



BC Housing

SUBJECT: Chief Executive Officer – First Quarter Report 2016/17

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A. UPDATES, INITIATIVES AND HIGHLIGHTS

1) New Initiatives and Updates

Province invests \$50 million for Aboriginal housing

Aboriginal individuals and families with low to moderate incomes will benefit from new affordable rental housing with the announcement a \$50 million investment to improve access to Aboriginal housing. A call for Expressions of Interest (EOI) has gone out across the province to organizations and communities interested in creating safe, affordable homes for Aboriginal people in need throughout the province, including youth, women, elders and families. The selection of submissions will be based on criteria that includes the impact the project will have in reducing the community's affordable rental housing need. Aboriginal non-profit housing societies may partner with other organizations to strengthen their proposed project.

Tent City Victoria update

BC Housing purchased the Super 8 Motel to renovate and create 51 units for people who are homeless in Victoria, including those camping on the courthouse lawn. The purchase is expected to be finalized by the end of September and it is expected that tenants will move in by November. An additional purchase was made, which will provide more than 140 additional housing units through the purchase of the former Central Care Home located at 844 Johnson Street. Including the purchase of the Super 8 hotel and the recent acquisition of the Central Care Home, a total of \$26 million is invested to create 370 new units of shelter and transitional housing over the last year in Victoria to be converted into supportive housing for individuals needing short-term housing before moving into long-term stable housing.

New Owner Builder Examination Requirement

The Homeowner Protection Office is introducing a new exam requirement for owner builders starting July 4, 2016. This will help owner builders expand their construction knowledge and better understand the legal obligations that come with an Owner Builder Authorization. An owner builder can sell their home 12 months after it is completed and a future purchaser will want to know that the home is well constructed. The exam is part of a package of changes to the *Homeowner Protection Act Regulation* announced by the Minister in March 2015 to enhance consumer protection by improving the quality of residential construction in B.C.

2016/17 Livegreen Sustainability Plan

The 2016/17 livegreen Sustainability Plan ([click here](#) for a link to the report) supports BC Housing's Service Plan goal of leadership in sustainability and residential construction, including our planned activities to meet requirements under the *Greenhouse Gas Reductions Targets Act* and *Carbon Neutral Government Regulation*. Some of the new focus areas include: development of a complete community on the Riverview Lands in partnership with First Nations and collaboration with stakeholders and sharing research and best practices with industry, non-profits, and Indigenous communities on green building technologies and social housing management and addition of a new priority: *Relations with Indigenous Communities*.

Riverview update

BC Housing continues to work with the City, Kwikwetlem First Nation and community stakeholders throughout the Land Use Planning process. A *Project Agreement*, drafted in collaboration with City staff, that includes terms of reference; communication protocol; and timelines/schedules will be prepared for presentation to Council in early September 2016. An *Economic Impact Fund* was created to assist the Kwikwetlem First Nation with their economic development aspirations as it relates to the new development projects.

Research and Education Initiatives***Social Research Initiatives***

- Research currently underway: Annual tenant survey, annual Licensed Residential Builder Survey and project examining Social Return on Investment for several housing developments funded through the Community Partnership Initiative (CPI).

Consumer Education Initiatives

- Condominium Home Owners Association (CHOA) 40th Anniversary Symposium
- Maintenance Matters bulletin was released - Understanding the Maintenance and Renewal of Parking Garages
- Local Energy Efficiency Partnerships – working together with Natural Resources Canada, BC Hydro, FortisBC, Canadian Home Builders' Association, and the City of Vancouver to engages builders and industry stakeholders to work together to remove barriers and cost-effectively improve energy efficiency of new residential construction beyond code requirements.

Building Science Research Projects:

- Building Envelope Retrofit for Improved Durability and Energy Performance - The project looks at insulation, cladding and roofing retrofits.
- Sound Transmission of Wood-Frame Wall Assemblies – Research to obtain acoustical data on the sound transmission loss of wood-frame wall types and facades currently recommended by professionals in BC.
- Study of Low-Slope Vented Wood-Frame Roof Performance – This study will identify main wetting mechanisms, potential for mould growth and air leakage compared to conventional roofs.

Best Practice Guides, Publications and Videos:

- Illustrated Guide for Building Safe and Durable Wood Decks and Balconies
- Building Enclosure Design Guide - Wood-Frame Multi-Unit Residential Buildings

Building Smart Seminars & Workshops:

- Building Smart with Radon Mitigation - Seminars and Webinars
- Building Smart with Air and Vapour Barriers – Webinars

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Builder Insight Bulletins and Videos:

- Alternate Methods to Mechanical Re-Piping in Multi-Unit Residential Buildings. This bulletin is based on the results of a recent research study carried out in two BC Housing buildings.
- Accounting for Pressure Losses in Oval Ducts and Fittings. This bulletin responds to builders' education needs -identified at the HVAC webinar delivered in collaboration with Canadian Home Builders' Association - BC and Thermal Environmental Comfort Association (TECA) - BC.

2) Stakeholder and Government Relations

Federal/Provincial/Territorial (FPT) Relations

On June 27-28, F/P/T Ministers Responsible for Housing met in Victoria. The agenda for this meeting was based on decisions made at the May 2-3 meeting of F/P/T Deputy Ministers Responsible for Housing where Deputy Ministers discussed priorities and principles with respect to the federal launch of a national housing strategy, and accepted the findings and recommendations from the F/P/T Working Group on Social and Affordable Housing as they related to administrative flexibilities, innovative financing, and tools and best practices.

Deputy Ministers directed the drafting of the terms of reference for two new FPT Working Groups (Strategic Working Group and the Technical Working Group): a Technical Working Group to focus on implementing the recommendations from the Working Group on Social and Affordable Housing, e.g. training on administering existing agreements, further research on financing options, publishing research and options to prepare for the expiry of operating agreements; a Strategic Working Group to focus on the development of the National Housing Strategy and data sharing.

At the Ministers meeting, the terms of reference for both working groups were approved. Each working group will be co-led by CMHC and the P/T Chair (currently BC), and work plans will be developed by Senior Officials for Deputy Minister approval in the Fall. As well, F/P/T Ministers worked to achieve agreement on the federal government's approach to developing a National Housing Strategy.

The National Housing Strategy consultations will be led by CMHC in each of the provinces and territories, with the exception of Québec. The nature of the consultations will depend upon the jurisdiction. At the meeting, CMHC committed to respecting the work provinces and territories may have already taken to shape their own housing strategies. The federal consultation process is in three phases. The first phase ("Identify") was completed in Spring 2016 and included bilateral consultations between Minister Dúclos and each of the P/T Ministers and other federal departments with housing in their Ministers' mandate letters (e.g. Federal Ministry of Infrastructure and Communities). The second phase ("Invite") takes place over the summer and includes a website for public comment (www.letstalkhousing.ca), provincially led jurisdictional engagements, and national expert roundtable conversations. The third phase ("Inform") engages the Strategic Working Group in reviewing the results of the first two phases and identifying performance outcomes and measures to support the National Housing Strategy.

3) Conferences and Major Events

Summary of BC Housing-Sponsored Conferences and Events (from April 1 – June 30, 2016)

- BC Non-Profit Housing Association (BCNPHA) - Regional Education, Networking & Tradeshow
 - Vancouver Island, Victoria, April 7, 2016
 - Lower Mainland, Vancouver, May 26, 2016
 - Northern, Prince George, June 16, 2016
- Coast Mental Health - 2016 Courage to Come Back Awards Gala, May 5, 2016
- Turning Point's 9th Annual - Making Recovery A Reality Gala, May 12, 2016
- The Kettle Society - Celebrate 40 Years of Making a Difference, June 7, 2016
- YWCA Metro Vancouver - Women of Distinction Awards, June 8, 2016
- Inclusion BC – IGNITE! Conference, Prince George, June 23-25, 2016

4) Announcement Highlights

The following provides a summary of major announcements pertaining to BC Housing programs, initiatives and projects in Q1.

- Province-wide – Aboriginal individuals and families with low to moderate incomes will benefit from new affordable rental housing with the B.C. government announcing a \$50 million investment to improve access to Aboriginal housing.
- Province-wide – The Government of Canada is investing an additional \$150 million over the next two years to help British Columbians in need access affordable housing. The funding is in addition to the \$63 million joint annual funding provided by the governments of Canada and British Columbia under the Investment in Affordable Housing agreement to help create more affordable housing options in B.C.
- Victoria – Families and individuals with low incomes will benefit from new affordable rental housing in Greater Victoria, from an agreement between the provincial government and the Capital Regional District (CRD). The Housing First Initiative partnership agreement will create new affordable housing projects for people in need throughout the region. The Province has committed up to \$30 million in capital funding, with a matching contribution from the CRD, totalling \$60 million.
- Victoria – BC Housing will provide more than 140 additional housing units for people who are homeless through the purchase of the former Central Care Home for 11.2 million. It is located at 844 Johnson St. and will convert to long-term supportive housing to offer those in need a safe and secure place to stay.
- Victoria – BC Housing purchased the Super 8 hotel located at 2915 Douglas Street for homeless in Victoria, including those camping on the courthouse lawns. It is an investment of approximately \$6.5 million to buy and renovate 51 units that will be converted into supportive housing for individuals.
- Langford – Official opening on National Aboriginal Day (June 21) for Aboriginal families. Located at 550 Goldstream Ave., the building provides 30 two-bedroom and six three-bedroom homes. M'akola Development Services and M'akola Housing Society will own and operate the building.
- Kelowna – The former Econo Lodge motel at 1780 Gordon Dr. was purchased and will be renovated to provide 44 self-contained units for people with low incomes. The Governments

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of Canada and B.C provided a combined investment of \$5 million for the purchase and renovations of the motel. BC Housing will operate and own the property.

- Vancouver – Co:Here Housing Community is under construction and will increase options for those who are homeless or at risk of homelessness. It is a 26-unit project that will see co-residents – individuals, couples and families – living alongside individuals vulnerable to homelessness. It will be managed and operated by Salsbury Community Society and located at 1723 Victoria Dr.
- Squamish – Construction is underway on Centrepont, which will provide 32 affordable housing units for young families and singles in downtown Squamish. Sea to Sky Community Services Society will manage and operate the building. The Governments of Canada and B.C provided a combined investment of \$2.8 million for the project through the Canada-B.C. Agreement for Investment in Affordable Housing. BC Housing also provided \$9.8 million in construction financing.
- Prince George – Construction is underway at RiverBend Seniors Community, which will provide 66 supportive units as well as 106 market units in Prince George for seniors. The building will be operated and managed by Oncore Senior Society.
- Kelowna – Official opening of Pleasantvale, a redeveloped development for families with low to moderate incomes. The project features 50 affordable housing units for seniors and 20 affordable townhomes.
- Victoria – Construction is underway at Cottage Grove, which will provide 45 safe and comfortable homes for at-risk individuals including seniors and help meet the need for affordable housing in the community. Located at 3207 Quadra St., the building will be operated and managed by the Victoria Cool Aid Society.

B. PERFORMANCE MEASUREMENT FRAMEWORK

1) Performance Results

Service Plan Goals	Service Plan Measures	2016/17 Service Plan Targets	Q1 Results	Q2 Results	Q3 Results	Q4 Results
Goal 1: Support a strong non-profit housing sector						
	Increase in the percentage of housing providers with fewer indicators for follow-up after an operational review	Measure under review	Measure under review			
	Facility Condition Index	15% to 20%	Annual Measure			
Goal 2: Respond to needs along the housing continuum						
	Number of new units/beds created for priority groups	1,191	226			

	Builders' rating of the effectiveness of compliance efforts to monitor and enforce licensing and home warranty insurance	80% or higher	Annual Measure
Goal 3: Enhance Aboriginal partnerships			
	Progressive Aboriginal Relations (PAR) Certification	Gold	Tri-annual measure (Next results Sept 2018)
Goal 4: Leadership in sustainability and residential construction			
	Per cent reduction in greenhouse gas emissions from 2005 levels	20% or more	Annual Measure

2) Details on Performance Results

Goal 2: Respond to gaps in the housing continuum

Measure: Number of new units/beds created for priority groups

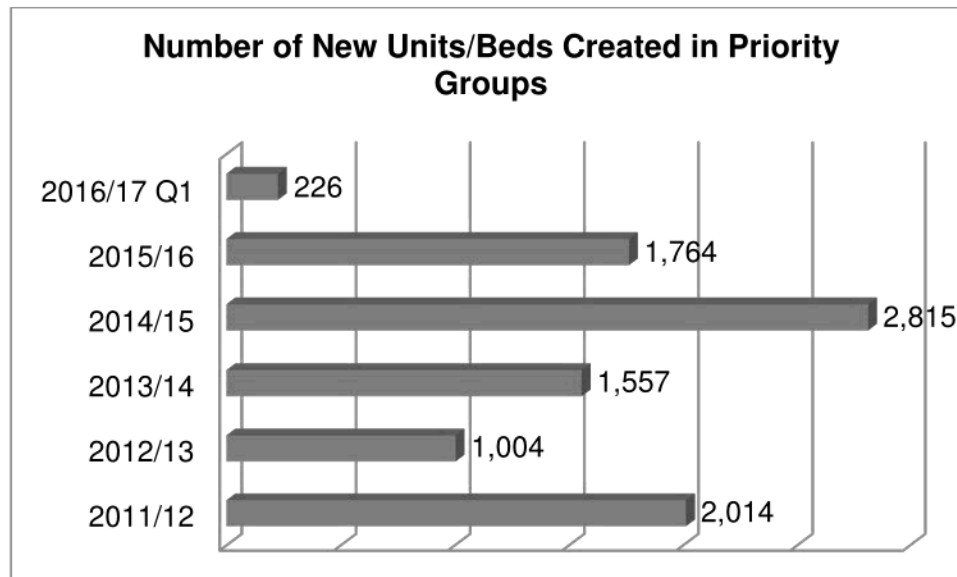
Through our programs we are able to add new housing units for priority groups identified as being our most vulnerable, such as frail seniors, Aboriginal households, and people with physical and mental disabilities, and individuals who are homeless. There were 226 new housing units added for priority groups during the first quarter, as follows:

Program/ Initiative	Units/Beds
Provincial Investment in Affordable Housing	5
Homeless Prevention Program	18
Provincial Homelessness Initiative (Outreach)	5
Community Partnership Initiatives	180
CMHC Investment in Affordable Housing & Social Infrastructure Fund	18
Total	226

Communities where new housing was added during this quarter include: Campbell River, Coquitlam, Maple Ridge, Prince George, Sechelt, and Vancouver.

The following chart identifies the units created based on the housing continuum:

Homeless Sheltered	Homeless Housed	Homeless Rent Supplements	Special Needs	Frail Seniors	Women and Children	Low Income Seniors	Low Income Families	Total
-	60	23	-	125	-	-	18	226



Note: 2016/17 Q1 result is the quarterly total. Results for other years are year-end totals.

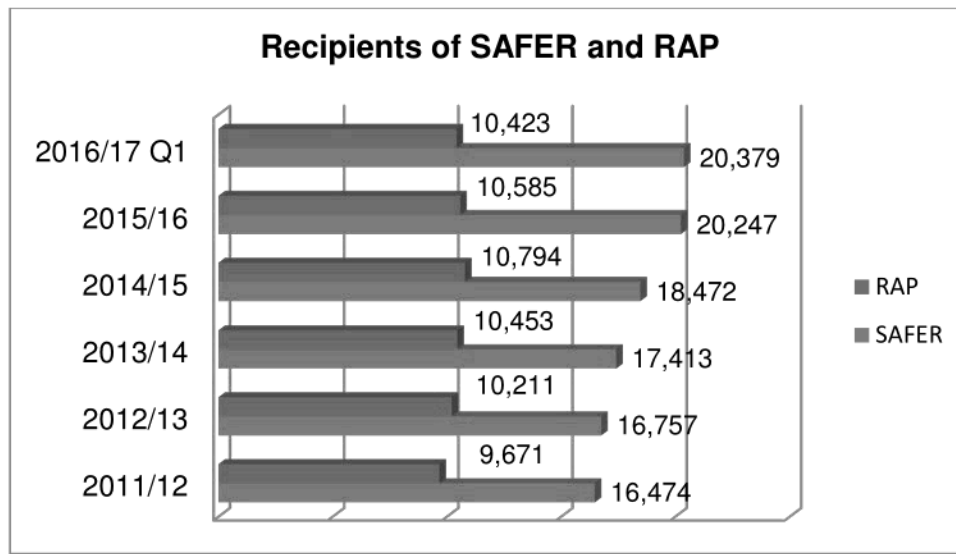
C. KEY PERFORMANCE INDICATORS

1) Housing Programs and Initiatives

The following tables provide the year-to-date results on housing programs and initiatives as of June 30, 2016:

Rent Assistance Programs

Program	Recipient Households	Average Monthly Subsidy
SAFER	20,379	\$173.68
RAP	10,423	\$406.55
Total	30,802	



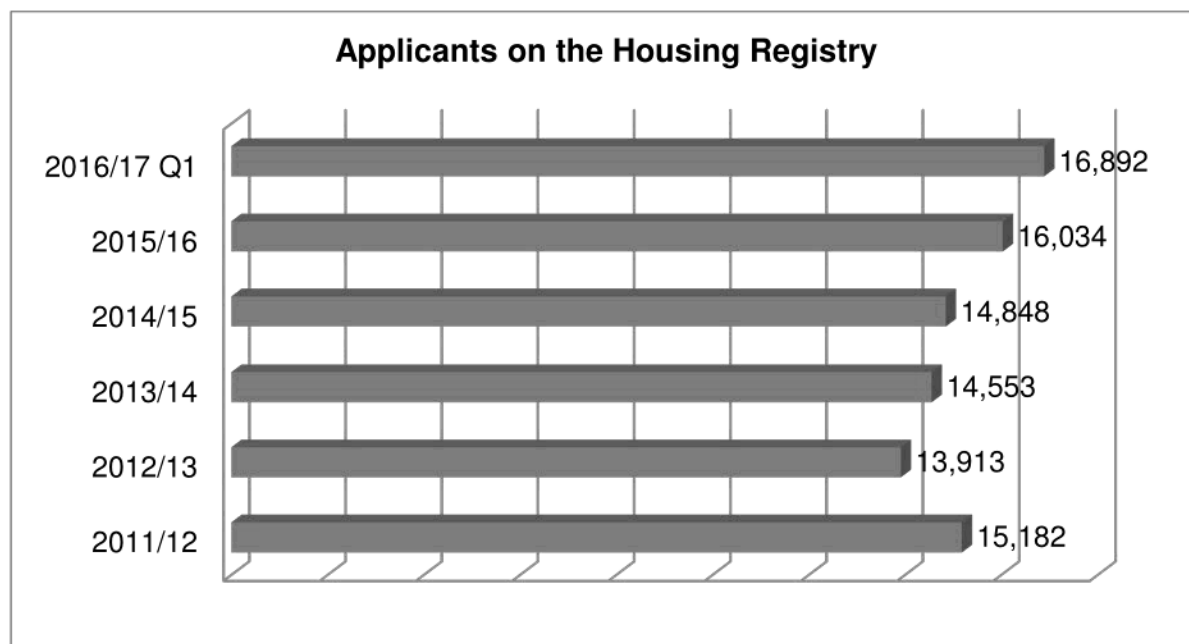
Note: 2016/17 Q1 result is the total number of recipients at the end of the quarter. Results for other years are fiscal year-end totals.

