Board chose to obtain municipal Council consent on behalf of their electors, as per section 346 of the *Local Government Act*. Elector assent in the electoral areas is being sought via an alternative approval process.

Please have your Council consider the bylaws and return their response to us no later than February 18, 2020. Your council resolution may be worded as follows:

That Council [consent/not consent] to the CRD adopting Bylaw No. 4326, to amend the Land Banking and Housing Service Establishing Bylaw to update the borrowing amount, and Bylaw No. 4327 to authorize the borrowing of \$10 million to fund additional housing units under the Regional Housing First Program.

Ms. Dumas – January 8, 2020
Municipal Consent for Bylaws No. 4326 and 4327, Loan Authorization and Amendments
to the Land Banking and Housing Service **2**

As background information, please find attached the staff report, the proposed bylaws, as well as frequently asked questions.

If you require additional information prior to forwarding this request to your Council, or if you wish to have CRD staff or the Hospitals and Housing Committee Chair Lisa Helps present at your Council meeting when the bylaws are considered, please advise by email to Emilie Gorman at egorman@crd.bc.ca.

Yours truly,



Kristen Morley
General Manager, Corporate Services
Corporate Officer

Attachments: 4

cc: Laurie Hurst, Chief Administrative Officer, Township of Esquimalt
CRD Board





Making a difference...together

**REPORT TO THE HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, DECEMBER 04, 2019**

SUBJECT **AAP for Bylaws 4326 and 4327 – Regional Housing First Program**

ISSUE

To conduct an Alternate Approval Process for Bylaw No. 4326 and 4327 by confirming the deadline to receive elector responses, establish the total number of electors, and approve the Notice of Alternative Approval Process and the Electoral Response Form prior to the deadline and certification of results.

BACKGROUND

At its meeting held September 11, 2019, the CRD Board gave three readings to the following bylaws:

- Bylaw No. 4326, "Land Assembly, Housing and Land Banking Service Establishment Bylaw No. 1, 2010, Amendment Bylaw No. 1, 2019" to remove the limitations to borrowing; and
- Bylaw No. 4327, "Regional Housing First Program Loan Authorization Bylaw No. 1, 2019" to authorize the borrowing of an additional ten million dollars (\$10,000,000) for the Land Assembly, Housing and Land Banking Service.

The bylaws obtained Inspector of Municipalities approval on October 20, 2019 and the CRD was notified on October 28, 2019. The next step prior to adopting the bylaw is to obtain elector assent. The CRD Board directed elector assent be obtained via alternative approval process (AAP) for the electoral areas and via municipal Council consent on behalf for the municipalities.

In order to conduct the AAP, the attached Notice (Appendix B) and Elector Response Form (Appendix C) have been prepared in accordance with the applicable sections of the *Local Government Act* (LGA) and the *Community Charter* (CC). The Board may proceed with adopting the bylaw if two-thirds of the 16 participants consent. For the AAP, consent is given unless more than 10% of the electors indicate in an electoral area that the Board must obtain the assent of the electors by way of assent voting (referendum). The proposed deadline to receive elector responses is February 18, 2020.

The total number of registered resident electors and registered non-resident property electors in each electoral area is as follows:

- Salt Spring Island Electoral Area is estimated at 9095, of which 10% is 910 electors;
- The Southern Gulf Islands Electoral Area is estimated at 5003, of which 10% is 500 electors; and
- Juan de Fuca Electoral Area is estimated at 5754, of which 10% is 575 electors.

ALTERNATIVES

Alternative 1

The Hospitals and Housing Committee recommend to the Capital Regional District Board:

- 1) That in accordance with section 86(3) of the *Community Charter*, the date of February 18,

2020 be confirmed as the deadline by which electoral response, under the Alternate Approval process for CRD Bylaws 4326 and 4327, must be submitted to the Capital Regional District by qualified electors within the Salt Spring Island, Southern Gulf Islands and Juan de Fuca Electoral Areas;

- 2) That the attached Notice of Alternative Approval Process and the Elector Response Form be approved; and
- 3) That the total number of registered electors within the service areas is as follows:
 - a. For Salt Spring Island, 9,095 and that 10% of that number is 910 electors;
 - b. For the Southern Gulf Islands Electoral Area, 5003 and that 10% of that number is 500 electors; and
 - c. For the Juan de Fuca Electoral Area, 5754 and that 10% of that number is 575 electors.

Alternative 2

That this report be referred back to staff for additional information.

