

**METRO VANCOUVER HOUSING CORPORATION (MVHC)
BOARD OF DIRECTORS**

REGULAR BOARD MEETING

Friday, May 27, 2022

9:15 A.M.

Meeting conducted electronically pursuant to the Procedure Bylaw
28th Floor Boardroom, 4515 Central Boulevard, Burnaby, British Columbia
Webstream available at <http://www.metrovancover.org>

Membership and Votes

A G E N D A¹

A. ADOPTION OF THE AGENDA

1. May 27, 2022 Regular Meeting Agenda

That the MVHC Board adopt the agenda for its regular meeting scheduled for May 27, 2022 as circulated.

B. ADOPTION OF THE MINUTES

1. April 29, 2022 Regular Meeting Minutes

That the MVHC Board adopt the minutes for its regular meeting held April 29, 2022 as circulated.

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C. DELEGATIONS

D. INVITED PRESENTATIONS

E. CONSENT AGENDA

Note: Directors may adopt in one motion all recommendations appearing on the Consent Agenda or, prior to the vote, request an item be removed from the Consent Agenda for debate or discussion, voting in opposition to a recommendation, or declaring a conflict of interest with an item.

¹ Note: Recommendation is shown under each item, where applicable. All Directors vote unless otherwise noted.

1. HOUSING COMMITTEE REPORTS

1.1 Construction Cost Escalation Since 2020

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That the MVHC Board receive for information the report dated April 25, 2022, titled "Construction Cost Escalation Since 2020".

2. CHIEF ADMINISTRATIVE OFFICER REPORTS

2.1 Change of Address for MVHC Registered Office

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That the MVHC Board authorize the change of the mailing address and delivery address of the corporation's registered office to c/o Metro Vancouver Regional District, 4515 Central Boulevard, Burnaby, BC, V5H 0C6, and authorize the Corporate Officer to undertake all necessary actions to complete the foregoing address change.

F. ITEMS REMOVED FROM THE CONSENT AGENDA

G. REPORTS NOT INCLUDED IN CONSENT AGENDA

H. MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

I. OTHER BUSINESS

1. MVHC Board Committee Information Items and Delegation Summaries

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J. BUSINESS ARISING FROM DELEGATIONS

K. RESOLUTION TO CLOSE MEETING

Note: The Board must state by resolution the basis under section 90 of the Community Charter on which the meeting is being closed. If a member wishes to add an item, the basis must be included below.

That the MVHC Board close its regular meeting scheduled for May 27, 2022 pursuant to the *Community Charter* provisions, Section 90 (1) (e) as follows:

"90 (1) A part of a board meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

- (e) the acquisition, disposition or expropriation of land or improvements, if the board or committee considers that disclosure could reasonably be expected to harm the interests of the regional district."

L. RISE AND REPORT (Items Released from Closed Meeting)

M. ADJOURNMENT/CONCLUSION

That the MVHC Board adjourn/conclude its regular meeting of May 27, 2022.

**METRO VANCOUVER HOUSING CORPORATION
BOARD OF DIRECTORS**

Minutes of the Regular Meeting of the Metro Vancouver Housing Corporation (MVHC) Board of Directors held at 10:51 a.m. on Friday, April 29, 2022 in the 28th Floor Boardroom, 4515 Central Boulevard, Burnaby, British Columbia.

MEMBERS PRESENT:

Burnaby, Chair, Director Sav Dhaliwal
 North Vancouver City, Vice Chair Director
 Linda Buchanan*
 Anmore, Director John McEwen*
 Belcarra, Director Jamie Ross*
 Bowen Island, Director David Hocking
 Burnaby, Director Pietro Calendino*
 Burnaby, Director Mike Hurley*
 Coquitlam, Director Craig Hodge*
 Coquitlam, Director Richard Stewart*
 Delta, Director Jeannie Kanakos*
 Delta, Alternate Director Dylan Kruger* for
 George Harvie
 Electoral Area A, Director Jen McCutcheon*
 Langley City, Director Gayle Martin*
 Langley Township, Director Jack Froese*
 Langley Township, Director Kim Richter*
 Lions Bay, Director Ron McLaughlin*
 Maple Ridge, Director Mike Morden*
 New Westminster, Director Jonathan Coté*
 North Vancouver District, Director Lisa Muri*

Pitt Meadows, Director Bill Dingwall*
 Port Coquitlam, Director Brad West*
 Port Moody, Director Rob Vagramov*
 Richmond, Director Malcolm Brodie*
 Richmond, Director Harold Steves*
 Surrey, Director Linda Annis*
 Surrey, Director Doug Elford*
 Surrey, Director Laurie Guerra*
 Surrey, Director Doug McCallum*
 Surrey, Director Allison Patton*
 Tsawwassen, Director Ken Baird*
 Vancouver, Director Christine Boyle*
 Vancouver, Director Adriane Carr
 Vancouver, Director Melissa De Genova*
 Vancouver, Director Lisa Dominato*
 Vancouver, Alternate Director Pete Fry* for
 Kennedy Stewart
 Vancouver, Director Colleen Hardwick*
 Vancouver, Director Michael Wiebe
 West Vancouver, Director Mary-Ann Booth*
 White Rock, Director Darryl Walker*

MEMBERS ABSENT:

Surrey, Director Mandeep Nagra

STAFF PRESENT:

Jerry W. Dobrovolny, Chief Administrative Officer
 Amelia White, Legislative Services Supervisor, Board and Information Services
 Chris Plagnol, Corporate Officer

*denotes electronic meeting participation as authorized by Section 3.6.2 of the *Procedure Bylaw*

A. ADOPTION OF THE AGENDA

1. April 29, 2022 Regular Meeting Agenda

It was MOVED and SECONDED

That the MVHC Board adopt the agenda for its regular meeting scheduled for April 29, 2022 as circulated.