New Developments – Growth since 2001

Description	Emergency Shelter and Housing for the Homeless	Transitional Supportive & Assisted Living	Independent Social Housing	Below Market Rental	Total
Completed	8,677	9,388	6,136	-	24,201
In development/ Under Construction	502	281	1,963	78	2,824
Total	9,179	9,669	8,099	78	27,025

Applicant Statistics

Indicator	Q1 of 2016/17 (April 1, 2016 – June 30, 2016)	Q1 of 2015/16 (April 1, 2015 – June 30, 2015)	% Change (Q1 15/16 to Q1 16/17)
Total Housing Applications Received	3,040	2,333	30.3%
Paper Applications	2,222	1,936	14.8%
Online Applications	818	397	106.0%
Applicants			
On Housing Registry	16,892	14,635	15.4%
On Supportive Housing Registry	2,364	2,297	-40.6%
Applicants Housed			
Through housing Registry	593	576	3.0%
Through Supportive Housing Registry	92	55	67.3%
Calls to Inquiry Line			
General Line	17,404	11,676	49.1%
SAFER Line	5,707	6,094	-6.4%
RAP Line	6,647	8,494	-21.7%
HAFL Line	1,052	1,118	-5.9%
Total Calls	30,810	32,519	-5.2%

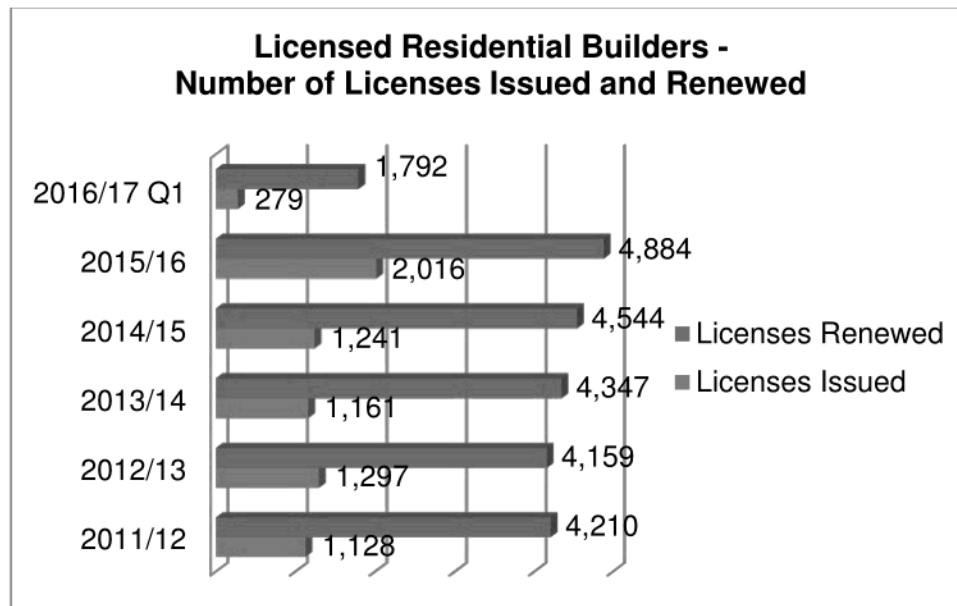


Note: 2016/17 Q1 result is the total number of applicants at the end of the quarter. Results for other years are fiscal year-end totals.

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1) Licensing and Warranty Statistics

Indicator	Q1 of 2016/17 (April 1, 2016 – June 30, 2016)	Q1 of 2015/16 (April 1, 2015 – June 30, 2015)	% Change (Q1 15/16 to Q1 16/17)
Licensed Residential Builders			
Licenses Issued	279	509	-45%
Licenses Renewed	1,792	1,366	31%
Building Envelope Renovators			
Licenses Issued	4	10	-60%
Licenses Renewed	13	25	-48%
New Homes with Warranty Insurance			
Single Detached	3060	2,587	18.3%
Multi-Unit	6,111	4,815	27%
Owner Builder Authorizations	734	725	1%
Multi-Unit Rental Exemptions	858	1,051	-18%



2) HPO Quarterly Appeals Statistics¹

HPO Appeals Cases in Q1 (April 1, 2016 – June 30, 2016)	Number of files
Cases Closed During Reporting Period	
Reversed	
Permission to Sell Denial	2
Compliance Order	1
Upheld	
Compliance Order	1
Owner Builder Authorization Denial	1
Monetary Penalty	1
Withdrawn	
Withdrawn	2
Total	8
Cases Opened in Previous Reporting Period that Remained Open by End of Reporting Period	
Total	0
Cases Opened in Reporting Period that Remained Open by End of Reporting Period	
Owner Builder Authorization Cancellation	2
Permission to Sell Approval re Occupancy	1
Permission to Sell Denial	4
Licence Denial	2
Monetary Penalty	1
Compliance Order	1
Total	11

¹ Most decisions made under the Homeowner Protection Act may be reviewed upon request to the Registrar under Section 29.1 of the Act. Anyone not satisfied with the Registrar's decision upon review has the right to appeal to the Safety Standards Appeal Board, an independent body funded by the Minister Responsible for Housing. Decisions of the Appeal Board are summarized and posted on their website.

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Appeals to Safety Standards Appeal Board Statistics²

Appeals to Safety Standards Appeal Board in Q1 (April 1, 2016 – June 30, 2016)		Number of files
Cases Closed During Current Reporting Period		
Denial Owner Builder Authorization		1
Total		1
Cases that Remain Open at the End of Q1		
Pending		
Compliance Order		2
Monetary Penalty		2
OBA Cancellation		1
Permission to Sell Denial		1
Total		6

² Most decisions made under the Homeowner Protection Act may be reviewed upon request to the Registrar under Section 29.1 of the Act. Anyone not satisfied with the Registrar's decision upon review has the right to appeal to the Safety Standards Appeal Board, an independent body funded by the Minister Responsible for Housing. Decisions of the Appeal Board are summarized and posted on their website.

3) HPO Quarterly Compliance investigations Statistics

HPO Compliance Investigations (April 1, 2016 – June 30, 2016)	Number of files
Investigations Created	126
<ul style="list-style-type: none"> - Newly Created – 122 - Escalated from Licensing Department to Compliance Department - 4 	
Investigations Concluded	100
Investigations Active at the End of the Quarter	515
Compliance Orders Issued	11
Monetary Penalties Issued	1
Information Letters Issued	0

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A. UPDATES, INITIATIVES AND HIGHLIGHTS

1) New Initiatives and Updates

B.C. makes largest housing investment ever in province's history

In September 2016, the Government of B.C. is committing \$500 million to ensure more British Columbian have access to affordable rental housing, the largest housing investment in a single year by any province in Canada. A total of 2,900 rental units will be created, in partnership with non-profit societies, local governments, government agencies, community organizations and the private sector. This is in addition to \$355 million announced earlier this year in February to create 2,000 additional new units of affordable rental housing throughout B.C., bringing the Province's total investment announced this year to \$855 million.

Province invests \$45 million for new housing projects in Greater Victoria

Individuals, seniors and families in need of affordable rental housing in the Greater Victoria region will soon have access to more than 500 new units of affordable housing. Following the September 2016 announcement of a \$500-million investment in affordable rental housing, the British Columbia government has announced details of eight new provincially-funded housing projects in the region, totalling 510 units. The Province has committed more than \$45 million in capital funding toward the projects.

Provincial Investment Affordable Housing (PIAH) - Aboriginal Expression of Interest

BC Housing issued a call for Expressions of Interest (EOI) to Aboriginal housing providers and municipalities partnering with Aboriginal housing providers interested in creating new affordable rental housing units for low to moderate income Aboriginal households living off-reserve. The call ended in September 2016 and successful proponents will be notified in the near future.

Extreme weather response shelters open

BC Housing is providing approximately \$1.6 million this winter through the Extreme Weather Response (EWR) program to fund nearly 1,000 extreme weather shelter spaces to ensure those who are homeless or at risk of homelessness. The additional spaces will be available in nearly 75 communities from November 1, 2016 until March 31, 2017, when a community issues an extreme weather alert. Communities decide what weather conditions warrant an alert and how many spaces to activate on a given night, depending on the capacity of existing shelters and the estimated need.

Tent City Victoria update

The Victoria tent city situation ended in August 2016 with the support of the community and more than 300 people have been housed since tent city emerged last fall. PHS Community Services Society has been selected as the non-profit housing society to operate the former Super 8 hotel at 2915 Douglas Street, which will soon provide safe and secure housing for people who are homeless or at risk of homelessness in Victoria. The Province is investing approximately \$6.5 million to buy and convert the 51-unit building into supportive housing.

Riverview update

BC Housing continues to work with the City, Kwikwetlem First Nation and community stakeholders throughout the Land Use Planning process. A Riverview Planning Process (RPP) document, outlining the workplan for stakeholder engagement and technical studies as components of the Master Planning phase, was presented to City of Coquitlam Council in Committee in October 2016. BC Housing's first Community Information Session under the Master Planning phase is scheduled for early 2017.

Research and Education

Social Research Initiatives

- Research on the Social Return on Investment for housing developments funded through the Community Partnership Initiative (CPI) was completed and released in October 2016.
- Research currently underway: Annual tenant survey, Licensed Residential Builder survey, Vulnerability Assessment Tool (VAT) Evaluation, Key Factors Affecting Home Prices in B.C., and Supportive Housing Outcomes Research Report

Residential Construction - Industry and Consumer Initiatives

- A new Maintenance Matters bulletin was released during the second quarter on the topic of Understanding the Maintenance and Renewal of Parking Garages
- Local Energy Efficiency Partnerships – working together with Natural Resources Canada, BC Hydro, FortisBC, Canadian Home Builders' Association, and the City of Vancouver to engages builders and industry stakeholders to work together to remove barriers and cost-effectively improve energy efficiency of new residential construction beyond code requirements.
- Performance Evaluation of Drainage Components and Sheathing Membranes - In collaboration with NRC, Air Barrier Association America and other industry stakeholders, conducted a study to monitor in-service performance of BC specific rainscreen wall assemblies.
- Building Envelope Retrofit for Improved Durability and Energy Performance - The project looks at insulation, cladding and roofing retrofits.
- Sound Transmission of Wood-Frame Wall Assemblies - This research will obtain acoustical data on the sound transmission loss of wood-frame wall types and facades currently recommended by professionals in BC.
- Study of Low-Slope Vented Wood-Frame Roof Performance - This study will identify main wetting mechanisms, potential for mould growth and air leakage compared to conventional roofs.
- Guide for On-site Moisture Management of Wood Construction was completed during the quarter

2) Stakeholder and Government Relations

Federal/Provincial/Territorial/FPT Relations

Federal, provincial and territorial ministers responsible for housing met in early November to advance the development of a National Housing Strategy for Canada. The primacy of provinces and territories' role in housing was central to the ministers' discussion. At the meeting, all jurisdictions agreed to a common vision for housing in Canada: "Canadians have housing that meets their needs and they can afford. Housing is a cornerstone of sustainable, healthy and inclusive communities and a strong Canadian economy where we can prosper and thrive."

Over the summer and fall, the federal government collected feedback from P/T governments, other stakeholders and the public through various means, including CMHC's Let's Talk Housing website which allowed the public opportunity to indicate their housing priorities and other comments through a survey.

To inform BC's submission to the National Housing Strategy, the provincial government hosted a full day stakeholder consultation event on September 14 and also held a panel discussion at the annual Union of BC Municipalities conference on September 27. Events were designed to ensure that that Housing Matters BC remains current and reflects the needs of changing demographics, and that BC's submission is inclusive of the views of our housing partners. BC's submission highlighted the several priorities for consideration in the National Housing Strategy, including investing in long-term initiatives and aligning the National Housing Strategy with existing and desired related national strategies.

The outcomes of a National Housing Strategy and the details of a federal, provincial, and territorial partnership will be established through a multi-lateral framework to be developed in 2017. The results of what was heard through the Lets Talk Housing survey and other submissions will be released on National Housing Day, November 22, 2016. A National Housing Strategy framework will be made public in 2017. Potential new funding is expected to become available under this multi-lateral framework in 2018.

Conferences and Major Events

Summary of BC Housing-Sponsored Conferences and Events (from July 1 – September 30, 2016)

- McLaren Housing Sparkle Fundraiser, Vancouver, July 27, 2016
- Dr. Peter AIDS Foundation, Passions Fundraiser, Vancouver, September 7, 2016
- BC Consultation on the National Housing Strategy, Vancouver, September 13-14, 2016
- BC Building Envelope Council (BCBEC) Conference, Vancouver, September 14, 2016
- 2016 Progressive Aboriginal Relations Vancouver Luncheon, September 22, 2016
- Canadian Council for Aboriginal Business (CCAB) Vancouver Gala, Vancouver, September 24, 2016
- Building Smart with Radon Mitigation – in-person seminar and online webinar, October 18, 2016

3) Community Announcement Highlights

The following provides a summary of community announcements pertaining to BC Housing programs, initiatives and projects in Q2.

- Chilliwack – The Government of B.C. is investing \$220,000 to expand Chilliwack's temporary winter shelter, increasing the number of shelter beds in the city. The Province will also provide additional rent supplements to the community to assist those who are homeless, or at risk, with finding affordable housing.
- Grand Forks – The Province is replacing six transition house beds to ensure at-risk women and their children fleeing abuse will continue to have a safe and supportive place to live during difficult times. The lease for Boundary Women's Transition House is set to expire in 2019. In preparation for the end of their lease, the Province has committed \$1 million for the new transition house and has purchased a plot of vacant land in Grand Forks for the development of the six new beds.
- McBride – The Province is providing \$970,000 for renovations and upgrades for 19 self-contained affordable units for independent seniors at Beaverview Lodge. The building also includes common areas and an outdoor patio. Located at 1084 5th Avenue, the building is owned by the Province and operated by BC Housing.
- Penticton – The former Bel Air motel was purchased and will be renovated to provide 42 self-contained units for people risk of homelessness. The Governments of Canada and B.C. provided a combined investment of \$3.2 million for the purchase and renovations of the motel. BC Housing will operate and own the property. The property will be renamed to Fairhaven.
- Vernon – Official opening of Tanner Terrace, a 10-unit townhouse complex development for seniors and Aboriginal people, including those with disabilities. It will be operated by Vernon Native Housing Society and located at 3304 Alexis Park Drive.

B. PERFORMANCE MEASUREMENT FRAMEWORK

1) Performance Results

Service Plan Goals	Service Plan Measures	2016/17 Service Plan Targets	Q1 Results	Q2 Results	Q3 Results	Q4 Results
Goal 1: Support a strong non-profit housing sector						
	Increase in the percentage of housing providers with fewer indicators for follow-up after an operational review	Measure under review	Measure under review			
	Facility Condition Index	15% to 20%	Annual Measure			
Goal 2: Respond to needs along the housing continuum						
	Number of new units/beds created for priority groups	1,191	226	619 (845 ytd)		
	Builders' rating of the effectiveness of compliance efforts to monitor and enforce licensing and home warranty insurance	80% or higher	Annual Measure			
Goal 3: Enhance Aboriginal partnerships						
	Progressive Aboriginal Relations (PAR) Certification	Gold	Tri-annual measure (Next results Sept 2018)			
Goal 4:Leadership in sustainability and residential construction						
	Per cent reduction in greenhouse gas emissions from 2005 levels	20% or more	Annual Measure			

2) Details on Performance Results

Goal 2: Respond to gaps in the housing continuum

Measure: Number of new units/beds created for priority groups

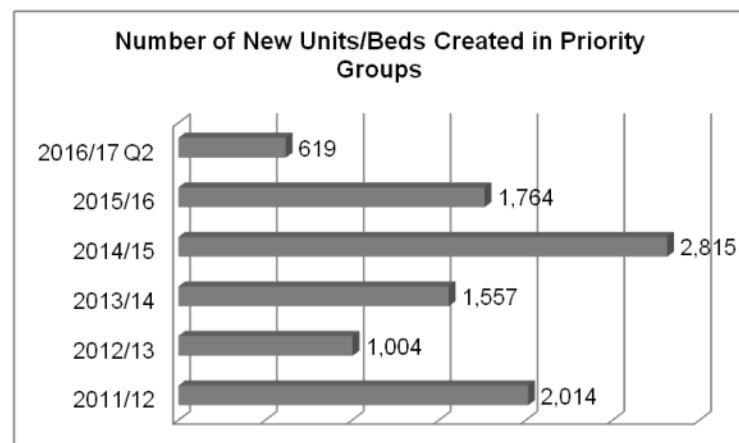
Through our programs we are able to add new housing units for priority groups identified as being our most vulnerable, such as frail seniors, Aboriginal households, people with physical and mental disabilities, and individuals who are homeless. There were 619 new housing units added for priority groups during the second quarter, as follows:

Program/ Initiative	Units/Beds
Provincial Investment in Affordable Housing	147
Homeless Prevention Program	9
Community Partnership Initiatives	173
CMHC Investment in Affordable Housing & SIF	179
Other – Non SHA	23
NP – Public Special Facility	2
WP Group Homes	86
Total	619

Communities where new housing was added during this quarter include: Abbotsford, Burnaby, Coquitlam, Kelowna, Nanaimo, North Vancouver, Surrey, Vancouver and Victoria.

For the second quarter, 619 units were created for priority groups. The following chart identifies the units created based on the housing continuum:

Homeless Housed	Homeless Sheltered	Homeless Rent Supplements	Special Needs	Frail Seniors	Women and Children	Low Income Seniors	Low Income Families	Total
234	-	9	99	-	-	-	277	619



Note: 2016/17 Q2 result is the quarterly result. Results for other years are year-end results.

November 25, 2016

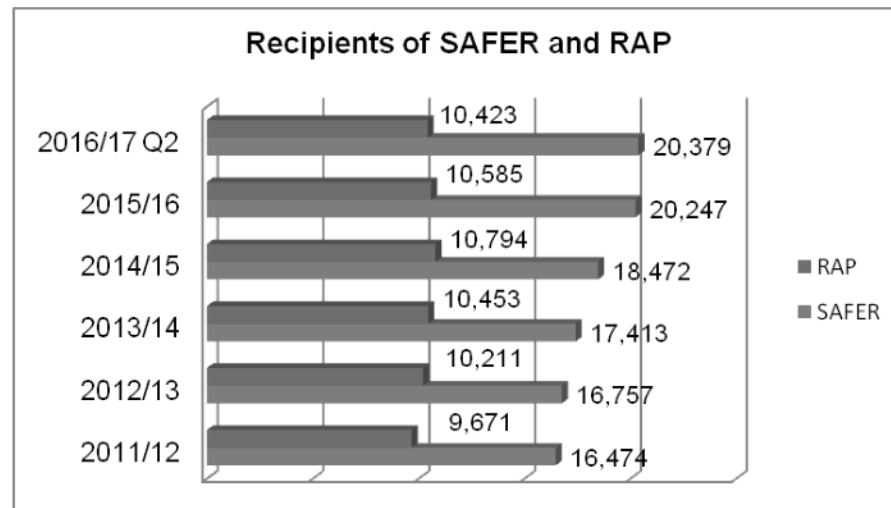
C. KEY PERFORMANCE INDICATORS

1) Housing Programs and Initiatives

The following tables provide the year-to-date results on housing programs and initiatives as of September 30, 2016:

Rent Assistance Programs

Program	Recipient Households	Average Monthly Subsidy
SAFER	20,379	\$176.95
RAP	10,423	\$408.19
Total	30,802	



Note: 2016/17 Q2 result is the total number of recipients at the end of the quarter. Results for other years are fiscal year-end totals.