CONCLUSION

The CRD Board has previously approved obtaining electoral approval by an Alternative Approval Process for Bylaws No. 4326 and 4327 in the Electoral Areas. To conduct the Alternative Approval Process for Bylaws No. 4326 and 4327, the Board has to confirm the deadline to receive elector responses, establish the total number of electors, and approve the Notice of Alternative Approval Process and the Elector Response Form.

RECOMMENDATION(S)

The Hospitals and Housing Committee recommend to the Capital Regional District Board:

- 1) That in accordance with section 86(3) of the *Community Charter*, the date of February 18, 2020 be confirmed as the deadline by which electoral response, under the Alternate Approval process for CRD Bylaws 4326 and 4327, must be submitted to the Capital Regional District by qualified electors within the Salt Spring Island, Southern Gulf Islands and Juan de Fuca Electoral Areas;
- 2) That the attached Notice of Alternative Approval Process and the Elector Response Form be approved; and
- 3) That the total number of registered electors within the service areas is as follows:
 - a. For Salt Spring Island, 9,095 and that 10% of that number is 910 electors;
 - b. For the Southern Gulf Islands Electoral Area, 5003 and that 10% of that number is 500 electors; and
 - c. For the Juan de Fuca Electoral Area, 5754 and that 10% of that number is 575 electors.

Submitted by:	Emilie Gorman, MPA, Manager, Legislative Services & Deputy Corporate Officer
Concurrence:	Kristen Morley, JD, General Manager, Corporate Services & Corporate Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

Attachments:

- Appendix A: Bylaws No. 4326 and 4327 at Third Reading
- Appendix B: Notice of Alternative Approval Process
- Appendix C: Elector Response Form

CAPITAL REGIONAL DISTRICT

BYLAW NO. 4326

A BYLAW TO AMEND THE LAND ASSEMBLY, HOUSING
AND LAND BANKING SERVICE ESTABLISHMENT BYLAW NO. 1, 2010

WHEREAS:

- A. By Supplementary Letters Patent, Division XII dated July 25, 1974, as amended by further Supplementary Letters Patent, the Capital Regional District was granted the function of Land Assembly, Housing and Land Banking which included the power to undertake land assembly for the purpose of housing, either public or private and, public housing, pursuant to the provisions of the *National Housing Act*, the *Municipal Act*, the *Housing Act*, and other legislation pertaining to land assembly and public housing, as if the regional district were a municipality;
- B. Under Bylaw No. 3712, Land Assembly, Housing and Land Banking Service Establishment Bylaw No. 1, 2010, the Capital Regional District converted this to a service under the *Local Government Act* in all member municipalities and electoral areas (the "Service"). The Service includes a limit on when the Board may refer decisions on borrowing for the purposes of the service to the electorate, putting a maximum borrowing amount on the service of \$25-million, as well as a limit on the length of time the Board may enter into housing agreements;
- C. To maintain the intention of the *Local Government Act* and the service participants that the electors may determine when borrowing is appropriate, the limitations on borrowing and on the housing agreement limit should be updated to reflect the current law, all subject to the *Local Government Act*;
- D. Removal of this administrative cap on borrowing is not a removal of the right of the electorate to accept or to decline the borrowing of funds to support the service, nor is it a removal of the Board's ability to decide not to pursue borrowing;
- E. Pursuant to Section 407 of the *Local Government Act*, participating area approval is required and shall be obtained by alternative approval process under Section 345 of the *Local Government Act*, and
- F. The approval of the Inspector of Municipalities is required under Section 403 of the *Local Government Act*.

NOW THEREFORE the Board of the Capital Regional District in open meeting assembled enacts as follows:

- 1. Bylaw No. 3712, "Land Assembly, Housing and Land Banking Service Establishment Bylaw No. 1, 2010" is hereby amended as follows:
 - (a) By amending section 1 (a)(iv) to read "Authorizing the Regional Board to borrow on behalf of the service or for corporations established under ii) above, pursuant to the provisions of the *Local Government Act*,"; and

(b) By amending section 1(a)(vi) to read "Authorizing the Regional Board to enter into housing-related agreements and housing agreements for any duration, pursuant to the provisions of the *Local Government Act*,".

3. This Bylaw may be cited as the "Land Assembly, Housing and Land Banking Service Establishment Bylaw No. 1, 2010, Amendment Bylaw No. 1, 2019".