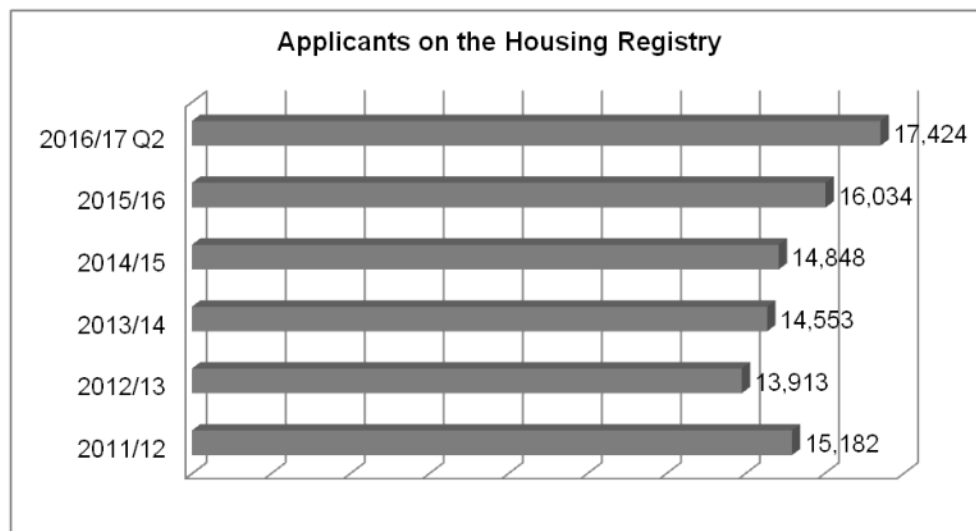
New Developments – Growth since 2001

Description	Emergency Shelter and Housing for the Homeless	Transitional Supportive & Assisted Living	Independent Social Housing	Below Market Rental	Total
Completed	8,907	9,395	6,413	-	24,715
In development/ Under Construction	406	281	1,962	78	2,727
Total	9,313	9,676	8,375	78	27,442

Applicant Statistics

Indicator	Q2 of 2016/17 (July 1, 2016 – September 30, 2016)	Q2 of 2015/16 (July 1, 2015 – September 30, 2015)	% Change (Q2 15/16 to Q2 16/17)
Housing Applications Received	2,996	2,552	17.4%
Paper Applications	2,202	1,952	12.8%
Online Applications	794	600	32.3%
Applicants			
On Housing Registry	17,424	15,460	12.7%
On Supportive Housing Registry	2,359	2,946	-19.9%
Applicants Housed			
Through housing Registry	597	616	-3.1%
Through Supportive Housing Registry	68	118	-42.4%
Calls to Inquiry Line			
General Line	23,891	15,131	57.9%
SAFER Line	5,506	7,699	-28.5%
RAP Line	6,262	8,437	-25.8%
HAFI Line	1,244	N/A*	N/A
Total Calls	36,903	31,267	-5.2%

*HAFI calls were not counted separately from the General Line at this time in 2015/16

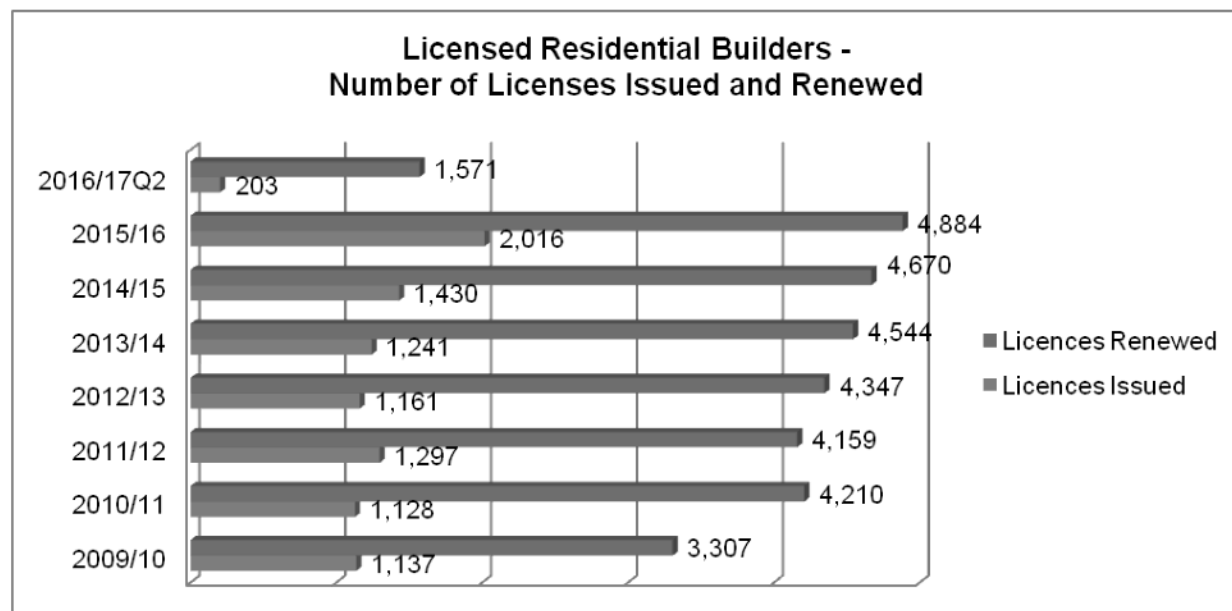


Note: 2016/17 Q2 result is the total number of applicants at the end of the quarter. Results for other years are fiscal year-end totals.

1) Licensing and Warranty Statistics

Indicator	Q2 of 2016/17 July 1, 2016 - September 30, 2016	Q2 of 2015/16 July 1, 2015 - September 30, 2015	% Change
Licensed Residential Builders			
Licenses Issued	203	586	-65%
Licenses Renewed	1,571	1,152	36%
Building Envelope Renovators			
Licenses Issued	2	6	-67%
Licenses Renewed	19	20	-5%
New Homes with Warranty Insurance			
Single Detached	3,167	2,609	21%
Multi-Unit	6,317	5,612	13%
Owner Builder Authorizations	727	689	6%
Multi-Unit Rental Exemptions	2,323	1,176	98%

Note: Q2 of 2016/17 data is as at October 3 2016. It is agreed that historical numbers should not be updated for



2) HPO Quarterly Appeals Statistics

HPO Appeals Cases in Q2 (July 1, 2016 - September 30, 2016)		Number of files
Cases Closed During Reporting Period		
Reversed		
Owner Builder Authorization Denial		3
Permission to Sell Denial		1
Licence Denial		1
Upheld		
Owner Builder Authorization Cancellation		3
Licence Denial		1
Conditional Licence		1
Monetary Penalty		1
Permission to Sell Denial		3
Ineligible for Appeal		
Permission to Sell Approval		1
Permission to Sell Denial		1
Total		16
Cases Opened in Previous Reporting Period that Remained Open by End of Reporting Period		
Compliance Order		1
Total		1
Cases Opened in Reporting Period that Remained Open by End of Reporting Period		
Owner Builder Authorization Cancellation		1
Owner Builder Authorization Denial		4
Permission to Sell Denial		2
Total		7

Appeals to Safety Standards Appeal Board Statistics¹

Appeals to Safety Standards Appeal Board in Q2 (July 1, 2016 - September 30, 2016)		Number of files
Cases Closed During Current Reporting Period		
Permission to Sell Denial		1
Monetary Penalty		2
Total		3
Cases that Remain Open at the End of Q2		
Pending		
Compliance Order		1
Monetary Penalty		1
Owner Builder Authorization Cancellation		1
Total		3

3) HPO Quarterly Compliance investigations Statistics

HPO Compliance Investigations (July 1, 2016 - September 30, 2016)	Number of files
Investigations Created	158
- Newly created – 153	
- Escalated from Licensing Department to Compliance - 5	
Investigations Concluded	167
Investigations Active at the End of the Quarter	497
Compliance Orders Issued	2
Monetary Penalties Issued	0
Information Letters Issued	6

¹ Most decisions made under the Homeowner Protection Act may be reviewed upon request to the Registrar under Section 29.1 of the Act. Anyone not satisfied with the Registrar's decision upon review has the right to appeal to the Safety Standards Appeal Board, an independent body funded by the Minister Responsible for Housing. Decisions of the Appeal Board are summarized and posted on their website.

BC HOUSING 2016/2017 CAPITAL REPORT – SECOND QUARTERLY UPDATE

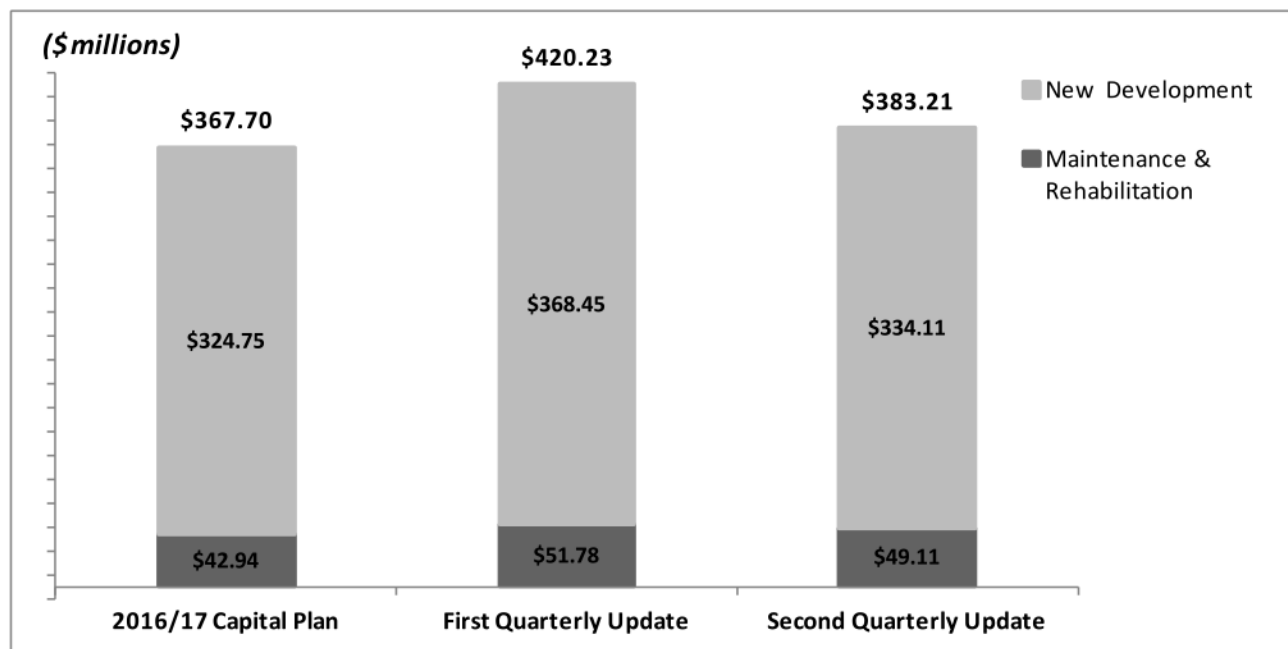
INTRODUCTION

BC Housing's 2016/2017 Capital Report – Second Quarterly Update is an update to the forecasted 2016/17 capital spending included in the 2016/17 Annual Capital Plan. This includes capital spend on new development projects, and maintenance and rehabilitation of existing assets. Capital projects include projects where BC Housing is providing a cash (capital) contribution and projects where BC Housing is providing financing.

Overall Capital Spending

The 2016/17 Annual Capital Plan projected a total capital spend of \$367.70 million in 2016/17. For the First Quarterly Update, the total capital spend was revised to \$420.23 million. The capital spend forecast in the Second Quarterly Update is \$383.21 million, which is a decrease of \$37.02 million or 8.8% from the First Quarterly Update. Despite this decrease, the overall capital spend forecast is still within 4.21% of the expected spend from the original target set in the Annual Capital Plan.

Figure 1: Total Capital Spending for 2016/17 (\$ millions)¹



The change in the spending forecast since the First Quarterly Update consists of:

- A decrease in projected total capital spending for new development of \$34.34 million; and
- A decrease in projected total capital spending for maintenance and rehabilitation of \$2.68 million.

¹ Projects are included in capital spending projections once they have received preliminary approval by BC Housing Executive Committee and/or have been allocated program funding.

2016/2017 Capital Report – Second Quarterly Update

Capital Spending By Program Area

Table 1 provides a summary of the projected 2016/17 capital spend by program area as of September 30, 2016.

Table 1: 2016/17 Spending by Program²

Program	2016/17 Capital Plan	First Quarterly Update	Second Quarterly Update	Change
(\$ millions)				
New Development				
Community Partnership Initiatives (CPI)	79.61	99.05	89.92	(9.12)
Group Homes	5.51	6.16	7.82	1.66
Investment in Affordable Housing (IAH)	12.97	9.75	2.67	(7.08)
Memoranda of Understanding With Local Government (MOU)	2.43	3.49	4.94	1.44
¹ Multi-funded	143.28	165.56	149.03	(16.52)
Other Non-Social Housing Agreements (SHA)	25.65	20.89	23.32	2.43
Provincial Homelessness Initiative (PHI)	0.25	0.25	0.25	-
Provincial Investment in Affordable Housing (PIAH)	52.05	57.51	50.18	(7.33)
Social Infrastructure Funding (SIF)	3.02	5.79	5.97	0.18
Subtotal:	324.75	368.45	334.11	(34.34)
Maintenance & Rehabilitation				
Capital Renovation Funding (CRF)	12.43	12.43	12.43	-
Housing Provider Capital Improvements (HPCI)	3.21	3.47	3.47	-
Investment in Affordable Housing (IAH)	1.93	1.93	1.53	(0.40)
Financing	0.98	0.95	0.62	(0.33)
Provincial Modernization and Improvements (M&I)	8.84	8.84	8.84	-
Social Housing Agreement Reserves (SHA Reserves)	2.78	3.28	3.01	(0.27)
Social Infrastructure Funding (SIF)	0.88	6.76	5.61	(1.15)
SRO Renewal Initiative (SRI):				
– BC Housing Project Management	-	7.68	7.82	0.14
– P3 Contract	5.80	6.45	5.80	(0.65)
– Project Reserve	6.11	-	-	-
Subtotal:	42.94	51.78	49.11	(2.68)
TOTAL	367.70	420.23	383.21	(37.02)

¹ Multi-funded projects include those funded from a variety of funding sources including CPI / IAH, and CPI / IAH / Non-SHA

Forecasted spending has decreased for both new development and maintenance and rehabilitation.

For new development, the projected capital spending in 2016/17 is \$34.34 million less than forecasted, a change of -9.32%. This change was primarily due to Investment in Affordable Housing (IAH) and Provincial Investment in Affordable Housing (PIAH) projects pushing \$14.41 million of spending into the 2017/18 fiscal due to schedule delays. Further, 7 projects reached completion, repaid BC Housing grants, or funds were reallocated to other projects, leading to the combined decrease of \$25.65 million of spending for Community Partnership Initiatives (CPI) and multi-funded projects.

² Figures provided in this report are rounded to two decimal places and are therefore approximate.

2016/2017 Capital Report – Second Quarterly Update

The decrease was partially offset by an increase of \$5.71 million for Group Homes, Memoranda of Understanding (MOU), Other Non-Social Housing Agreements (Non-SHA), and Social Infrastructure Funding (SIF) projects.

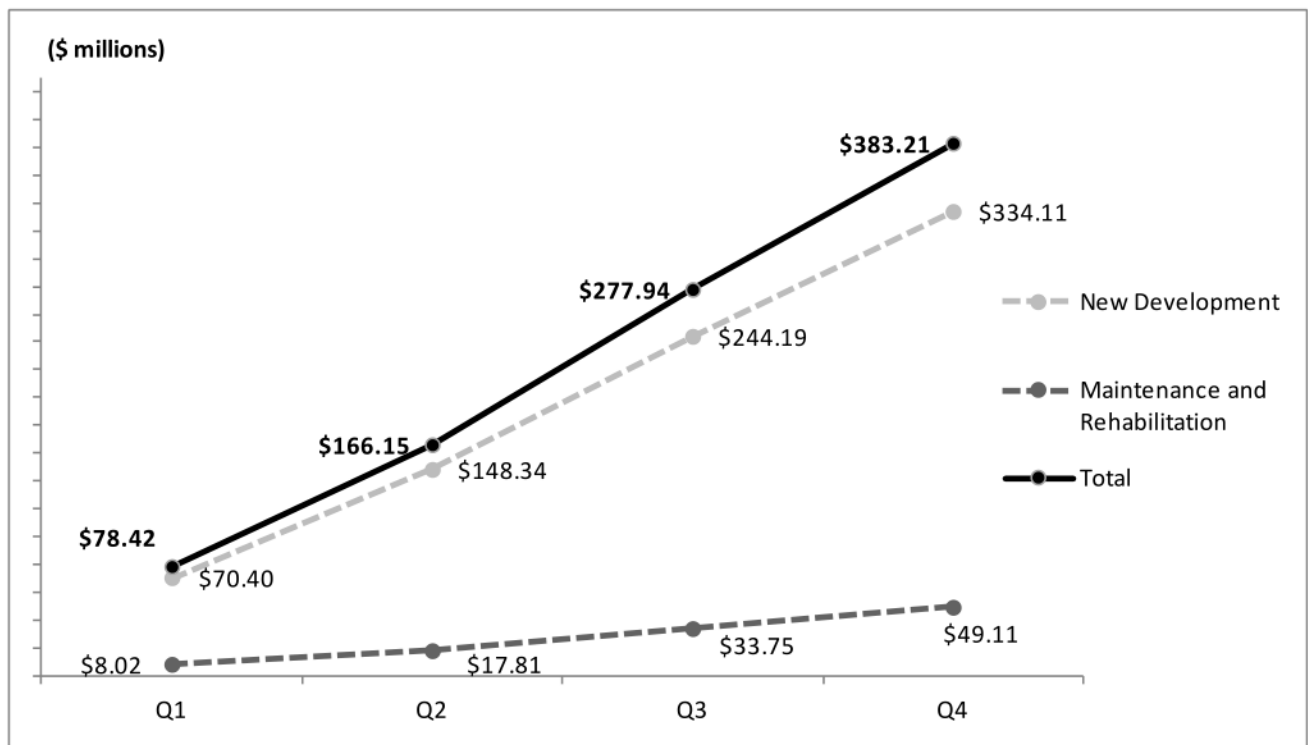
The number of new development projects is expected to increase significantly in order to meet the new branch deliverable of bringing forth 2,900 additional units through Provisional Approval. These projects must be submitted prior to fiscal year end to qualify for Investment in Housing Innovation funding and ensure disbursement in the 2017/18 fiscal. It is expected these projects will increase overall forecasted capital spending in the Fourth Quarter and the forecasts for the upcoming years.

For maintenance and rehabilitation, the projected capital spending in 2016/17 is \$2.68 million less than forecasted, a change of 5.17%. This change is primarily due to tender delays resulting in a combined decrease of \$2.16 million in spending for Investment in Affordable Housing (IAH), Social Infrastructure Funding (SIF) and Social Housing Agreement Reserves (SHA Reserves). Spending has been pushed into the 2017/2018 fiscal.

Capital Spending by Quarter

Quarterly capital spending projections have been updated to reflect the foregoing changes, including the addition of new project commitments as they occurred. Figure 2 below provides a cumulative summary of the projected new development and maintenance and rehabilitation capital spending in 2016/17 by quarter.

Figure 2: 2016/17 Capital Spending by Quarter



2016/2017 Capital Report – Second Quarterly Update

Table 2 compares the number of projects in each stage to the First Quarterly Update. Overall, the total number of projects in Initiation/Design and Construction stages has decreased from 337 to 330.

The change in projects reflects new project initiation, project completion, and project cancellation:

- The net number of new development projects has increased from 116 to 122. This reflects the initiation of 14 projects, the completion of 7 projects and the cancellation of 1 project. During the second quarter, 12 projects had achieved occupancy, producing 610 units of housing across the province.
- The net number of current maintenance and rehabilitation projects funded by the programs within the Capital Plan has decreased from 221 to 206. This reflects the initiation of 34 new projects and the completion of 33 projects during the second quarter. In addition, 16 projects were cancelled as projects were combined or did not meet funding program eligibility criteria.

Table 2: Capital Projects by Program, September 30, 2016

Program	Initiation/Design			Construction			Total		
	Capital Plan	Q1	Q2	Capital Plan	Q1	Q2	Capital Plan	Q1	Q2
New Development									
Accelerated Capital – Capital Call	-	-	-	2	-	-	2	-	-
Community Partnership Initiatives (CPI)	14	18	19	38	19	15	52	37	34
Group Homes	1	2	2	9	8	9	10	10	11
Investment in Affordable Housing (IAH)	1	-	-	6	3	3	7	3	3
Memoranda of Understanding With Local Government (MOU)	1	1	1	10	4	4	11	5	5
Multi-funded	4	2	2	24	24	23	28	26	25
Other Non-Social Housing Agreements (SHA)	8	9	9	15	15	18	23	24	27
Provincial Homelessness Initiative (PHI)	1	1	-	2	-	1	3	1	1
Provincial Investment in Affordable Housing (PIAH)	3	4	5	4	5	7	7	9	12
Redevelopment – Expired Social Housing	-	-	-	1	-	-	1	-	-
Social Infrastructure Funding (SIF)	-	1	3	-	-	1	-	1	4
Sub-total:	33	38	41	111	78	81	144	116	122
Maintenance and Rehabilitation									
Capital Renovation Funding (CRF)	52	39	28	5	10	14	57	49	42
Housing Provider Capital Improvements (HPCI)	1	1	1	2	2	1	3	3	2
Investment in Affordable Housing (IAH)	4	4	2	2	2	4	6	6	6
Financing	1	1	1	-	-	-	1	1	1
Provincial M&I	40	38	30	9	12	26	49	50	56
Social Housing Agreement Reserves (SHA)	1	-	-	3	4	3	4	4	3
Social Infrastructure Funding (SIF)	149	100	89	-	-	4	149	100	93
SRO Renewal Initiative	-	-	-	8	8	3	8	8	3
Sub-total:	248	183	151	29	38	55	277	221	206
Total:	281	221	192	140	116	136	421	337	328

2016/2017 Capital Report – Second Quarterly Update

SIGNIFICANT CAPITAL PROJECTS

A summary of significant projects and projects with a total capital budget over \$25 million in the Second Quarterly Update is provided in Table 3.

Table 3: Significant Capital Projects³

Project	Address	Completion Date	BC Housing Spend (\$ millions)			Project Financing (\$ millions)							Total Capital Costs
			Costs to Jun 30, 2016	Costs to Complete	Total	Interim Construction	Take Out Financing	Internal/ Province	Federal	Municipal	Society	Other	
127 Society for Housing	1077-1099 Richards St., Vancouver	Aug 2016	38.4	0.6	39.0	39.0	39.0	-	-	-	-	-	39.0
Atira Women's Resource Society	33-41 Hastings St. E, Vancouver	Jul 2017	9.0	(0.2)	8.8	8.8	-	-	-	1.2	1.8	20.2	32.1
British Columbia Conference Property Development Council of the United Church of Canada	8131 Bennett Rd., Richmond	Nov 2018	3.5	38.7	42.1	55.9	-	-	-	-	6.0	-	61.9
BC Housing	14th Ave. & 15th St., Burnaby	Aug 2018	0.0	33.9	33.9	25.1	25.1	-	-	-	-	8.8	33.9
BC Housing	2915 Douglas St., Victoria	Nov 2016	6.5	0.9	7.4	-	-	7.4	-	-	-	-	7.4
Community Housing Land Trust	Multiple Sites, Vancouver	Mar 2018	24.1	70.7	94.8	90.3	68.2	0.5	4.0	24.7	-	-	119.4
George Derby Care Society	7550 Cumberland St., Burnaby	Apr 2017	14.0	17.2	31.2	29.3	25.8	2.0	-	1.0	3.5	-	35.8
Immigrant Services Society of BC	2610 Victoria Dr., Vancouver	Completed May 2016	2.0	7.4	9.5	7.5	8.5	1.0	1.0	4.1	9.2	1.5	24.3
Nanaimo Travellers Lodge Society	1917 Northfield Road, Nanaimo	Apr 2017	19.6	12.1	31.7	31.7	26.2	-	-	-	-	-	31.7
Pacifica Housing Advisory Association	105 Wilson St., Victoria	Aug 2016	18.2	2.0	20.2	18.7	17.6	-	1.5	1.3	1.1	0.0	22.6
PHS Community Services Society	23-51 Cordova St., Vancouver	Jul 2020	0.4	55.5	55.9	-	17.6	52.8	-	-	-	-	52.8
PRHC / Wall Financial Partnership	292 Hastings St. E, Vancouver	Sep 2017	9.6	29.9	39.5	39.5	-	-	-	-	-	-	39.5
Royal Canadian Legion, The Strand	2513 Clarke St., Port Moody	Jan 2018	0.0	23.2	23.2	23.2	23.2	-	-	-	-	5.7	29.0
Societie du Foyer Maillard	1010 Alderson Ave., Coquitlam	Completed May 2016	24.5	0.5	25.0	25.0	25.0	-	-	-	4.1	-	29.1
Turning Point Housing Society	8111 Granville Ave., Richmond	Jul 2017	15.7	17.9	33.6	30.6	8.4	-	3.0	9.0	-	1.8	44.4
Vancouver Masonic Centre Association	1495 West 8th Ave., Vancouver	Aug 2018	3.8	49.0	52.8	45.7	8.4	-	-	-	-	-	45.7
Single Room Occupancy Rehabilitation Initiative	Downtown Eastside, Vancouver												
– BC Housing Project Management		Aug 2016	23.9	2.0	25.9	-	-	23.9	2.0	-	-	-	25.9
– P3 Contract		Aug 2016	118.0	1.8	119.8	-	-	92.7	27.1	-	-	-	119.8
– Project Reserve				-	0.0			0.0					0.0
TOTAL			331.2	363.2	694.4	470.2	293.0	180.3	38.6	41.2	25.8	38.1	794.2

³ Figures provided in this table are rounded to one decimal place and therefore approximate.

**Provincial Rental Housing Corporation (PRHC) President's Report –
First Quarter Report 2016/17**

There were 11 PRHC meetings held in Q1 (April 1 – June 30, 2016). The following is a summary of PRHC activities in Q1:

Q1 PRHC Activities	PRHC Board Resolution	Date of PRHC Board Resolution
Purchase	Approved the purchase of a six unit strata through the Community Partnership Initiative in Kelowna for seniors, persons with disabilities, families and single individuals from a developer.	April 6, 2016
	Approved the purchase of a 6 bed group home for adults with mental health issues in Surrey.	April 6, 2016
	Approved the purchase of a property in Saanich for future redevelopment.	April 13, 2016
	Approved the purchase of 14 units from a non-profit society through the Community Partnership Initiative in Nanaimo.	April 20, 2016
	Approved the purchase of a 33 unit property in Prince George in partnership with a non-profit for low-moderate income seniors.	May 18, 2016
	Approved the purchase from a developer for a property for Aboriginal low income individuals in Vancouver.	May 25, 2016
	Approved the purchase of a 42-unit property in Penticton for low income individuals.	May 25, 2016
	Approved the purchase from a non-profit society in View Royal to be converted to housing.	June 15, 2016
	Approved the purchase with a non-profit for a 147-unit property in Victoria for people at risk of homelessness.	June 22, 2016
	Approved the purchase with a non-profit for a 51-unit property in Victoria for people at risk of homelessness.	June 22, 2016
Divestiture (NPAT)	Approved the sale of PRHC's fee simple interest in the land located in Vancouver between the society as Transferor and PRHC as Transferee for low to moderate income tenants.	June 1, 2016
	Approved the sale of PRHC's fee simple interest in	June 15, 2016

Q1 PRHC Activities	PRHC Board Resolution	Date of PRHC Board Resolution
	the land in Lake Country to a non-profit society subject to conditions, approved the surrender of the lease agreement between PRHC and the society for the land, and approved the termination to any lease rental subsidy.	
	Approved the sale of PRHC's fee simple interest in the land, lease agreement of any lease rental subsidy and the termination of any lease rental subsidy between PRHC and the non-profit society in Oliver.	June 22, 2016
Divestiture (general)	Approved the divestiture of a property in Saanich and granting approval that CMHC's share of the proceeds be reinvested in capital repairs.	April 27, 2016
	Approved the divestiture of a property in Nanaimo on the open market and on the terms and conditions set out.	May 25, 2016
	Approved the sale of a group home property in Vancouver for youth ages 15 – 19 years old. Ministry of Children and Family Development (MCFD) is the sponsoring agency.	June 15, 2016
	Approved the sale of PRHC's fee simple interest in the land in Oliver to a non-profit society and approved the surrender of the lease agreement between PRHC and the non-profit society.	June 22, 2016
	Approved the sale of PRHC's fee simple interest in the land in Abbotsford to a non-profit society.	June 29, 2016
	Approved the sale of PRHC's fee simple interest in the land in Quesnel to a non-profit society.	June 29, 2016
Mortgage	Approved an increase to a borrowing resolution to take out a CMHC insured first mortgage for a 6 bed group home for adults with mental health issues in Surrey.	April 6, 2016
	Approved the borrowing resolution to take out a CMHC insured first mortgage for the construction of a five-unit group home for adults with disabilities in Saanich.	May 18, 2016

Q1 PRHC Activities	PRHC Board Resolution	Date of PRHC Board Resolution
Lease Agreement	Approved of entering into a lease with the District of North Vancouver for a property for men who are homeless or at risk of homelessness with addiction issues.	June 1, 2016
	Approved leasing a portion of a property in View Royal to the Ministry of Technology, Innovation and Citizens' Services related to tent city in Victoria.	June 15, 2016
	Approved entering a lease, subject to renewal, to continue operating a temporary winter shelter in Maple Ridge.	June 22, 2016
Covenants	Approved the release of a covenant for a property located in Power River.	May 11, 2016
	Approved commencing of below grade construction of the Works for a 172-unit project in Vancouver for homeless or low to moderate income individuals. Granted approval to enter into various legal agreements such as Indemnity Agreement by the Developer provided to PRHC, as well as priority agreements that may be required by the City including covenants.	May 11, 2016
	Approved the release of a covenant for a property in North Vancouver from a non-profit society.	June 15, 2016
Demolition	Approved budget for the demolition of the remaining 30 units for a property in Kelowna for seniors and families as part of a redevelopment.	April 13, 2016
Riverview	Approved a capital budget to complete an electrical distribution system to facilitate modernized electrical power, data and telecommunication service.	April 6, 2016
	Approved a Filming Policy for all filming activities on PRHC owned properties, including a property in Coquitlam and granting approval of a capital budget to be distributed throughout the three year contract with two consecutive renewal options for two years each for film liaison services to coordinate and regulate filming activities on the property and other PRHC owned properties.	April 27, 2016

Provincial Rental Housing Corporation
Quarter One Financial Statements
June 30, 2016

Provincial Rental Housing Corporation

Statement of Financial Position

	June 30 2016 (\$000's)	March 31 2016 (\$000's)	June 30 2015 (\$000's)
Financial assets			
Cash	\$ 1	\$ 1	\$ 1
Debenture subsidy receivable	1,677	840	1,677
Due from BC Housing Management Commission (Note 3)	106,651	94,775	126,538
Long term receivable (Note 5)	250,825	249,663	246,022
Loan receivables (Note 4)	1,362	1,604	2,942
Due from Federal Government (Note 12)	10,480	10,854	7,452
	<u>370,996</u>	<u>357,737</u>	<u>384,632</u>
Liabilities			
Interest payable	789	394	842
Deferred contributions (Note 7)	592,661	601,526	601,832
Unearned lease revenue	39,970	40,679	41,784
Site contamination (Note 8)	7,226	7,342	7,420
Long-term debt (Note 10)	245,260	248,679	230,408
	<u>885,906</u>	<u>898,620</u>	<u>882,286</u>
Net debt	<u>(514,910)</u>	<u>(540,883)</u>	<u>(497,654)</u>
Non-financial assets (note 10)			
Housing and projects under construction	1,229,161	1,195,883	1,133,139
Riverview lands redevelopment	10,949	6,084	3,653
	<u>1,240,110</u>	<u>1,201,967</u>	<u>1,136,792</u>
Accumulated surplus	<u>\$ 725,200</u>	<u>\$ 661,084</u>	<u>\$ 639,138</u>

Commitments (Note 12)

See accompanying notes to the financial statements

Provincial Rental Housing Corporation

Statement of Operations

For the Three Months Ended June 30	2016 (\$000's)	2015 (\$000's)
Revenue		
Provincial subsidy	\$ 7,251	\$ 5,348
Contribution revenue	13,921	13,156
Gain on sale of property	52,936	7,451
Lease revenue	728	24,403
Interest income	1,162	1,419
	<u>75,998</u>	<u>51,777</u>
Expenses		
Depreciation	9,866	9,541
Interest on long-term debt	1,709	1,789
Social housing grant and subsidy	243	446
Group home and self insurance claims	64	200
	<u>11,882</u>	<u>11,976</u>
Annual surplus from operations	<u>64,116</u>	<u>39,801</u>
Accumulated surplus from operations, beginning of year	<u>661,084</u>	<u>599,337</u>
Accumulated surplus from operations, end of year	<u>\$ 725,200</u>	<u>\$ 639,138</u>

See accompanying notes to the financial statements

Provincial Rental Housing Corporation

Statement of Change in Net Debt

For the Three Months Ended June 30	2016 (\$000's)	2015 (\$000's)
Annual surplus	\$ 64,116	\$ 39,801
Acquisition of tangible capital assets	(57,969)	(17,011)
Depreciation of tangible capital assets	9,866	9,541
Disposal of tangible capital assets	<u>9,960</u>	<u>49,192</u>
	<u>(38,143)</u>	<u>41,722</u>
Changes in net debt for the year	25,973	81,523
Net debt, beginning of year	<u>(540,883)</u>	<u>(579,177)</u>
Net debt, end of year	<u>\$ (514,910)</u>	<u>\$ (497,654)</u>

See accompanying notes to the financial statements

Provincial Rental Housing Corporation

Statement of Cash Flows

For the Three Months Ended June 30	2016 (\$000's)	2015 (\$000's)
Cash flows provided by (used in)		
Operating transactions		
Annual surplus from operations	\$ 64,116	\$ 39,801
Adjustments to determine cash flows:		
Depreciation	9,866	9,541
Amortization of deferred contributions	(13,921)	(13,156)
Gain on sale of property	(52,936)	(7,451)
Amortization of unearned lease revenue	(709)	(24,384)
Change in non-cash working capital	174	(2,306)
	<u>6,590</u>	<u>2,045</u>
Capital transactions		
Property acquisitions	(53,104)	(17,841)
Proceeds on sale of property	62,896	56,643
Riverview lands redevelopment	(4,865)	830
	<u>4,927</u>	<u>39,632</u>
Financing transactions		
Deferred contributions	5,056	11,542
New long term debt financing	5,353	9,611
Site contamination	(116)	
Due from BC Housing Management Commission	(11,876)	(57,026)
Long-term debt repayment	(8,772)	(4,384)
Long-term Receivable	(1,162)	(1,420)
	<u>(11,517)</u>	<u>(41,677)</u>
Increase in cash	-	-
Cash, beginning of the year	<u>1</u>	<u>1</u>
Cash, end of year	\$ <u>1</u>	\$ <u>1</u>

See accompanying notes to the financial statements

Provincial Rental Housing Corporation

Notes to the Financial Statements

March 31, 2016

1. General

The Provincial Rental Housing Corporation was incorporated under the Company Act of the Province of British Columbia in 1961. The Corporation is wholly owned by the Province, and is an agent of the Crown. The Corporation is exempt from federal and provincial income taxes.

The Corporation holds property for social and other low cost housing for the Province. It also holds land under long-term leases to housing sponsors. The subsidized rental housing units of the Corporation are managed and operated by the British Columbia Housing Management Commission (the "Commission"), which is a Crown agency that records the related rental revenue and is responsible for all of the operating and administrative activities and related costs. Separate financial statements are prepared for the Commission.

2. Significant Accounting Policies

Basis of Presentation

These financial statements have been prepared in accordance with section 23.1 of the Budget Transparency and Accountability Act of the Provincial of British Columbia. This section requires that the financial statements be prepared in accordance with Canadian Public Sector Accounting Standards except in regard to the accounting for government transfers as set out in Note 16. The Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants Canada is responsible for establishing Canadian public sector accounting standards.

Use of Estimates

In preparing these financial statements management has made estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The service life of buildings requires the greatest degree of estimation. Site remediation liability is based on a third party valuation while the Riverview redevelopment is an estimate based on transfer value and total capitalized costs. Actual results could differ from those estimates.

Tangible Capital Assets

- a) The Corporation capitalizes its tangible capital assets at cost and depreciates its buildings on the straight-line method as follows:

Newly constructed buildings are depreciated on a 40 year amortization period. Purchases of older buildings are depreciated over the remaining estimated useful life of the building. Betterments to buildings are depreciated over the extended remaining life of the building. Construction in progress is not subject to depreciation until the project is complete and transferred to buildings.

- b) For some social housing projects and group homes, the Province provides grants to the Corporation for a portion of the construction costs.

From time to time, the Corporation disposes of property purchased for social housing projects that cannot proceed due to various circumstances. The proceeds from these sales are applied against the cost of purchasing alternate sites as appropriate. Any surplus or deficiency resulting from those sales is credited or charged to revenue.

Provincial Rental Housing Corporation

Notes to the Financial Statements

March 31, 2016

c) Capitalization of public-private partnership projects

Public-private partnership (P3) projects are delivered by private sector partners selected to design, build, finance and maintain the assets. The costs of the assets are estimated at fair value, based on construction progress verified by an independent certifier, and also include other costs incurred directly by the Corporation. The asset cost includes development and financing fees estimated at fair value, which require the extraction of cost information from the financial model embedded in the project agreement. Interest during construction is also included in the asset cost and is calculated on the P3 asset value, less contributions received during the construction term. The interest rate used is the project internal rate of return. Upon completion, the project assets are amortized over their estimated useful lives.

Correspondingly, an obligation net of the contributions received is recorded as a liability and included in long-term debt.

Upon substantial completion, the private sector partner receives monthly payments to cover the partners' operating costs, financing costs and a return of their capital.

d) Riverview Lands Re-development

All costs associated with the redevelopment are capitalized, including carrying costs, construction, net operating income or losses, financing and demolition. Costs will be capitalized until the completion of the redevelopment. The net amount recoverable from the redevelopment is considered sufficient to recover the capitalized costs.

Property Leases

The Corporation leases property used for housing projects to housing sponsors. These sixty-year leases are prepaid by the housing sponsors when the housing projects are completed and ready for occupancy. The Corporation amortizes the lease revenue over the term of each lease and records the unearned portion as unearned lease revenue.

Deferred Contributions

Funding received from the Province used for acquisition of depreciable capital assets is recorded as deferred contributions and is recognized as a recovery in the statement of operations equal to depreciation charged on related depreciable capital assets. The requirements of Canadian public sector accounting standards require that government transfers be recognized when approved and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized over the period that the liability is extinguished (Note 16).

Funding received from the Province for acquisition of non-depreciable capital assets, such as land, is allocated to net assets invested in properties when the related assets are acquired.

Government Capital Grants

Consistent with the Province of British Columbia, Ministry of Finance regulation 198/2011 capital grants are recorded as a liability (deferred capital contribution) which is amortized to income over the life of the capital asset being funded.

Financial Instruments

Provincial Rental Housing Corporation

Notes to the Financial Statements

March 31, 2016

The Corporation's financial instruments consist of debenture subsidy receivable, due from BC Housing Management Commission, cash, long-term receivables, loan receivables, due from federal government, long-term debt, interest payable and property sale deposit. All financial instruments are recorded at cost or amortized cost basis using the effective interest rate method where appropriate.

3. Due from British Columbia Housing Management Commission

Amounts represent funds advanced for the acquisition and development of properties under social housing programs. The amounts are non-interest bearing with no set terms of repayment.

4. Loan Receivables

PRHC has transferred a number of Rural and Native Housing projects to various Aboriginal Housing Providers over the last two years. These properties were originally transferred to PRHC as part of the devolution of federal housing in 2006 with the intention that they would eventually be transferred to aboriginal management and ownership. Repayable loans are associated with each property, with a total value of \$1,603,721 (2015 - \$3,388,143). Each loan has different repayment dates with interest rates ranging between 3 % to 6 %. The final loan is to be repaid in fiscal 2018/19.

5. Long Term Receivable

The Corporation completed the sale of Little Mountain property on July 2nd 2013 for the proceeds of \$333.96 million. The purchaser was required to provide the Corporation with 234 non-market housing units and to pay the balance of the purchase price based on the proportion of the site developed in phases over time. The current receivable is equal to the net present value of the remaining expected future payments and the fair value of the 181 social housing units not constructed, discounted at 3.25%.

March 31, 2016 balance	\$249,663
Interest Recognized	<u>1,162</u>
	<u>\$250,825</u>

6. Deferred Contributions

	2016 (\$000's)	2015 (\$000's)
Balance, beginning of year	\$ 601,526	\$ 603,446
Receipts	4,999	11,444
Amortization	(13,864)	(13,058)
Balance, end of year	\$ 592,661	\$ 601,832

Deferred contributions are capital grants from the Commission. The grants are for the purchase and/or development of new social housing projects or the major rehabilitation of buildings owned by the Corporation (Notes 2 and 16).

Provincial Rental Housing Corporation

Notes to the Financial Statements

March 31, 2016

7. Site Contamination

MTICS and the Ministry of Health transferred \$7.4 million to the Corporation for remediation of contaminated sites at the Riverview Lands project site. This exceeds the current best estimate of the present value of remediation costs required of \$4 million. However, the full \$7.4 million is recorded as a liability because any portion of the amount transferred that proves to exceed the actual amount required will be repayable by the Corporation to MTICS. The Corporation will review the contamination and cost of remediation over the life of the projects and will adjust the liability as information becomes available.

8. Related Party Transactions

a) Insurance

The Corporation does not insure most of its rental housing properties. Instead property losses are compensated by the Province through the Commission and, for certain properties, by CMHC.

b) Directly Managed Debenture Subsidy

Directly managed debenture subsidy represents funds received from the Commission for the principal and interest costs of the long-term debt related to directly managed properties.

c) Group Home Mortgage Subsidy

Group home mortgage subsidy represents the funds received from the Commission for mortgage payments to chartered banks and CMHC.

d) Administration and Financing

The Commission acts as agent in administering and financing the operations and capital projects of the Corporation. No administration costs are charged to the Corporation for such services performed.