READ A FIRST TIME THIS 11th day of September 2019

READ A SECOND TIME THIS 11th day of September 2019

READ A THIRD TIME THIS 11th day of September 2019

APPROVED BY THE INSPECTOR OF MUNICIPALITIES
THIS 20th day of October 2019

RECEIVED THE ASSENT OF THE ELECTORS UNDER SECTION 345 OF THE *LOCAL GOVERNMENT ACT* THIS ___ day of _____ 20__

ADOPTED THIS ___ day of _____ 20__

CHAIR

CORPORATE OFFICER

FILED WITH THE INSPECTOR OF MUNICIPALITIES THIS ___ day of _____ 20__

CAPITAL REGIONAL DISTRICT

BYLAW NO. 4327

**A BYLAW TO AUTHORIZE THE BORROWING OF
TEN MILLION DOLLARS (\$10,000,000)
FOR THE REGIONAL HOUSING FIRST PROGRAM**

WHEREAS:

- A. By Supplementary Letters Patent, Division XII dated July 25, 1974, as amended by further Supplementary Letters Patent, the Capital Regional District was granted the function of Land Assembly, Housing and Land Banking which included the power to undertake land assembly for the purpose of housing, either public or private and, public housing, pursuant to the provisions of the *National Housing Act*, the *Municipal Act*, the *Housing Act*, and other legislation pertaining to land assembly and public housing, as if the regional district were a municipality;
- B. Under Bylaw No. 3712, Land Assembly, Housing and Land Banking Service Establishment Bylaw No. 1, 2010, the Capital Regional District converted this to a service under the *Local Government Act* in all member municipalities and electoral areas (the "Service");
- C. It is deemed desirable to borrow additional funds in the amount of Ten Million Dollars (\$10,000,000) for the Service, which is the amount of debt intended to be authorized by this bylaw, for use in the Regional Housing First Program, currently a \$90-million collaboration between the CRD, the Province, and the Federal Government, as there is a likelihood of upper levels of government providing further funding should the CRD be able to providing matching or assisting funds;
- D. It is proposed that the financing is to be undertaken by the Municipal Finance Authority of British Columbia pursuant to proposed agreements between it and the Capital Regional District;
- E. Pursuant to Section 407 of the *Local Government Act*, participating area approval is required and shall be obtained by alternative approval process under Section 345 of the *Local Government Act*, and
- F. The approval of the Inspector of Municipalities is required under Section 403 of the *Local Government Act*.

NOW THEREFORE the Board of the Capital Regional District in open meeting assembled enacts as follows:

- 1. The Board is hereby empowered and authorized to borrow upon the credit of the Capital Regional District an additional sum not exceeding Ten Million Dollars (\$10,000,000) for the purposes of the Land Assembly, Housing and Land Banking Service and to do all things necessary in connection therewith and without limiting the generality of the foregoing, to acquire all such real property, easements, rights-of-way, licenses, rights or

authorities as may be requisite or desirable for or in connection with the Land Assembly, Housing and Land Banking Service.

- 2. The maximum term for which debentures may be issued to secure the debt intended to be created by this bylaw is 25 years.
- 3. This Bylaw may be cited as the "Regional Housing First Program Loan Authorization Bylaw No. 1, 2019".

READ A FIRST TIME THIS 11th day of September 2019

READ A SECOND TIME THIS 11th day of September 2019

READ A THIRD TIME THIS 11th day of September 2019

APPROVED BY THE INSPECTOR OF MUNICIPALITIES THIS 20th day of October 2020

RECEIVED THE ASSENT OF THE ELECTORS UNDER SECTION 345 OF THE LOCAL GOVERNMENT ACT THIS ___ day of _____ 20__

ADOPTED THIS ___ day of _____ 20__

CHAIR

CORPORATE OFFICER

FILED WITH THE INSPECTOR OF MUNICIPALITIES THIS ___ day of _____ 20__

Regional Housing First Program



Frequently Asked Questions

Capital Regional District | January 2020

What is the Regional Housing First Program (RHFP)?

The RHFP is a partnership between the Capital Regional District (CRD), BC Housing Management Commission (BC Housing) and the Canada Mortgage and Housing Corporation (CMHC) to create new affordable mixed-market rental housing options while ending chronic homelessness in the capital region. Each partner has committed \$30 million, resulting in a \$90 million investment toward increasing rental options that meet a variety of needs in the community.

Why was the RHFP created?