Provincial Rental Housing Corporation

Notes to the Financial Statements

March 31, 2016

9. Long-Term Debt

	2016 (\$000's)	2015 (\$000's)
Canada Mortgage & Housing Corporation (CMHC) Debenture mortgages repayable at the end of each year, maturing between the years 2024 and 2027, with a weighted average rate of 7.97% (2015 -7.47%) and secured by unregistered first mortgages on properties of the Corporation	\$ 51,903	\$ 56,445
Chartered banks and CMHC Mortgages repayable monthly over terms of up to 35 years, with a weighted average rate of 2.63% (2015 - 3.22%), secured by registered first mortgages on properties of the Corporation	103,899	100,286
Public-private partnership obligations SRO Renewal Initiative, 18 year contract to January 2031 with Habitat Housing Initiative, monthly payments including interest at 5.12% per annum, payable in accordance with the project agreement terms commencing July 2014 to a maximum of \$782,370 As of March 31, 2015, the total amount paid was \$ 20,264,811.	89,458	73,677
	\$ 245,260	\$ 230,408

The aggregate principal repayments required in each of the next five fiscal years are estimated to be as follows:

	(\$000's)
2017	\$ 31,065
2018	25,648
2019	22,448
2020	25,142
2021	13,437
Thereafter	127,520
	\$ 245,260

Provincial Rental Housing Corporation

Notes to the Financial Statements

March 31, 2016

10. Non-Financial Assets

Housing and property under construction

	2016 March 31 (\$000's)			2016 June 30 (\$000's)	
Cost	Beginning	Additions	Disposals	Ending	
Land	\$ 404,090	\$ 10,558	\$ (4,171)	\$ 410,477	
Buildings	1,028,866	38,792	(11,648)	1,056,010	
Construction in progress	89,643	3,754		93,397	
	\$ 1,522,599	\$ 53,104	\$ (15,819)	\$ 1,559,884	

	Beginning	Annual	Disposals	Ending
Depreciation	Depreciation	Expense	Adjustments	Accumulated
Buildings	\$ 326,716	\$ 9,866	\$ (5,859)	\$ 330,723

Net Book Value	Beginning	Ending
Land	\$ 404,090	\$ 410,477
Buildings	702,150	725,287
Construction in progress	89,643	93,397
	\$ 1,195,883	\$ 1,229,161

Construction in progress includes \$ 33.26 million (2015 - \$38.65 million) under the SRO Renewal Initiative project. Costs are based upon the percentage of construction completed as verified by an independent party, and includes other costs incurred by the Corporation. Included in the asset costs of the SRO Renewal Initiative are development and financing fees estimated at fair value. Interest during construction is also included in the asset cost. The interest rate used is the project internal rate of return of 6.64 percent (2015 - 6.64 percent). The amount of interest capitalized is \$1,379,283 (2015 - \$2,101,224). Upon completion, the project assets are amortized over their estimated useful lives.

Riverview Lands Redevelopment

On February 2nd, 2015, ownership of the Riverview land was transferred to the Corporation from Minister of Technology, Innovation and Citizen's Service (MTICS). The land is to be redeveloped over the next several years. All costs associated with the redevelopment will be capitalized, including financing, demolition, land planning and the net operating costs associated with the ongoing operations at the site. Costs related to the development are to be funded through the proceeds obtained from the redevelopment, including lease and film revenues. The land and buildings were transferred to the Corporation at book value (see note 8).

Provincial Rental Housing Corporation

Notes to the Financial Statements

March 31, 2016

		2016 March 31 Beginning	Expenses	Revenue		2016 June 30 Ending
Construction	\$	5,090	4,920	-	\$	10,010
Net operating		993	1,165	(1,219)		939
	\$	6,083	\$ 6,085	\$ (1,219)	\$	10,949

As part of its ongoing consultations with the Kwikwetlem First Nation (KFN) respecting the future use and redevelopment of the Riverview Lands, BC Housing entered into an Interim Accommodation Agreement with the KFN dated April 13, 2016, to facilitate the development of two new provincial health facilities on the Riverview Lands that replace existing structures. PRHC, BC Housing and KFN continue to work together to conclude a final impact benefits agreement in relation to the Riverview Lands.

11. Commitments

The Corporation has entered into a public-private partnership project with Habitat Housing Initiative (HHI) to renovate thirteen Single Room Occupancy Hotels in Vancouver's Downtown Eastside. The information provided below shows the anticipated cash outflow, net of federal contributions (see 12(b)) provided during construction, for future obligations under the contract including the Commissions' annual service payments to HHI for the capital cost and financing, the facility maintenance and lifecycle costs as defined in the Project Agreement. Payments to the private partner are contingent on specified performance criteria and include an estimation of inflation where applicable.

As construction progresses, the asset values are recorded as capital assets (see note 11) and the obligation is recorded as a liability and included in long-term debt (see note 10). Upon construction completion, the obligation will be met through the capital component of the monthly service payments over the term of the Project Agreement that is paid directly by the Commission.

a)		Capital (\$000's)	Facility Maintenance and Lifecycle (\$000's)	Total Payments (\$000's)
2017		9,388	1,941	11,329
2018		9,388	2,183	11,571
2019		9,388	3,167	12,555
2020		9,388	2,905	12,293
2021		9,388	3,333	12,721
Thereafter		92,322	29,822	122,144
Total	\$	139,262	\$ 43,351	\$ 182,613

Provincial Rental Housing Corporation

Notes to the Financial Statements

March 31, 2016

b) Federal Contributions

Year Ended March 31		Annual Total (\$000's)
2015	\$	12,931
2016		1,522
2017		14,651
Total	\$	29,104

Federal contributions (P3 Canada) are due to the Corporation at the completion of each building.

12. Subsequent Events

On April 1st, 3 properties with a net book value of \$9,947,156 were sold. Total proceeds received on the sales was \$66,962,513 generating a net gain of \$ 52,472,000 (net of sales costs of \$4,543,000).

13. Financial Instrument Risks

The Corporation, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a measurement of those risks at March 31, 2016.

a) Credit Risk

Credit risk is the risk that the Corporation will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the Corporation to credit risk consist primarily of the funds due from the Commission (Note 3) and the long-term receivable (note 4 and 5).

b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is subject to interest rate risk when refinancing its long term debt portfolio. The Corporation mitigates this risk by maximizing its borrowing from CMHC and seeking competitive interest rates from financial institutions. The Corporation is also able to mitigate short and long term interest rate changes through the Commission's ability to borrow directly from the Provincial Treasury.

c) Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The Commission administers the finances of the Corporation and maintains adequate levels of working capital to ensure all its obligations can be met when they fall due.

14. Budget

The Corporation does not establish an annual operating budget as the information does not assist the directors in monitoring or evaluating changes in revenues or expenditures. The Corporation operates as a land holding company and does not employ staff. The Corporation's revenues and expenditures are largely fixed in nature. The Commission actively administers the provincial social housing programs and records the revenues and expenditures incurred from the operation of the

Provincial Rental Housing Corporation

Notes to the Financial Statements

March 31, 2016

Corporation's buildings. The Commission is also responsible for initiating decisions around purchases, new developments and the rehabilitation or modernization of the Corporation's properties.

15. Impact of Accounting for Government Transfers in Accordance with the Budget Transparency and Accounting Act

As noted in the significant accounting policies, section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia and its related regulations require the Corporation to account for government transfers for capital assets by deferring and amortizing them to income on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be reported in income immediately. If government transfers were accounted for under Canadian public sector accounting standards the impact of this difference on the financial statements of the Corporation is as follows:

- a) For the year-ended March 31, 2015, an increase to annual surplus of \$33,134,000; and
- b) for March 31, 2015, an increase to accumulated surplus and a decrease to contributions of \$499,203,000;
- c) for the year-ended March 31, 2016, an increase to annual surplus of \$310,000; and
- d) for March 31, 2016, an increase to accumulated surplus and a decrease to contributions of \$499,513,000.

There were 10 PRHC meetings held in Q2 (July 1 – September 30, 2016). The following is a summary of PRHC activities in Q2:

Q1 PRHC Activities	PRHC Board Resolution	Date of PRHC Board Resolution
Purchase	Approved the purchase of a 22 bed group home for seniors with disabilities in Nanaimo.	July 13, 2016
	Approved the purchase of a 33 unit assisted living project for seniors in Penticton.	July 27, 2016
	Approved the purchase of a 23 unit property in Vancouver for Aboriginal individuals.	August 10, 2016
	Approved the purchase of a 23 unit property in Terrace for hard to house and young adults.	August 31, 2016
Assignment	Approved the assigned unconditional purchase of a 33 unit property for low-moderate income seniors to a non-profit society in Prince George.	July 13, 2016
Divestiture (NPAT)	Approved the sale of PRHC's fee simple interest in the land located in Fort St. James between the society subject to conditions, approved the surrender of the lease agreement between PRHC and the society for the land, and approved the termination to any lease rental subsidy.	July 20, 2016
	Approved the sale of PRHC's fee simple interest in the land located in Kelowna to a non-profit society subject to conditions, approved the surrender of the lease agreement between PRHC and the society for the land and approved the termination of any lease rental subsidy.	August 10, 2016
	Approved the sale of PRHC's fee simple interest in the land located in Burns Lake to a non-profit society subject to conditions, approved the surrender of the lease agreement between PRHC and the society for the land and approved the termination of any lease rental subsidy.	August 10, 2016
	Approved the sale of PRHC's fee simple interest in the land located in Victoria to a non-profit society subject to conditions, approved the surrender of the lease agreement between PRHC and the society for the land and approved the termination of any lease rental subsidy.	August 10, 2016

November 25, 2016

Q1 PRHC Activities	PRHC Board Resolution	Date of PRHC Board Resolution
	Approved the sale of PRHC's fee simple interest in the land located in Courtenay to a non-profit society subject to conditions, approved the surrender of the lease agreement between PRHC and the society for the land and approved the termination of any lease rental subsidy.	September 7, 2016
	Approved the sale of PRHC's fee simple interest in the land located in Duncan to a non-profit society subject to conditions, approved the surrender of the lease agreement between PRHC and the society for the land and approved the termination of any lease rental subsidy.	September 7, 2016
	Approved the sale of PRHC's fee simple interest in the land located in Powell River to a non-profit society subject to conditions, approved the surrender of the lease agreement between PRHC and the society for the land and approved the termination of any lease rental subsidy.	September 7, 2016
	Approved the sale of PRHC's fee simple interest in the land located in Williams Lake to a non-profit society subject to conditions, approved the surrender of the lease agreement between PRHC and the society for the land and approved the termination of any lease rental subsidy.	September 21, 2016
	Approved the sale of PRHC's fee simple interest in the land located in Chilliwack to a non-profit society subject to conditions, approved the surrender of the lease agreement between PRHC and the society for the land and approved the termination of any lease rental subsidy.	September 28, 2016
Divestiture (general)	Approved the sale of its fee simple interest in the land in Hope to a non-profit society subject to conditions, approved the surrender of the lease agreements between PRHC and non-profit society for the lands and approved the termination of any lease rental subsidies.	July 20, 2016
	Approved the sale of its fee simple interest in the land in Kitimat to a non-profit society subject to conditions, approved the surrender of the lease agreements between PRHC and non-profit society for the lands and approved the termination of any lease rental subsidies.	July 20, 2016

November 25, 2016

Q1 PRHC Activities	PRHC Board Resolution	Date of PRHC Board Resolution
Memorandum of Understanding (MOU)	<p>Approved entering into an Memorandum of Understanding and a new lease agreement of a project in Vancouver for a 95 unit supportive housing project for homeless and people at risk of homeless.</p> <p>BC Housing has been working with the City to address capital requirements in order to save low-income housing that provides deep affordability to a marginalized population in the area. Over the past three months, Development and Asset Strategies has looked into contract pricing with a number of HVAC contractors, electricians, and elevator providers to address the building deficiencies to find a solution.</p>	July 13, 2016
Mortgage	<p>Approved a decrease and change in the funding program from the Non-Profit Asset Transfer Program to a Federal Social Infrastructure Fund grant for IAH for the purchase of a 172-unit development in Vancouver for homelessness, approved a CMHC insured take-out mortgage to develop, and approved a BC Housing Real Estate Services fee.</p>	July 27, 2016
Lease Agreement	<p>Approved entering a lease with the City of Vancouver and a non-profit society to deliver the project subject to the terms and conditions.</p>	July 6, 2016
	<p>Approved entering a lease with a commercial tenant for a portion of the ground floor of a building located in Vancouver subject to the terms and conditions.</p>	August 10, 2016
	<p>Approved entering a lease with a commercial tenant for a portion of a property in Victoria subject to the terms and conditions.</p>	August 10, 2016
	<p>Approved entering into a long-term premise lease sublease with a non-profit society for eight units to be owned by PRHC to a non-profit for a proposal to develop a 122 unit project in Burnaby.</p>	August 17, 2016
	<p>Approved entering into a 60-year lease and a license agreement with the City of Surrey for a 16-unit property for the homeless and a 12-room transition housing site in Surrey.</p>	August 31, 2016

November 25, 2016

Q1 PRHC Activities	PRHC Board Resolution	Date of PRHC Board Resolution
Contribution Agreement	Approved entering into a Contribution Agreement (CA) between BC Housing, the Provincial Rental Housing Corporation and BC Hydro for the purpose of building a 50-unit multi-family housing development in Fort St. John.	July 13, 2016

November 25, 2016

Provincial Rental Housing Corporation
Quarter Two Financial Statements
September 30, 2016

November 25, 2016

Provincial Rental Housing Corporation

Statement of Financial Position

	September 30 2016 (\$000's)	March 31 2016 (\$000's)	September 30 2015 (\$000's)
Financial assets			
Cash	\$ 1	\$ 1	\$ 1
Debenture subsidy receivable	2,516	840	2,516
Due from BC Housing Management Commission (Note 3)	133,567	94,775	111,212
Long term receivable (Note 5)	251,987	249,663	247,455
Loan receivables (Note 4)	1,118	1,604	2,496
Due from Federal Government (Note 11)	6,662	10,854	7,788
	<u>395,851</u>	<u>357,737</u>	<u>371,468</u>
Liabilities			
Interest payable	1,183	394	1,263
Deferred contributions (Note 6)	588,610	601,526	600,534
Unearned lease revenue	38,673	40,679	41,504
Site contamination (Note 7)	7,226	7,342	7,344
Long-term debt (Note 9)	236,728	248,679	240,677
	<u>872,420</u>	<u>898,620</u>	<u>891,322</u>
Net debt	<u>(476,569)</u>	<u>(540,883)</u>	<u>(519,854)</u>
Non-financial assets (note 10)			
Housing and projects under construction	1,243,342	1,195,883	1,161,526
Riverview lands redevelopment	12,668	6,084	5,031
	<u>1,256,010</u>	<u>1,201,967</u>	<u>1,166,557</u>
Accumulated surplus	<u>\$ 779,441</u>	<u>\$ 661,084</u>	<u>\$ 646,703</u>

Commitments (Note 11)

See accompanying notes to the financial statements

Provincial Rental Housing Corporation

Statement of Operations

For the Six Months Ended September 30	16/17 (\$000's)	15/16 (\$000's)
Revenue		
Provincial subsidy	\$ 13,935	\$ 11,240
Contribution revenue	23,892	21,075
Gain on sale of property	100,714	11,710
Lease revenue	2,044	24,701
Interest income	2,323	2,854
	<u>142,908</u>	<u>71,580</u>
Expenses		
Depreciation	20,240	19,445
Interest on long-term debt	3,433	3,595
Social housing grant and subsidy	486	892
Group home and self insurance claims	392	282
	<u>24,551</u>	<u>24,214</u>
Annual surplus from operations	<u>118,357</u>	<u>47,366</u>
Accumulated surplus from operations, beginning of year	<u>661,084</u>	<u>599,337</u>
Accumulated surplus from operations, end of year	<u>\$ 779,441</u>	<u>\$ 646,703</u>

See accompanying notes to the financial statements

Provincial Rental Housing Corporation

Statement of Change in Net Debt

For the Six Months Ended September 30	16/17 (\$000's)	15/16 (\$000's)
Annual surplus	\$ 118,357	\$ 47,366
Acquisition of tangible capital assets	(91,732)	(61,681)
Depreciation of tangible capital assets	20,240	19,445
Disposal of tangible capital assets	<u>17,449</u>	<u>54,193</u>
	<u>(54,043)</u>	<u>11,957</u>
Changes in net debt for the year	64,314	59,323
Net debt, beginning of year	<u>(540,883)</u>	<u>(579,177)</u>
Net debt, end of year	<u>\$ (476,569)</u>	<u>\$ (519,854)</u>

See accompanying notes to the financial statements

Provincial Rental Housing Corporation

Statement of Cash Flows

For the Six Months Ended September 30	16/17 (\$000's)	15/16 (\$000's)
Cash flows provided by (used in)		
Operating transactions		
Annual surplus from operations	\$ 118,357	\$ 47,366
Adjustments to determine cash flows:		
Depreciation	20,240	19,445
Amortization of deferred contributions	(23,560)	(21,075)
Gain on sale of property	(100,714)	(11,710)
Amortization of unearned lease revenue	(2,006)	(24,664)
Change in non-cash working capital	3,791	(2,614)
	<u>16,108</u>	<u>6,748</u>
Capital transactions		
Property acquisitions	(85,148)	(61,133)
Proceeds on sale of property	118,163	65,903
Riverview lands redevelopment	(6,584)	(548)
	<u>26,431</u>	<u>4,222</u>
Financing transactions		
Deferred contributions	10,644	18,163
New long term debt financing	12,161	24,600
Site contamination	(116)	(76)
Due from BC Housing Management Commission	(38,792)	(41,700)
Long-term debt repayment	(24,112)	(9,104)
Long-term Receivable	(2,324)	(2,853)
	<u>(42,539)</u>	<u>(10,970)</u>
Increase in cash	-	-
Cash, beginning of the year	<u>1</u>	<u>1</u>
Cash, end of year	\$ <u>1</u>	\$ <u>1</u>

See accompanying notes to the financial statements

Provincial Rental Housing Corporation

Notes to the Financial Statements

March 31, 2016

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2. Significant Accounting Policies

Basis of Presentation

These financial statements have been prepared in accordance with section 23.1 of the Budget Transparency and Accountability Act of the Provincial of British Columbia. This section requires that the financial statements be prepared in accordance with Canadian Public Sector Accounting Standards except in regard to the accounting for government transfers as set out in Note 16. The Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants Canada is responsible for establishing Canadian public sector accounting standards.

Use of Estimates

In preparing these financial statements management has made estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The service life of buildings requires the greatest degree of estimation. Site remediation liability is based on a third party valuation while the Riverview redevelopment is an estimate based on transfer value and total capitalized costs. Actual results could differ from those estimates.

Tangible Capital Assets

- a) The Corporation capitalizes its tangible capital assets at cost and depreciates its buildings on the straight-line method as follows:

Newly constructed buildings are depreciated on a 40 year amortization period. Purchases of older buildings are depreciated over the remaining estimated useful life of the building. Betterments to buildings are depreciated over the extended remaining life of the building. Construction in progress is not subject to depreciation until the project is complete and transferred to buildings.

- b) For some social housing projects and group homes, the Province provides grants to the Corporation for a portion of the construction costs.

From time to time, the Corporation disposes of property purchased for social housing projects that cannot proceed due to various circumstances. The proceeds from these sales are applied against the cost of purchasing alternate sites as appropriate. Any surplus or deficiency resulting from those sales is credited or charged to revenue.

Provincial Rental Housing Corporation

Notes to the Financial Statements

March 31, 2016

c) Capitalization of public-private partnership projects

Public-private partnership (P3) projects are delivered by private sector partners selected to design, build, finance and maintain the assets. The costs of the assets are estimated at fair value, based on construction progress verified by an independent certifier, and also include other costs incurred directly by the Corporation. The asset cost includes development and financing fees estimated at fair value, which require the extraction of cost information from the financial model embedded in the project agreement. Interest during construction is also included in the asset cost and is calculated on the P3 asset value, less contributions received during the construction term. The interest rate used is the project internal rate of return. Upon completion, the project assets are amortized over their estimated useful lives.

Correspondingly, an obligation net of the contributions received is recorded as a liability and included in long-term debt.

Upon substantial completion, the private sector partner receives monthly payments to cover the partners' operating costs, financing costs and a return of their capital.

d) Riverview Lands Re-development

All costs associated with the redevelopment are capitalized, including carrying costs, construction, net operating income or losses, financing and demolition. Costs will be capitalized until the completion of the redevelopment. The net amount recoverable from the redevelopment is considered sufficient to recover the capitalized costs.

Property Leases

The Corporation leases property used for housing projects to housing sponsors. These sixty-year leases are prepaid by the housing sponsors when the housing projects are completed and ready for occupancy. The Corporation amortizes the lease revenue over the term of each lease and records the unearned portion as unearned lease revenue.

Deferred Contributions

Funding received from the Province used for acquisition of depreciable capital assets is recorded as deferred contributions and is recognized as a recovery in the statement of operations equal to depreciation charged on related depreciable capital assets. The requirements of Canadian public sector accounting standards require that government transfers be recognized when approved and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized over the period that the liability is extinguished (Note 16).

Funding received from the Province for acquisition of non-depreciable capital assets, such as land, is allocated to net assets invested in properties when the related assets are acquired.

Government Capital Grants

Consistent with the Province of British Columbia, Ministry of Finance regulation 198/2011 capital grants are recorded as a liability (deferred capital contribution) which is amortized to income over the life of the capital asset being funded.

Financial Instruments

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Notes to the Financial Statements

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The Corporation's financial instruments consist of debenture subsidy receivable, due from BC Housing Management Commission, cash, long-term receivables, loan receivables, due from federal government, long-term debt, interest payable and property sale deposit. All financial instruments are recorded at cost or amortized cost basis using the effective interest rate method where appropriate.

3. Due from British Columbia Housing Management Commission

Amounts represent funds advanced for the acquisition and development of properties under social housing programs. The amounts are non-interest bearing with no set terms of repayment.

4. Loan Receivables

PRHC has transferred a number of Rural and Native Housing projects to various Aboriginal Housing Providers over the last two years. These properties were originally transferred to PRHC as part of the devolution of federal housing in 2006 with the intention that they would eventually be transferred to aboriginal management and ownership. Repayable loans are associated with each property, with a total value of \$1,603,721 (2015 - \$3,388,143). Each loan has different repayment dates with interest rates ranging between 3 % to 6 %. The final loan is to be repaid in fiscal 2018/19.

5. Long Term Receivable

The Corporation completed the sale of Little Mountain property on July 2nd 2013 for the proceeds of \$333.96 million. The purchaser was required to provide the Corporation with 234 non-market housing units and to pay the balance of the purchase price based on the proportion of the site developed in phases over time. The current receivable is equal to the net present value of the remaining expected future payments and the fair value of the 181 social housing units not constructed, discounted at 3.25%.

March 31, 2016 balance	\$249,663
Interest Recognized	<u>2,324</u>
	<u>\$251,987</u>

6. Deferred Contributions

		16/17		15/16
		(\$000's)		(\$000's)
Balance, beginning of year	\$	601,526	\$	603,446
Receipts		10,644		17,846
Amortization		(23,560)		(20,758)
Balance, end of year	\$	588,610	\$	600,534

Deferred contributions are capital grants from the Commission. The grants are for the purchase and/or development of new social housing projects or the major rehabilitation of buildings owned by the Corporation (Notes 2 and 16).

Provincial Rental Housing Corporation

Notes to the Financial Statements

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7. Site Contamination

MTICS and the Ministry of Health transferred \$7.4 million to the Corporation for remediation of contaminated sites at the Riverview Lands project site. This exceeds the current best estimate of the present value of remediation costs required of \$4 million. However, the full \$7.4 million is recorded as a liability because any portion of the amount transferred that proves to exceed the actual amount required will be repayable by the Corporation to MTICS. The Corporation will review the contamination and cost of remediation over the life of the projects and will adjust the liability as information becomes available.

8. Related Party Transactions

a) Insurance

The Corporation does not insure most of its rental housing properties. Instead property losses are compensated by the Province through the Commission and, for certain properties, by CMHC.

b) Directly Managed Debenture Subsidy

Directly managed debenture subsidy represents funds received from the Commission for the principal and interest costs of the long-term debt related to directly managed properties.

c) Group Home Mortgage Subsidy

Group home mortgage subsidy represents the funds received from the Commission for mortgage payments to chartered banks and CMHC.

d) Administration and Financing

The Commission acts as agent in administering and financing the operations and capital projects of the Corporation. No administration costs are charged to the Corporation for such services performed.

Provincial Rental Housing Corporation

Notes to the Financial Statements

March 31, 2016

9. Long-Term Debt

		16/17 (\$000's)	15/16 (\$000's)
Canada Mortgage & Housing Corporation (CMHC) Debenture mortgages repayable at the end of each year, maturing between the years 2024 and 2027, with a weighted average rate of 7.97% (2015 - 7.47%) and secured by unregistered first mortgages on properties of the Corporation	\$	51,148	\$ 56,445
Chartered banks and CMHC Mortgages repayable monthly over terms of up to 35 years, with a weighted average rate of 2.63% (2015 - 3.22%), secured by registered first mortgages on properties of the Corporation		103,116	100,286
Public-private partnership obligations SRO Renewal Initiative, 18 year contract to January 2031 with Habitat Housing Initiative, monthly payments including interest at 5.12% per annum, payable in accordance with the project agreement terms commencing July 2014 to a maximum of \$782,370 As of March 31, 2015, the total amount paid was \$ 20,264,811.		82,464	73,677
	\$	236,728	\$ 230,408

The aggregate principal repayments required in each of the next five fiscal years are estimated to be as follows:

	(\$000's)
2017	\$ 22,533
2018	25,648
2019	22,448
2020	25,142
2021	13,437
Thereafter	127,520
	\$ 236,728

10. Non-Financial Assets

Provincial Rental Housing Corporation

Notes to the Financial Statements

March 31, 2016

Housing and property under construction

Cost	2016 March 31 (\$000's)			2016 Sep-30 (\$000's)	
	Beginning	Additions	Disposals	Ending	
Land	\$ 404,090	\$ 17,580	\$ (9,476)	\$ 412,194	
Buildings	1,028,866	83,920	(16,317)	1,096,469	
Construction in progress	89,643	(16,352)		73,291	
	\$ 1,522,599	\$ 85,148	\$ (25,793)	\$ 1,581,954	

Depreciation	Beginning Depreciation	Annual Expense	Disposals Adjustments	Ending Accumulated
Buildings	\$ 326,716	\$ 20,240	\$ (8,344)	\$ 338,612

Net Book Value	Beginning	Ending
Land	\$ 404,090	\$ 412,194
Buildings	702,150	757,857
Construction in progress	89,643	73,291
	\$ 1,195,883	\$ 1,243,342

Construction in progress includes \$ 33.26 million (2015 - \$38.65 million) under the SRO Renewal Initiative project. Costs are based upon the percentage of construction completed as verified by an independent party, and includes other costs incurred by the Corporation. Included in the asset costs of the SRO Renewal Initiative are development and financing fees estimated at fair value. Interest during construction is also included in the asset cost. The interest rate used is the project internal rate of return of 6.64 percent (2015 - 6.64 percent). The amount of interest capitalized is \$1,379,283 (2015 - \$2,101,224). Upon completion, the project assets are amortized over their estimated useful lives.

Riverview Lands Redevelopment

On February 2nd, 2015, ownership of the Riverview land was transferred to the Corporation from Minister of Technology, Innovation and Citizen's Service (MTICS). The land is to be redeveloped over the next several years. All costs associated with the redevelopment will be capitalized, including financing, demolition, land planning and the net operating costs associated with the ongoing operations at the site. Costs related to the development are to be funded through the proceeds obtained from the redevelopment, including lease and film revenues. The land and buildings were transferred to the Corporation at book value (see note 8).

Provincial Rental Housing Corporation

Notes to the Financial Statements

March 31, 2016

	2016 March 31 Beginning	Expenses	Revenue	2016 Sep-30 Ending
Construction	\$ 5,090	6,445	-	\$ 11,535
Net operating	994	2,624	(2,485)	1,133
	\$ 6,084	\$ 9,069	\$ (2,485)	\$ 12,668

As part of its ongoing consultations with the Kwikwetlem First Nation (KFN) respecting the future use and redevelopment of the Riverview Lands, BC Housing entered into an Interim Accommodation Agreement with the KFN dated April 13, 2016, to facilitate the development of two new provincial health facilities on the Riverview Lands that replace existing structures. PRHC, BC Housing and KFN continue to work together to conclude a final impact benefits agreement in relation to the Riverview Lands.

11. Commitments

The Corporation has entered into a public-private partnership project with Habitat Housing Initiative (HHI) to renovate thirteen Single Room Occupancy Hotels in Vancouver's Downtown Eastside. The information provided below shows the anticipated cash outflow, net of federal contributions (see 12(b)) provided during construction, for future obligations under the contract including the Commissions' annual service payments to HHI for the capital cost and financing, the facility maintenance and lifecycle costs as defined in the Project Agreement. Payments to the private partner are contingent on specified performance criteria and include an estimation of inflation where applicable.

As construction progresses, the asset values are recorded as capital assets (see note 11) and the obligation is recorded as a liability and included in long-term debt (see note 10). Upon construction completion, the obligation will be met through the capital component of the monthly service payments over the term of the Project Agreement that is paid directly by the Commission.

a)	Capital (\$000's)	Facility Maintenance and Lifecycle (\$000's)	Total Payments (\$000's)
2017	9,388	1,941	11,329
2018	9,388	2,183	11,571
2019	9,388	3,167	12,555
2020	9,388	2,905	12,293
2021	9,388	3,333	12,721
Thereafter	92,322	29,822	122,144
Total	\$ 139,262	\$ 43,351	\$ 182,613

Provincial Rental Housing Corporation

Notes to the Financial Statements

March 31, 2016

b) Federal Contributions

Year Ended March 31	Annual Total (\$000's)
2015	\$ 12,931
2016	1,522
2017	14,651
Total	\$ 29,104

Federal contributions (P3 Canada) are due to the Corporation at the completion of each building.

12. Subsequent Events

On April 1st, 3 properties with a net book value of \$9,947,156 were sold. Total proceeds received on the sales was \$66,962,513 generating a net gain of \$ 52,472,000 (net of sales costs of \$4,543,000).

13. Financial Instrument Risks

The Corporation, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a measurement of those risks at March 31, 2016.

a) Credit Risk

Credit risk is the risk that the Corporation will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the Corporation to credit risk consist primarily of the funds due from the Commission (Note 3) and the long-term receivable (note 4 and 5).

b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is subject to interest rate risk when refinancing its long term debt portfolio. The Corporation mitigates this risk by maximizing its borrowing from CMHC and seeking competitive interest rates from financial institutions. The Corporation is also able to mitigate short and long term interest rate changes through the Commission's ability to borrow directly from the Provincial Treasury.

c) Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The Commission administers the finances of the Corporation and maintains adequate levels of working capital to ensure all its obligations can be met when they fall due.

14. Budget

The Corporation does not establish an annual operating budget as the information does not assist the directors in monitoring or evaluating changes in revenues or expenditures. The Corporation operates as a land holding company and does not employ staff. The Corporation's revenues and expenditures are largely fixed in nature. The Commission actively administers the provincial social housing programs and records the revenues and expenditures incurred from the operation of the Corporation's

Provincial Rental Housing Corporation

Notes to the Financial Statements

March 31, 2016

buildings. The Commission is also responsible for initiating decisions around purchases, new developments and the rehabilitation or modernization of the Corporation's properties.

15. Impact of Accounting for Government Transfers in Accordance with the Budget Transparency and Accounting Act

As noted in the significant accounting policies, section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia and its related regulations require the Corporation to account for government transfers for capital assets by deferring and amortizing them to income on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be reported in income immediately. If government transfers were accounted for under Canadian public sector accounting standards the impact of this difference on the financial statements of the Corporation is as follows:

- a) For the year-ended March 31, 2015, an increase to annual surplus of \$33,134,000; and
- b) for March 31, 2015, an increase to accumulated surplus and a decrease to contributions of \$499,203,000;
- c) for the year-ended March 31, 2016, an increase to annual surplus of \$310,000; and
- d) for March 31, 2016, an increase to accumulated surplus and a decrease to contributions of \$499,513,000.

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OHCS/BCH 1st 2016/17 Quarterly Meeting
September 06, 2016 2:00-3:00pm

#	Item	Lead	Material	Info/ Dec
1.	<p>OHCS Quarterly Reports</p> <p>Administrative Penalties</p> <ul style="list-style-type: none"> The Minister provided direction for RTB to work on how to improve the policy and/or legislative framework for administrative penalties. <p>s.12</p> <ul style="list-style-type: none"> We expect to have an update at our next quarterly meeting. <p>s.12</p>	Greg	Verbal	Info
2.	<p>BCH CEO Quarterly Reports</p> <ul style="list-style-type: none"> UPDATES, INITIATIVES AND HIGHLIGHTS New Initiatives and Updates <p><i>Province invests \$50 million for Aboriginal housing</i> Aboriginal individuals and families with low to moderate incomes may be eligible. A call for Expressions of Interest (EOI) has gone out. The selection of submissions will be based on criteria that includes the impact the project will have in reducing the community's affordable rental housing need.</p> <p><i>Tent City Victoria update</i> BC Housing purchased the Super 8 Motel to renovate and create 51 units. The purchase is expected to be finalized by the end of September, tenants to move in by November. 140 additional housing units are located at 844 Johnson Street (the former Central Care Home). A total of \$26 million is invested to create 370 new units of shelter and transitional housing over the last year in Victoria.</p> <p><i>New Owner Builder Examination Requirement</i> The Homeowner Protection Office introduced a new exam requirement for owner builders starting July 4, 2016. This will help improve builders'</p>	Shayne	Handout	Info

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<p>construction knowledge and their understanding of legal obligations that come with Owner Builder Authorization. This is part of a package of changes to the <i>Homeowner Protection Act Regulation</i> announced by the Minister in March 2015.</p> <p>2016/17 Livegreen Sustainability Plan The 2016/17 Livegreen Sustainability Plan supports BC Housing's Service Plan goal of leadership in sustainability and residential construction, including our planned activities to meet requirements under the <i>Greenhouse Gas Reductions Targets Act</i> and <i>Carbon Neutral Government Regulation</i>.</p> <p>Riverview update BC Housing continues to work with the City, Kwikwetlem First Nation and community stakeholders throughout the Land Use Planning process.</p> <p>Research and Education Initiatives <i>Social Research Initiatives</i></p> <ul style="list-style-type: none"> • Research currently underway: Annual tenant survey, annual Licensed Residential Builder Survey and project examining Social Return on Investment for several housing developments funded through the Community Partnership Initiative (CPI). <p><i>Consumer Education Initiatives</i></p> <ul style="list-style-type: none"> • Condominium Home Owners Association (CHOA) 40th Anniversary Symposium • Maintenance Matters bulletin was released - Understanding the Maintenance and Renewal of Parking Garages • Local Energy Efficiency Partnerships – with Natural Resources Canada, BC Hydro, FortisBC, Canadian Home Builders' Association, and the City of Vancouver <p><i>Building Science Research Projects:</i></p> <ul style="list-style-type: none"> • Building Envelope Retrofit for Improved Durability and Energy Performance • Sound Transmission of Wood-Frame Wall Assemblies • Study of Low-Slope Vented Wood-Frame Roof Performance <p><i>Best Practice Guides, Publications and Videos:</i></p> <ul style="list-style-type: none"> • Illustrated Guide for Building Safe and Durable Wood Decks and Balconies • Building Enclosure Design Guide - Wood-Frame Multi-Unit 			
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OHCS/BCH 1st 2016/17 Quarterly Meeting
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<p>Residential Buildings</p> <p><i>Building Smart Seminars & Workshops:</i></p> <ul style="list-style-type: none"> • Building Smart with Radon Mitigation - Seminars and Webinars • Building Smart with Air and Vapour Barriers – Webinars <p><i>Builder Insight Bulletins and Videos:</i></p> <ul style="list-style-type: none"> • Alternate Methods to Mechanical Re-Piping in Multi-Unit Residential Buildings. Based on the results of a recent research study carried out in two BC Housing buildings. • Accounting for Pressure Losses in Oval Ducts and Fittings. This bulletin responds to builders' education needs -identified at the HVAC webinar delivered in collaboration with Canadian Home Builders' Association - BC and Thermal Environmental Comfort Association (TECA) - BC. <p>• Stakeholder and Government Relations</p> <p><i>Federal/Provincial/Territorial (FPT) Relations</i></p> <p>On June 27-28, F/P/T Ministers Responsible for Housing met in Victoria. The agenda for this meeting was based on decisions made at the May 2-3 meeting of F/P/T Deputy Ministers Responsible for Housing, where terms of reference for two new FPT Working Groups were drafted. (Strategic Working Group and the Technical Working Group).</p> <p>At the Ministers meeting, the terms of reference for both working groups were approved. Each working group will be co-led by CMHC and the P/T Chair (currently BC), and work plans will be developed by Senior Officials for Deputy Minister approval in the Fall.</p> <p>As well, F/P/T Ministers worked to achieve agreement on the federal government's approach to developing a National Housing Strategy, with consultations to be led by CMHC in each of the provinces and territories, with the exception of Québec.</p> <p>1) Conferences and Major Events</p> <p><i>Summary of BC Housing-Sponsored Conferences and Events (from April 1 – June 30, 2016)</i></p> <ul style="list-style-type: none"> • BC Non-Profit Housing Association (BCNPHA) - Regional Education, Networking & Tradeshow <ul style="list-style-type: none"> ○ Vancouver Island, Victoria, April 7, 2016 ○ Lower Mainland, Vancouver, May 26, 2016 ○ Northern, Prince George, June 16, 2016 				
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AGENDA

OHCS/BCH 1st 2016/17 Quarterly Meeting
September 06, 2016 2:00-3:00pm

<ul style="list-style-type: none"> • Coast Mental Health - 2016 Courage to Come Back Awards Gala, May 5, 2016 • Turning Point's 9th Annual - Making Recovery A Reality Gala, May 12, 2016 • The Kettle Society - Celebrate 40 Years of Making a Difference, June 7, 2016 • YWCA Metro Vancouver - Women of Distinction Awards, June 8, 2016 • Inclusion BC – IGNITE! Conference, Prince George, June 23-25, 2016 <p>2) Announcement Highlights</p> <p>The following provides a summary of major announcements pertaining to BC Housing programs, initiatives and projects in Q1.</p> <ul style="list-style-type: none"> • Province-wide – \$50 million to improve access to Aboriginal housing for Aboriginal individuals and families with low to moderate incomes. • Province-wide – The Government of Canada is investing an additional \$150 million over the next two years in addition to the \$63 million provided by the governments of Canada and British Columbia under the IAH agreement. • Kelowna – The Governments of Canada and B.C provided a combined investment of \$5 million for the purchase and renovations of the former Econo Lodge motel to provide 44 self-contained units. BC Housing will operate and own the property. • Kelowna – Official opening of Pleasantvale, a redeveloped development for families with low to moderate incomes. The project features 50 affordable housing units for seniors and 20 affordable townhomes. • Langford – Official opening on National Aboriginal Day (June 21) for Aboriginal families. 30 two-bedroom and six three-bedroom homes. M'akola Development Services and M'akola Housing Society will own and operate the building. • Prince George – Construction is underway at RiverBend Seniors Community, which will provide 66 supportive units as well as 106 market units in Prince George for seniors. The building will be operated and managed by Oncore Senior Society. • Squamish – Construction is underway on Centrepont, 32 affordable housing units for young families and singles. Sea to Sky Community Services Society will manage and operate the building. Combined investment of \$2.8 million for the project through the Canada-B.C. IAH agreement. BC Housing provided \$9.8 million in construction financing. • Vancouver – 26-unit Co:Here Housing Community is under construction for those who are homeless or at risk of homelessness. 			
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	<ul style="list-style-type: none"> • Victoria – Construction is underway at Cottage Grove, which will provide 45 safe and comfortable homes for at-risk individuals including seniors and help meet the need for affordable housing in the community. Will be operated and managed by the Victoria Cool Aid Society. • Victoria – The Housing First Initiative partnership agreement between the provincial government and the CRD will create new affordable housing projects for people in need throughout the region. The Province and CRD have each committed up to \$30 million. • Victoria – BC Housing will provide more than 140 additional housing units for people who are homeless through the purchase of the former Central Care Home for \$11.2 million. Victoria – BC Housing purchased the Super 8 hotel (51 units) located at 2915 Douglas Street for homeless in Victoria, for approximately \$6.5. <p>B.PERFORMANCE MEASUREMENT FRAMEWORK – see handout</p> <p>C.KEY PERFORMANCE INDICATORS - see handout</p>			
3.	<p>BCH Capital Plan Quarterly Updates</p> <p>The 2016/17 Annual Capital Plan projected a total capital spend of \$367.70 million in 2016/17. The capital spend forecast in the First Quarterly Update is \$420.23, which is an increase of \$52.53 million or 14.29%.</p> <p>The change in the capital spending forecast since the 2016/17 Annual Capital Plan is primarily due to:</p> <ul style="list-style-type: none"> • An increase in projected total capital spending for new development of \$43.70 million; and • An increase in projected total capital spending for maintenance and rehabilitation of \$8.84 million. <p>These increases are in part due to an injection of federal funding, resulting in additional project allocations totalling \$8.66 million.</p> <p>New development:</p> <p>The projected 13.46% increase in capital spending is primarily due to the addition of 25 new projects, leading to a combined increase of \$49.96 million in spending for CPI, multi-funded, PIAH, SIF projects. This increase was partially offset by a decrease of \$7.98 million in spending for IAH projects and Other Non- SHA projects that was pushed into the 2017/18 due to schedule delays.</p> <p>The net number of new development projects has decreased from 144 to 116. 25 projects were initiated 53 projects were completed. Five</p>	Shayne	Handout	Info