Across the capital region, vacancy rates remain critically low and the cost of renting has risen by over 15%. An analysis of emergency shelter usage identified approximately 400 individuals experiencing chronic homelessness. The RHFP was designed to help address these challenges by supporting the development of mixed-market communities with 400 units available to individuals who have experienced chronic homelessness and are ready to live independently with supports. Each mixed market community includes at least 20% of units rented at the provincial income assistance shelter rate (\$375/month).

Why are additional funds required?

The cost per unit has increased from \$225,000 to \$300,000 due to escalating construction costs in the region. In order to reach the original goal of ending chronic homelessness by creating 400 units rented at the income assistance shelter rate, there is a requirement to increase the total contribution to \$120 million, or an additional \$10 million for each of the three partners.

How would additional funds be raised?

In order to raise an additional \$10 million, an amendment to Bylaw No. 4326, Land Assembly, Housing and Land Banking Service Establishment and Bylaw No. 4327, Land Assembly, Housing and Land Banking Loan Authorization Bylaw will need to be approved.

What is the cost to tax payers?

If the CRD borrows \$10 million for 15 years, the impact to home owners in the regional district is a cost of **\$0.61** for every \$100,000 of property value according to the 2019 residential property assessment. For example, if your property is assessed at \$750,000, the annual tax impact would be **\$4.58**.

For more information, visit www.crd.bc.ca/housingfirstaap

What happens if the bylaw amendments are approved?

The amendments would authorize the CRD to borrow and contribute an additional \$10 million to the RHFP, which BC Housing will match. Both partners would then seek matching funds from federal partners to increase the overall investment to \$120 million. The RHFP would then be able to meet its original goal to develop mixed market communities with 400 units available at the provincial income assistance shelter rate.

What happens if the amendment is not approved?

Without additional funding, the RHFP would only be able to create 300 units to be rented at the provincial income assistance shelter rate within mixed market communities.

What is the approval process?

In order for the bylaws to be approved, consent is required from a minimum of two-thirds of all 16 participants in the capital region, which includes 13 municipalities and 3 electoral areas. In other words, results from all participants are tallied and a minimum of 11 must be in favour before the bylaws can be adopted.

The 13 municipalities within the CRD are: City of Victoria, District of Oak Bay, District of Saanich, District of Central Saanich, District of North Saanich, Town of Sidney, District of Highlands, Town of View Royal, City of Colwood, City of Langford, District of Metchosin, District of Sooke and Township of Esquimalt.

In these municipalities, municipal councils provide their consent by passing a resolution by majority vote on behalf of their electorate to approve the bylaw amendments.

The 3 electoral areas within the CRD are: Salt Spring Island, Southern Gulf Islands and Juan de Fuca

In the electoral areas, elector assent is obtained through an alternative approval process (AAP). This involves publicizing statutory ads that provide notice of the proposed amendments. If electors object, they complete a form and submit it to the CRD. If more than 10% of eligible electors object, assent is not obtained for that electoral area.

Is this a priority for the CRD?

Yes. The CRD Board identified 'Community Wellbeing' as a strategic priority and the 2019-2022 Corporate Plan outlines the CRD's commitment to "create and 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 and growing population, including vulnerable residents."

What are the program timelines?

As part of the partnership agreement, all projects must commence construction prior to December 31, 2021.

What is the mixed-market model?

The focus of the RHFP is to generate mixed-market model housing communities. The RHFP program model is:

- at least 20% of units in each project are rented at provincial income assistance shelter rates,
- at least 31% of units in each project are rented at affordable market rates, and
- up to 49% of units in each project are rented at near-market rental rates.

How many units have been approved?

To date, 907 new mixed-market units have been approved through the RHFP, and of those units 211 are set to be rented at the provincial income assistance shelter rate. This means the program is on target to develop approximately 1300 mixed-market units with 300 units rented at the provincial income assistance shelter rate.

A full list of current projects is available online at <https://www.crd.bc.ca/project/regional-housing-first-program/current-projects>

How does \$120 million cover the costs of developing and providing new units?

The \$120 million would be used to purchase 400 units up-front at the cost of \$300,000 per unit. This would serve as a 'down payment' for at least 20% of all units, reducing the need for debt financing and allowing the operator to collect rent for those units without any ongoing subsidy. Rental revenue from all units in each mixed-market community would be used to cover ongoing operating and maintenance costs for each property. Developers will also be able to access low-interest construction financing via BC Housing or CMHC. Therefore the \$120 million would be leveraged to create rental properties with a total value over \$500 million.