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	<p>projects achieved occupancy, producing 203 units of housing.</p> <p>Maintenance and rehabilitation:</p> <p>The projected 20.58% increase in capital spending is primarily due to an increase of \$5.88 million in spending for the SIF as several major capital projects have been initiated earlier than anticipated. Furthermore, \$6.11 million of Project Reserves within the SRO Renewal Initiative was diverted into BC Housing Project Management due to unanticipated construction issues re: rot and decay at project sites. This, along with other expected spending, has increased the BC Housing Project Management forecast to \$7.68 million.</p> <p>The net number of current maintenance and rehabilitation projects decreased from 277 to 221. 11 new projects were initiated and eight were completed. 59 projects were deferred or combined to ensure compliance with new funding program eligibility criteria and/or for more efficient project delivery.</p>			
4.	<p>PRHC Quarterly Reports</p> <p>There were 11 PRHC meetings held in Q4:</p> <p>April 06, 2016 April 13, 2016 April 20, 2016 April 27, 2016 May 11, 2016 May 18, 2016 May 25, 2016 June 01, 2016 June 15, 2016 June 22, 2016 June 29, 2016</p> <p>See handout</p>	Shayne	Handout	Info
5.	<p>Discussion Regarding Areas of Mutual Collaboration and Cooperation</p> <p>Non-profit Asset Transfer</p> <p>FPT Housing Forum co-chair</p> <p>Riverview</p> <p>Courthouse</p> <ul style="list-style-type: none"> Sent a survey out to participants of the weekly calls to get back feedback on the coordination process. HPB will be sitting down to interview key participants to reflect 	<p>Shayne</p> <p>Shayne</p> <p>Shayne</p> <p>Ginnie</p>	<p>Verbal</p> <p>Verbal</p> <p>Verbal</p> <p>Verbal</p>	<p>Info</p> <p>Info</p> <p>Info</p> <p>Info</p>

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	<p>on the courthouse coordination process and offer feedback.</p> <p>UBCM</p> <ul style="list-style-type: none"> • Convention scheduled for September 26 to 30 • Briefing notes for the Minister are in preparation • Two sessions at the convention have housing representation: <ul style="list-style-type: none"> ○ The morning of September 26th the Minister is tentatively providing opening remarks at the UBCM initiated session on tent cities. Greg and Dominic will both sit on the panel. ○ The afternoon of September 27th the Minister is tentatively providing opening remarks at the session on BCs input into the National Housing Strategy. Greg and Shayne to speak. <p>Federal/ Provincial/Territorial</p> <ul style="list-style-type: none"> • Expert roundtables taking place this week in Ottawa September 7-9. Carolyn and Roger attending as observers. • Series of Deputy Minister calls planned until October. • Deputy Minister and Minister meeting planned for October 31st/November 1st in Ottawa. • Session planned on September 13 and 14th in Vancouver to obtain expert advice on BC's input into the National Housing Strategy. Minister is tentatively providing opening remarks. <p>OAG Audit Update</p> <p>s.12</p> <p>Submission on Provincial Housing Affordability Initiatives</p> <ul style="list-style-type: none"> • Appreciate huge effort from Jenn Iten, Dan Maxwell and others • Meeting with Minister de Jong on September 6 • Communications preparations? <p>Supportive Housing Project</p> <p>s.12</p>	<p>Ginnie</p> <p>Ginnie</p> <p>Dan</p> <p>Ginnie</p> <p>Ginnie</p> <p>Ginnie</p>	<p>Verbal</p> <p>Verbal</p> <p>Verbal</p> <p>Verbal</p> <p>Verbal</p> <p>Verbal</p>	<p>Info</p> <p>Info</p> <p>Info</p> <p>Info</p> <p>Info</p> <p>Info</p>
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September 06, 2016 2:00-3:00pm

	<ul style="list-style-type: none"> We will provide an update at the next meeting. <p>Youth Transitioning Out of Care s.12</p> <ul style="list-style-type: none"> OHCS is working with BC housing on our response. Our response will look at prioritizing youth transitioning from care for housing, aligning current programs, improving our data management, conducting research on best practices to housing vulnerable youth, improving tenant information targeted to youth, and improving access to housing. <p>s.12</p> <p>Downtown Eastside SRO Collaborative?</p>	Ginnie	Verbal	Info
6.	<p>OHCS legislative and regulatory dashboard</p> <p>April: s.12</p> <p>May : None</p> <p>June: s.12</p>	Greg	Verbal	Info
7.	Taxpayer Accountability Principles	Shayne	Verbal	Info
8.	2017/18 Mandate Letter	Ginnie	Verbal	Info

BC HOUSING 2016/2017 CAPITAL REPORT – FIRST QUARTERLY UPDATE

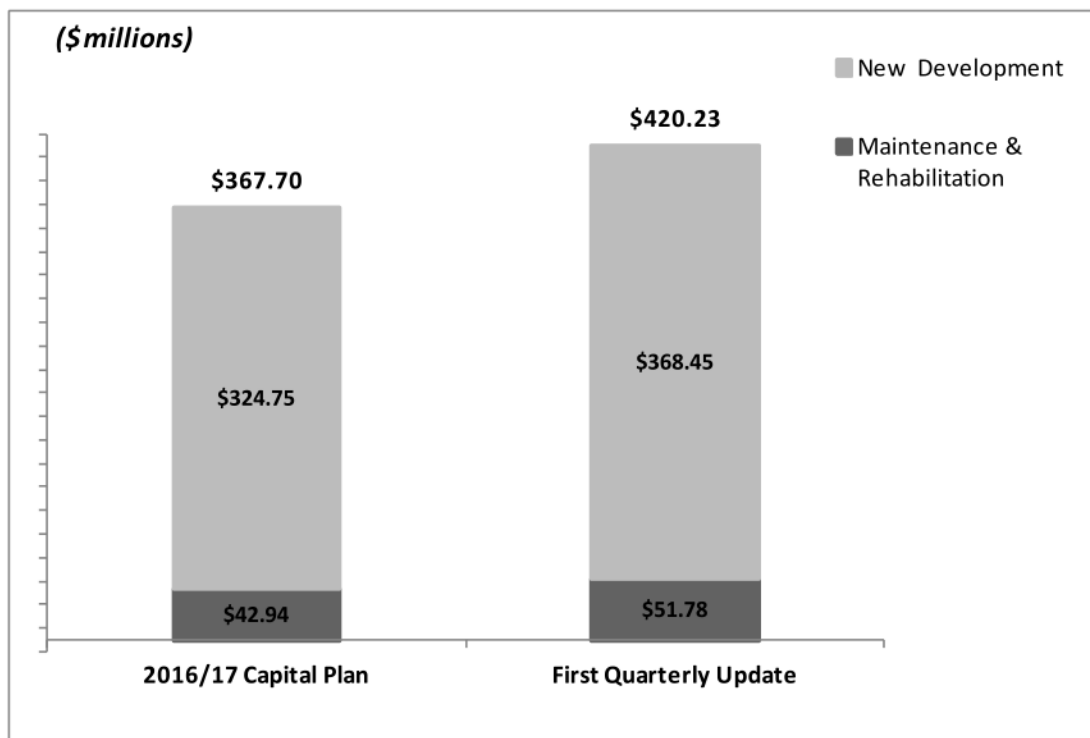
INTRODUCTION

BC Housing's 2016/2017 Capital Report – First Quarterly Update presents the actual capital spending in 2016/17 compared to the 2016/17 Annual Capital Plan. This includes capital spend on new development projects, and maintenance and rehabilitation of existing assets. Capital projects include projects where BC Housing is providing a cash (capital) contribution and projects where BC Housing is providing financing.

Overall Capital Spending

The 2016/17 Annual Capital Plan projected a total capital spend of \$367.70 million in 2016/17. The capital spend forecast in the First Quarterly Update is \$420.23, which is an increase of \$52.53 million or 14.29%.

Figure 1: Total Capital Spending for 2016/17 (\$ millions)¹



The change in the capital spending forecast since the 2016/17 Annual Capital Plan is primarily due to:

- An increase in projected total capital spending for new development of \$43.70 million; and
- An increase in projected total capital spending for maintenance and rehabilitation of \$8.84 million.

¹ Projects are included in capital spending projections once they have received preliminary approval by BC Housing Executive Committee and/or have been allocated program funding.

Capital Spending By Program Area

Table 1 provides a summary of the 2016/17 capital spend by program area.

Table 1: 2016/17 Spending by Program²

Program	2016/17 Capital Plan	First Quarterly Update	Change
(\$ millions)			
New Development			
Community Partnership Initiatives (CPI)	79.61	99.05	19.44
Group Homes	5.51	6.16	0.65
Investment in Affordable Housing (IAH)	12.97	9.75	(3.22)
Memoranda of Understanding With Local Government (MOU)	2.43	3.49	1.06
¹ Multi-funded	143.28	165.56	22.28
Other Non-Social Housing Agreements (SHA)	25.65	20.89	(4.76)
Provincial Homelessness Initiative (PHI)	0.25	0.25	0.00
Provincial Investment in Affordable Housing (PIAH)	52.05	57.51	5.46
Social Infrastructure Funding (SIF)	3.02	5.79	2.78
Subtotal:	324.75	368.45	43.70
Maintenance & Rehabilitation			
Capital Renovation Funding (CRF)	12.43	12.43	0.00
Housing Provider Capital Improvements (HPCI)	3.21	3.47	0.26
Investment in Affordable Housing (IAH)	1.93	1.93	-
Financing	0.98	0.95	(0.03)
Provincial Modernization and Improvements (M&I)	8.84	8.84	(0.00)
Social Housing Agreement Reserves (SHA Reserves)	2.78	3.28	0.50
Social Infrastructure Funding (SIF)	0.88	6.76	5.88
SRO Renewal Initiative (SRI):			-
– BC Housing Project Management	-	7.68	7.68
– P3 Contract	5.80	6.45	0.65
– Project Reserve	6.11	-	(6.11)
Subtotal:	42.94	51.78	8.84
TOTAL	367.70	420.23	52.53

¹ Multi-funded projects include those funded from a variety of funding sources including CPI / IAH, and CPI / IAH / Non-SHA

Forecasted spending has increased for both new development and maintenance and rehabilitation. This is in part due to an injection of federal funding, resulting in additional project allocations totalling \$8.66 million.

For new development, the projected capital spending in 2016/17 is \$43.70 million more than forecasted, a change of 13.46%. This change is primarily due to the addition of 25 new projects, leading to a combined increase of \$49.96 million in spending for Community Partnership Initiatives (CPI), multi-funded, Provincial Investment in Affordable Housing (PIAH), and Social Infrastructure Funding (SIF) projects. This increase was partially offset by a decrease of \$7.98 million in spending for Investment in

² Figures provided in this report are rounded to two decimal places and are therefore approximate.

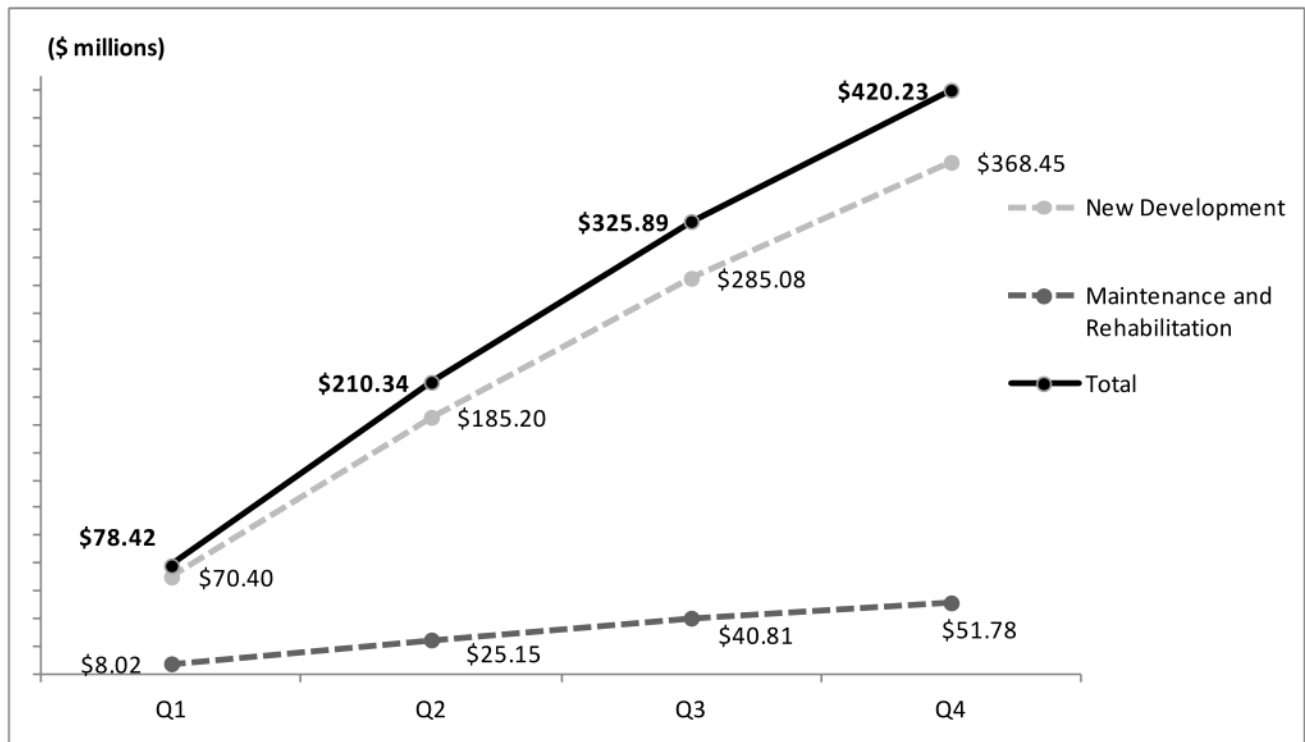
Affordable Housing (IAH) projects and Other Non-Social Housing Agreements (SHA) projects, where projects had pushed spending into the 2017/18 fiscal due to schedule delays.

For maintenance and rehabilitation, the projected capital spending in 2016/17 is \$8.84 million more than forecasted, a change of 20.58%. This change is primarily due to an increase of \$5.88 million in spending for the Social Infrastructure Fund as several major capital projects have been initiated earlier than anticipated, resulting in a significant increase in projected cash flow expenditures across the fiscal year. Furthermore, \$6.11 million of Project Reserves within the SRO Renewal Initiative was diverted into BC Housing Project Management due to pressures from unanticipated construction issues related to the amount of rot and decay found at project sites. This, along with other expected spend, has increased the BC Housing Project Management forecast to \$7.68 million.

Capital Spending by Quarter

Quarterly capital spending projections have been updated to reflect the foregoing changes, including the addition of new project commitments as they occurred. Figure 2 below provides a cumulative summary of the projected new development and maintenance and rehabilitation capital spending in 2016/17 by quarter.

Figure 2: 2016/17 Capital Spending by Quarter



2016/2017 Capital Report – First Quarterly Update

Table 2 compares the number of projects in each stage compared to the 2016/17 Annual Capital Plan. Overall, the total number of projects in Initiation/Design and Construction stages has decreased from 421 to 337.

The change in projects reflects new project initiation, project completion, and project cancellation:

- The net number of new development projects has decreased from 144 to 116. This reflects the initiation of 25 projects and the completion of 53 projects. During the first quarter, 5 projects had achieved occupancy, producing 203 units of housing across the province.
- The net number of current maintenance and rehabilitation projects has decreased from 277 to 221. This reflects the initiation of 11 new projects and the completion of 8 projects during the first quarter. In addition, 59 projects were deferred or combined with existing projects to ensure compliance with new funding program eligibility criteria and/or allow for more efficient project delivery.

Table 2: Capital Projects by Program, June 30, 2016

Program	Initiation/Design		Construction		Total	
	Capital Plan	Q1	Capital Plan	Q1	Capital Plan	Q1
New Development						
Accelerated Capital – Capital Call	-	-	2	-	2	-
Community Partnership Initiatives (CPI)	14	18	38	19	52	37
Group Homes	1	2	9	8	10	10
Investment in Affordable Housing (IAH)	1	-	6	3	7	3
Memoranda of Understanding With Local Government (MOU)	1	1	10	4	11	5
Multi-funded	4	2	24	24	28	26
Other Non-Social Housing Agreements (SHA)	8	9	15	15	23	24
Provincial Homelessness Initiative (PHI)	1	1	2	-	3	1
Provincial Investment in Affordable Housing (PIAH)	3	4	4	5	7	9
Redevelopment – Expired Social Housing	-	-	1	-	1	-
Seniors Rental Housing Initiative (SRHi) / Levered Units	-	-	-	-	-	-
Social Infrastructure Funding (SIF)	-	1	-	-	-	1
Sub-total:	33	38	111	78	144	116
Maintenance and Rehabilitation						
Capital Renovation Funding (CRF)	52	39	5	10	57	49
Housing Provider Capital Improvements (HPCI)	1	1	2	2	3	3
Investment in Affordable Housing (IAH)	4	4	2	2	6	6
Financing	1	1	-	-	1	1
Provincial M&I	40	38	9	12	49	50
Social Housing Agreement Reserves (SHA)	1	-	3	4	4	4
Social Infrastructure Funding (SIF)	149	100	-	-	149	100
SRO Renewal Initiative	-	-	8	8	8	8
Sub-total:	248	183	29	38	277	221
Total:	281	221	140	116	421	337

SIGNIFICANT CAPITAL PROJECTS

A summary of significant projects and projects with a total capital budget over \$25 million in the First Quarterly Update is provided in Table 3.

Table 3: Significant Capital Projects³

Project	Address	Completion Date	BC Housing Spend (\$ millions)			Project Financing (\$ millions)							Total Capital Costs
			Costs to Jun 30, 2016	Costs to Complete	Total	Interim Construction	Take Out Financing	Internal/ Province	Federal	Municipal	Society	Other	
127 Society for Housing	1077-1099 Richards Street, Vancouver	Jul 2016	36.6	2.4	39.0	39.0	39.0	-	-	-	-	-	39.0
Atira Women's Resource Society	33-41 East Hastings Street, Vancouver	Jul 2017	7.1	1.7	8.8	8.8	-	-	-	1.2	1.8	20.2	32.1
BC Housing	14th Avenue & 15th Street, Burnaby	Aug 2018	0.0	33.9	33.9	25.1	25.1	-	-	-	-	8.8	33.9
BC Housing	2915 Douglas Street, Victoria	Sep 2016	0.2	6.3	6.5	6.5	-	-	-	-	-	-	6.5
Community Housing Land Trust	Multiple Sites, Vancouver	Mar 2018	14.7	80.0	94.8	90.3	68.2	0.5	4.0	24.7	-	-	119.4
George Derby Care Society	7550 Cumberland Street, Burnaby	Apr 2017	9.3	22.0	31.2	29.3	25.8	2.0	-	1.0	3.5	-	35.8
Immigrant Services Society of BC	2610 Victoria Drive, Vancouver	Completed May 2016	7.0	2.5	9.5	7.5	8.5	1.0	1.0	1.8	-	0.0	11.3
Nanaimo Travellers Lodge Society	1917 Northfield Road, Nanaimo	Apr 2017	14.9	16.8	31.7	31.7	26.2	-	-	-	-	-	31.7
Pacifica Housing Advisory Association	105 Wilson Street, Victoria	Dec 2016	14.4	5.9	20.2	18.7	17.6	-	1.5	1.3	1.1	0.0	22.6
PRHC / Wall Financial Partnership	292 East Hastings Street, Vancouver	Sep 2017	7.0	32.6	39.5	39.5	-	-	-	-	-	-	39.5
Richmond Kiwanis Senior Citizens Housing Society	6251 Minoru Boulevard, Richmond	Completed Feb 2015	9.0	0.1	9.1	9.1	16.3	-	-	20.9	22.5	-	52.5
Royal Canadian Legion, The Strand	2513 Clarke Street, Port Moody	Apr 2017	0.0	23.2	23.2	23.2	23.2	-	-	-	-	5.7	29.0
Societie du Foyer Maillard	1010 Alderson Avenue, Coquitlam	Completed Jun 2016	22.4	2.5	25.0	25.0	25.0	-	-	-	4.1	-	29.1
Turning Point Housing Society	8111 Granville Avenue, Richmond	Jul 2017	11.2	22.4	33.6	30.6	8.4	-	3.0	9.0	-	1.8	44.4
Single Room Occupancy Rehabilitation Initiative	Downtown Eastside, Vancouver												
– BC Housing Project Management		Aug 2016	20.4	5.5	25.9	-	-	23.9	2.0	-	-	-	25.9
– P3 Contract		Aug 2016	116.3	3.5	119.8	-	-	92.7	27.1	-	-	-	119.8
– Project Reserve				-	0.0			0.0					0.0
TOTAL			290.5	261.2	551.7	384.2	283.3	120.1	38.6	59.8	33.1	36.7	672.5

³ Figures provided in this table are rounded to one decimal place and therefore approximate.

AGENDA
OHCS/BCH 1st 2016/17 Quarterly Meeting
September 06, 2016 2:00-3:00pm

#	Item	Lead	Material	Info/ Dec
1.	OHCS Quarterly Reports	Greg	Verbal	Info
2.	BCH CEO Quarterly Reports	Shayne	Handout	Info
3.	BCH Capital Plan Quarterly Updates	Shayne	Handout	Info
4.	PRHC Quarterly Reports	Shayne	Handout	Info
5.	Discussion Regarding Areas of Mutual Collaboration and Cooperation <ul style="list-style-type: none"> • Non-profit Asset Transfer • FPT Housing Forum co-chair • Riverview • Court House • UBCM • Federal/ Provincial/Territorial • OAG Audit Update • BC Housing Regulation • Submission on Provincial Housing Affordability Initiatives 	Shayne Shayne Shayne Ginnie Ginnie Ginnie Dan Ginnie Ginnie	Verbal Verbal Verbal Verbal Verbal Verbal Verbal Verbal Verbal	Info Info Info Info Info Info Info Info Info
6.	OHCS legislative and regulatory dashboard	Greg	Verbal	Info
7.	Taxpayer Accountability Principles	Shayne	Verbal	Info
8.	2017/18 Mandate Letter	Ginnie	Verbal	Info

AGENDA
OHCS/BCH Q2 2016/17 Quarterly Meeting
December 08, 2016 9:00-10:00am

#	Item	Lead	Material	Info/ Dec	Outcome
1.	<p>OHCS Quarterly Reports</p> <p>DMCST and ADMCST</p> <ul style="list-style-type: none"> Developing provincial social policy framework led by DM Wanamaker Initially gathering information from Ministries: <ul style="list-style-type: none"> Ministry Vision/Mandate Statement/Priority Planning/Budget; Most significant case load/expense growth areas; Demographic Profile of Caseload; Key Current Ministry-wide Indicators of Success Top Emerging Trends related to these Indicators Top priority Policy Initiatives (<i>current and future</i>) Key Ministry-wide stakeholder engagement processes <p>DMCMH s.12</p> <ul style="list-style-type: none"> No date set for strategy launch <p>Corporate Strategy – Where Ideas Work</p> <ul style="list-style-type: none"> Where Ideas Work – combination of ‘Being the Best’ and ‘Citizens at the Centre’ Two primary themes: integrity and innovation Three goals: building our internal capacity, improving our competitiveness, enhancing service to our citizens Shift to: all hiring open to external; mobile first approach to workplace mobility; introducing elder care and parental advisors to the public service; Focus on succession management, inclusiveness Establish a center for data innovation <p>Licensing and Consumer Services (LCS)</p> <ul style="list-style-type: none"> Builder Exam/Owner Licensing <p>Regulatory Amendments s.12 s.12</p> <p>Housing Special Account</p> <ul style="list-style-type: none"> Progress Report – Dec 15 Investment in Housing Innovation (IHI) extension 	Greg	Verbal	Info	Discussed

AGENDA

OHCS/BCH Q2 2016/17 Quarterly Meeting
December 08, 2016 9:00-10:00am

2.	<p>BCH CEO Quarterly Reports</p> <p>A. UPDATES, INITIATIVES AND HIGHLIGHTS</p> <p>1) New Initiatives and Updates</p> <p><i>B.C. makes largest housing investment ever in province's history</i> In September 2016, the Government of B.C. is committing \$500 million to ensure more British Columbian have access to affordable rental housing, the largest housing investment in a single year by any province in Canada. A total of 2,900 rental units will be created, in partnership with non-profit societies, local governments, government agencies, community organizations and the private sector. This is in addition to \$355 million announced earlier this year in February to create 2,000 additional new units of affordable rental housing throughout B.C., bringing the Province's total investment announced this year to \$855 million.</p> <p><i>Province invests \$45 million for new housing projects in Greater Victoria</i> Individuals, seniors and families in need of affordable rental housing in the Greater Victoria region will soon have access to more than 500 new units of affordable housing. Following the September 2016 announcement of a \$500-million investment in affordable rental housing, the British Columbia government has announced details of eight new provincially-funded housing projects in the region, totalling 510 units. The Province has committed more than \$45 million in capital funding toward the projects.</p> <p><i>Provincial Investment Affordable Housing (PIAH) - Aboriginal Expression of Interest</i> BC Housing issued a call for Expressions of Interest (EOI) to Aboriginal housing providers and municipalities partnering with Aboriginal housing providers interested in creating new affordable rental housing units for low to moderate income Aboriginal households living off-reserve. The called ended in September 2016 and successful proponents will be notified in the near future.</p> <p><i>Extreme weather response shelters open</i> BC Housing is providing approximately \$1.6 million this</p>	Shayne	Handout	Info	Discussed
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AGENDA

OHCS/BCH Q2 2016/17 Quarterly Meeting
December 08, 2016 9:00-10:00am

<p>winter through the Extreme Weather Response (EWR) program to fund nearly 1,000 extreme weather shelter spaces to ensure those who are homeless or at risk of homelessness. The additional spaces will be available in nearly 75 communities from November 1, 2016 until March 31, 2017, when a community issues an extreme weather alert. Communities decide what weather conditions warrant an alert and how many spaces to activate on a given night, depending on the capacity of existing shelters and the estimated need.</p> <p><i>Tent City Victoria update</i> The Victoria tent city situation ended in August 2016 with the support of the community and more than 300 people have been housed since tent city emerged last fall. PHS Community Services Society has been selected as the non-profit housing society to operate the former Super 8 hotel at 2915 Douglas Street, which will soon provide safe and secure housing for people who are homeless or at risk of homelessness in Victoria. The Province is investing approximately \$6.5 million to buy and convert the 51-unit building into supportive housing.</p> <p><i>Riverview update</i> BC Housing continues to work with the City, Kwikwetlem First Nation and community stakeholders throughout the Land Use Planning process. A Riverview Planning Process (RPP) document, outlining the workplan for stakeholder engagement and technical studies as components of the Master Planning phase, was presented to City of Coquitlam Council in Committee in October 2016. BC Housing's first Community Information Session under the Master Planning phase is scheduled for early 2017.</p> <p>Research and Education <i>Social Research Initiatives</i></p> <ul style="list-style-type: none"> • Research on the Social Return on Investment for housing developments funded through the Community Partnership Initiative (CPI) was completed and released in October 2016. • Research currently underway: Annual tenant survey, Licensed Residential Builder survey, Vulnerability Assessment Tool (VAT) Evaluation, Key Factors Affecting Home Prices in B.C., and Supportive Housing Outcomes Research Report 				
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AGENDA

OHCS/BCH Q2 2016/17 Quarterly Meeting
December 08, 2016 9:00-10:00am

<p><i>Residential Construction - Industry and Consumer Initiatives</i></p> <ul style="list-style-type: none"> • A new Maintenance Matters bulletin was released during the second quarter on the topic of Understanding the Maintenance and Renewal of Parking Garages • Local Energy Efficiency Partnerships – working together with Natural Resources Canada, BC Hydro, FortisBC, Canadian Home Builders' Association, and the City of Vancouver to engages builders and industry stakeholders to work together to remove barriers and cost-effectively improve energy efficiency of new residential construction beyond code requirements. • Performance Evaluation of Drainage Components and Sheathing Membranes - In collaboration with NRC, Air Barrier Association America and other industry stakeholders, conducted a study to monitor in-service performance of BC specific rainscreen wall assemblies. • Building Envelope Retrofit for Improved Durability and Energy Performance - The project looks at insulation, cladding and roofing retrofits. • Sound Transmission of Wood-Frame Wall Assemblies - This research will obtain acoustical data on the sound transmission loss of wood-frame wall types and facades currently recommended by professionals in BC. • Study of Low-Slope Vented Wood-Frame Roof Performance - This study will identify main wetting mechanisms, potential for mould growth and air leakage compared to conventional roofs. • Guide for On-site Moisture Management of Wood Construction was completed during the quarter <p>2) Stakeholder and Government Relations</p> <p><i>Federal/Provincial/Territorial/FPT Relations</i></p> <p>Federal, provincial and territorial ministers responsible for housing met in early November to advance the development of a National Housing Strategy for Canada. The primacy of provinces and territories' role in housing was central to the ministers' discussion. At the meeting, all jurisdictions agreed to a common vision for housing in Canada: "Canadians have housing that meets their needs and they can afford. Housing is a cornerstone of sustainable, healthy and inclusive communities and a strong Canadian economy where we can prosper and thrive."</p>				
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AGENDA

OHCS/BCH Q2 2016/17 Quarterly Meeting
December 08, 2016 9:00-10:00am

<p>Over the summer and fall, the federal government collected feedback from P/T governments, other stakeholders and the public through various means, including CMHC's Let's Talk Housing website which allowed the public opportunity to indicate their housing priorities and other comments through a survey.</p> <p>To inform BC's submission to the National Housing Strategy, the provincial government hosted a full day stakeholder consultation event on September 14 and also held a panel discussion at the annual Union of BC Municipalities conference on September 27. Events were designed to ensure that that Housing Matters BC remains current and reflects the needs of changing demographics, and that BC's submission is inclusive of the views of our housing partners. BC's submission highlighted the several priorities for consideration in the National Housing Strategy, including investing in long-term initiatives and aligning the National Housing Strategy with existing and desired related national strategies.</p> <p>The outcomes of a National Housing Strategy and the details of a federal, provincial, and territorial partnership will be established through a multi-lateral framework to be developed in 2017. The results of what was heard through the Lets Talk Housing survey and other submissions will be released on National Housing Day, November 22, 2016. A National Housing Strategy framework will be made public in 2017. Potential new funding is expected to become available under this multi-lateral framework in 2018.</p> <p>Conferences and Major Events</p> <p><i>Summary of BC Housing-Sponsored Conferences and Events (from July 1 – September 30, 2016)</i></p> <ul style="list-style-type: none"> • McLaren Housing Sparkle Fundraiser, Vancouver, July 27, 2016 • Dr. Peter AIDS Foundation, Passions Fundraiser, Vancouver, September 7, 2016 • BC Consultation on the National Housing Strategy, Vancouver, September 13-14, 2016 • BC Building Envelope Council (BCBEC) Conference, Vancouver, September 14, 2016 • 2016 Progressive Aboriginal Relations Vancouver 				
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AGENDA

OHCS/BCH Q2 2016/17 Quarterly Meeting
December 08, 2016 9:00-10:00am

<p>Luncheon, September 22, 2016</p> <ul style="list-style-type: none"> • Canadian Council for Aboriginal Business (CCAB) Vancouver Gala, Vancouver, September 24, 2016 • Building Smart with Radon Mitigation – in-person seminar and online webinar, October 18, 2016 <p>3) Community Announcement Highlights</p> <p>The following provides a summary of community announcements pertaining to BC Housing programs, initiatives and projects in Q2.</p> <ul style="list-style-type: none"> • Chilliwack – The Government of B.C. is investing \$220,000 to expand Chilliwack’s temporary winter shelter, increasing the number of shelter beds in the city. The Province will also provide additional rent supplements to the community to assist those who are homeless, or at risk, with finding affordable housing. • Grand Forks – The Province is replacing six transition house beds to ensure at-risk women and their children fleeing abuse will continue to have a safe and supportive place to live during difficult times. The lease for Boundary Women’s Transition House is set to expire in 2019. In preparation for the end of their lease, the Province has committed \$1 million for the new transition house and has purchased a plot of vacant land in Grand Forks for the development of the six new beds. • McBride – The Province is providing \$970,000 for renovations and upgrades for 19 self-contained affordable units for independent seniors at Beaverview Lodge. The building also includes common areas and an outdoor patio. Located at 1084 5th Avenue, the building is owned by the Province and operated by BC Housing. • Penticton – The former Bel Air motel was purchased and will be renovated to provide 42 self-contained units for people risk of homelessness. The Governments of Canada and B.C provided a combined investment of \$3.2 million for the purchase and renovations of the motel. BC Housing will operate and own the property. The property will be renamed to Fairhaven. • Vernon – Official opening of Tanner Terrace, a 10-unit townhouse complex development for seniors and Aboriginal people, including those with disabilities. It will be operated by Vernon Native Housing Society and located at 3304 Alexis Park Drive. 				
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AGENDA

OHCS/BCH Q2 2016/17 Quarterly Meeting
December 08, 2016 9:00-10:00am

	<p>B.PERFORMANCE MEASUREMENT FRAMEWORK – see handout</p> <p>C.KEY PERFORMANCE INDICATORS - see handout</p>				
3.	<p>BCH Capital Plan Quarterly Updates</p> <p>The 2016/17 Annual Capital Plan projected a total capital spend of \$367.70 million in 2016/17. For the First Quarterly Update, the total capital spend was revised to \$420.23 million. The capital spend forecast in the Second Quarterly Update is \$383.21 million, which is a decrease of \$37.02 million or 8.8% from the First Quarterly Update. Despite this decrease, the overall capital spend forecast is still within 4.21% of the expected spend from the original target set in the Annual Capital Plan.</p> <p>The change in the spending forecast since the First Quarterly Update consists of:</p> <ul style="list-style-type: none"> • A decrease in projected total capital spending for new development of \$34.34 million; and • A decrease in projected total capital spending for maintenance and rehabilitation of \$2.68 million. <p>Forecasted spending has decreased for both new development and maintenance and rehabilitation.</p> <p>For new development, the projected capital spending in 2016/17 is \$34.34 million less than forecasted, a change of - 9.32%. This change was primarily due to Investment in Affordable Housing (IAH) and Provincial Investment in Affordable Housing (PIAH) projects pushing \$14.41 million of spending into the 2017/18 fiscal due to schedule delays. Further, 7 projects reached completion, repaid BC Housing grants, or funds were reallocated to other projects, leading to the combined decrease of \$25.65 million of spending for Community Partnership Initiatives (CPI) and multi-funded projects.</p> <p>The decrease was partially offset by an increase of \$5.71 million for Group Homes, Memoranda of Understanding (MOU), Other Non-Social Housing Agreements (Non-SHA), and Social Infrastructure Funding (SIF) projects.</p> <p>The number of new development projects is expected to increase significantly in order to meet the new branch deliverable of bringing forth 2,900 additional units through</p>	Shayne	Handout	Info	Discussed

AGENDA

OHCS/BCH Q2 2016/17 Quarterly Meeting
December 08, 2016 9:00-10:00am

	<p>Provisional Approval. These projects must be submitted prior to fiscal year end to qualify for Investment in Housing Innovation funding and ensure disbursement in the 2017/18 fiscal. It is expected these projects will increase overall forecasted capital spending in the Fourth Quarter and the forecasts for the upcoming years.</p> <p>For maintenance and rehabilitation, the projected capital spending in 2016/17 is \$2.68 million less than forecasted, a change of 5.17%. This change is primarily due to tender delays resulting in a combined decrease of \$2.16 million in spending for Investment in Affordable Housing (IAH), Social Infrastructure Funding (SIF) and Social Housing Agreement Reserves (SHA Reserves). Spending has been pushed into the 2017/2018 fiscal.</p> <p>See handout</p>				
4.	<p>PRHC Quarterly Reports</p> <p>There were 10 PRHC meetings held in Q2 (July 1 – September 30, 2016)</p> <p>July 6, 2016 July 13, 2016 July 20, 2016 July 27, 2016 August 10, 2016 August 17, 2016 August 31, 2016 September 7, 2016 September 21, 2016 September 28, 2016</p> <p>See handout</p>	Shayne	Handout	Info	Discussed
5.	<p>Discussion Regarding Areas of Mutual Collaboration and Cooperation</p> <p>Non-Profit Asset Transfer</p> <p>FPT Housing Forum Timelines</p> <ul style="list-style-type: none"> The draft National Housing Strategy framework, agreed to by FPT Ministers on at November 1, targets a new multilateral agreement for fall 2017. 	Shayne Greg	Verbal Verbal	Info Info	Discussed

AGENDA

OHCS/BCH Q2 2016/17 Quarterly Meeting
December 08, 2016 9:00-10:00am

	<ul style="list-style-type: none"> ○ BC continues to engage with CMHC to determine timelines, next steps and approaches for a multilateral framework. • Work in progress <ul style="list-style-type: none"> ○ As co-chair of the housing forum, BC is engaging PTs at the SO level on an approach to developing and key elements of a draft multilateral framework. • Where we're going <ul style="list-style-type: none"> ○ Over the next few months PT SOs will continue regular meetings with an aim to developing common positions on a multilateral agreement. 				
	Riverview	Shayne	Verbal	Info	
	Student Housing	Shayne	Verbal	Info	
	OAG Audit Update <ul style="list-style-type: none"> • Draft received week of Dec 5th • Comments to be submitted by January 3rd • Final draft anticipated mid to late January • Public release anticipated in March 	Greg	Verbal	Info	
	Societies Act (Unaltered clauses) <ul style="list-style-type: none"> • Under the new Societies Act, non-profits have until November 2018 to file their current unalterable clauses with the Corporate Registry. • The typical unalterable clauses require assets to be transferred to another society upon dissolution, and prohibit remuneration to board members. • John Bell let us know that a few non-profits are interested in altering those clauses. • Once they have filed the clauses, the societies may alter them with the Minister's approval. • HPB and BC Housing are working on a business process to approve amendment requests. 	Greg	Verbal	Info	
s.12		Greg	Verbal	Info	

AGENDA

OHCS/BCH Q2 2016/17 Quarterly Meeting
December 08, 2016 9:00-10:00am

	<p>LCS and ICAC</p> <ul style="list-style-type: none"> Consumer and Local Government participation <p>Collaboration between BSSB & BC Housing</p> <ul style="list-style-type: none"> BSSB would like to increase liaison with BC Housing regarding research, education, and training. BSSB has met with Karen Hemmingson over the past few months collaborating on the radon seminars and UBC Tall Wood. Increased collaboration will benefit both BSSB and BCH. <p>Reconstruction Loan Levy</p> <ul style="list-style-type: none"> Hope to connect soon with Dan Maxwell to discuss. Meeting on Nov 8 was cancelled. 	Shayne	Verbal	Info	
		Greg	Verbal	Info	
		Greg	Verbal	Info	
6.	<p>OHCS legislative and regulatory dashboard</p> <p>July: s.12</p> <p>August: None</p> <p>September: s.12</p>	Greg	Verbal	Info	Discussed
7.	Taxpayer Accountability Principles	Shayne	Verbal	Info	
8.	<p>2017/18 Mandate Letter</p> <ul style="list-style-type: none"> Cabinet requested additional changes <p>2016/17 Supplemental Letter of Direction</p>	Greg	Verbal	Info	

AGENDA

OHCS/BCH Q2 2016/17 Quarterly Meeting
December 08, 2016 9:00-10:00am

#	Item	Lead	Material	Info/ Dec
1.	OHCS Quarterly Reports <ul style="list-style-type: none"> DMCST and ADMCST DMCMH Corporate Strategy – Where Ideas Work Licensing and Consumer Services (LCS) Regulatory Amendments s.12 Housing Special Account 	Greg	Verbal	Info
2.	BCH CEO Quarterly Reports	Shayne	Handout	Info
3.	BCH Capital Plan Quarterly Updates	Shayne	Handout	Info
4.	PRHC Quarterly Reports	Shayne	Handout	Info
5.	Discussion Regarding Areas of Mutual Collaboration and Cooperation <ul style="list-style-type: none"> Non-profit Asset Transfer FPT Housing Forum Riverview Student Housing OAG Audit Update Societies Act (Unaltered clauses) Homeowner Protection Act Regulation LCS and ICAC Collaboration between BSSB & BC Housing Reconstruction Loan Levy 	Shayne Greg Shayne Shayne Greg Greg Greg Shayne Greg Greg	Verbal Verbal Verbal Verbal Verbal Verbal Verbal Verbal Verbal Verbal	Info Info Info Info Info Info Info Info Info Info
6.	OHCS legislative and regulatory dashboard	Greg	Verbal	Info
7.	Taxpayer Accountability Principles	Shayne	Verbal	Info
8.	2017/18 Mandate Letter	Greg	Verbal	Info

To: Honourable Rich Coleman
Minister of Natural Gas Development and
Minister Responsible for Housing and Deputy Premier

Re: Investment in Housing Innovation – Status Update

Enclosed for your consideration is a status update for the \$500 million Investment in Housing Innovation for the Chair of Treasury Board.

The status update outlines the progress of the projects funded under this initiative, confirmation of the amounts to be expensed by the end of 2016/17, and other performance measures including the number of units, project category, and project stage.

Should you approve, please sign the Investment in Housing Innovation – Status Update.

If you require further information, please contact my office and a briefing can be arranged.

Dave Nikolejsin
Deputy Minister

Enclosures

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Withheld pursuant to/removed as

s.12