CARRIED

B. ADOPTION OF THE MINUTES

1. March 25, 2022 Regular Meeting Minutes

It was MOVED and SECONDED

That the MVHC Board adopt the minutes for its regular meeting held March 25, 2022 as circulated.

CARRIED

2. April 14, 2022 Regular Joint Meeting Minutes

It was MOVED and SECONDED

That the MVHC Board adopt the minutes for its regular joint meeting of the MVRD, MVHC, GVWD and the GVS&DD Board of Directors held April 14, 2022 as circulated.

CARRIED

C. DELEGATIONS

No items presented.

D. INVITED PRESENTATIONS

No items presented.

E. CONSENT AGENDA

It was MOVED and SECONDED

That the MVHC Board adopt the recommendations presented in the following items as presented in the April 29, 2022 MVHC Board Consent Agenda:

- 1.1 Audited 2021 Financial Statements
- 1.2 Asset Management and Long Term Financial Planning

CARRIED

The items and recommendations referred to above are as follows:

1.1 Audited 2021 Financial Statements

Report dated April 7, 2022, from Linda Sabatini, Acting Director, Financial Operations, Financial Services, seeking the MVHC Board's approval of the Audited 2021 Financial Statements for the Metro Vancouver Housing Corporation.

Recommendation

That the MVHC Board approve the Audited 2021 Financial Statements for the Metro Vancouver Housing Corporation.

Adopted on Consent

2.1 Asset Management and Long Term Financial Planning

Report dated April 19, 2022, from Cheryl Nelms, General Manager, Project Delivery, and Dean Rear, Chief Financial Officer, Financial Services, providing the MVHC Board with an overview of the current asset management and financial planning practices.

Recommendation

That the MVHC Board direct staff to provide context for decision making by completing long-range plans for major capital projects including an asset inventory, asset condition assessment, and a proposed timeline of maintenance, repair, replacement, and funding requirements for these major projects and report back to the Board with this plan.

Adopted on Consent

F. ITEMS REMOVED FROM THE CONSENT AGENDA

No items presented.

G. REPORTS NOT INCLUDED IN CONSENT AGENDA

No items presented.

H. MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

No items presented.

I. OTHER BUSINESS

No items presented.

J. BUSINESS ARISING FROM DELEGATIONS

No items presented.

K. RESOLUTION TO CLOSE MEETING

No items presented.

L. RISE AND REPORT (Items Released from Closed Meeting)

No items presented.

M. ADJOURNMENT/CONCLUSION

It was MOVED and SECONDED

That the MVHC Board conclude its regular meeting of April 29, 2022.

CARRIED

(Time: 10:52 a.m.)

CERTIFIED CORRECT

Chris Plagnol, Corporate Officer

Sav Dhaliwal, Chair

52349651 FINAL

To: Housing Committee

From: Laurel Cowan, Program Manager, Housing Planning and Policy and
Jason Hingley, Director – Housing Planning, Development, and Finance,
Metro Vancouver Housing

Date: April 25, 2022 Meeting Date: May 19, 2022

Subject: **Construction Cost Escalation Since 2020**

RECOMMENDATION

That the MVHC Board receive for information the report dated April 25, 2022, titled “Construction Cost Escalation Since 2020”.

EXECUTIVE SUMMARY

Construction costs have seen unprecedented increases over the past two years, a trend that is significantly impacting the development of new housing and in particular, affordable rental housing. This report provides an overview of construction cost escalation trends since 2020, highlighting how the COVID pandemic and other global challenges have impacted supply chains, material and labour shortages, and increased market unpredictability. Metro Vancouver Housing will continue to assess projections for escalation rates moving forward and return to the Committee and Board to advise how this will impact housing development projects and budgeting.

PURPOSE

To inform the Housing Committee and MVHC Board about construction cost escalation impacts experience by Metro Vancouver Housing since 2020.

BACKGROUND

The *Metro Vancouver Housing 10-Year Plan* provides a vision for Metro Vancouver Housing (MVH) to expand its portfolio of affordable rental homes to support urgent need in the region. To deliver on this plan, MVH has committed \$100M to support new development and redevelopment over the next decade, and seeks to leverage federal and provincial funding support to deliver more projects and at deeper levels of affordability. However, unprecedented rates of construction cost escalation are significantly increasing the cost of development. This report provides an overview of cost escalation trends, and highlights specific changes over the past 2 years. Future reports to Committee and Board will further explore projected escalation rates moving forward and assess specific impacts to MVH development projects and budgets.

CONSTRUCTION COST ESCALATION

Construction costs have seen unprecedented increases over the past 2 years, a trend that is significantly impacting the development of affordable rental housing. MVH works with cost consultants and incorporates escalation and contingency costs into project budgets; however, the past 2 years have seen significant changes to industry standards.

MVH retained Hanscomb Quantity Surveyors to assess the situation over the past two years. The following outlines some key highlights:

- Over the past decade (before the start of the pandemic in 2020), BC has seen a steady increase of around 2.4-2.8% in construction escalation, driven by population growth and high immigration rates, which drove high demand for housing construction.
- Since January 2020, escalation rates across BC have averaged approximately 15% per year.
- The COVID pandemic had major global and local impacts including supply chain issues, material shortages, and labour shortages, which led to increases in both material costs and labour. Some of the factors include:
 - during the pandemic, many people took on home renovations, leading to a shortage of materials and increase in costs;
 - many others got sick, laid off, or changed jobs, leading to a shortage of labour;
 - shutdowns or impacts occurred across the supply chain, from extraction, to delivery of base materials, manufacturing, and transportation to construction sites; and
 - the shutdown of sawmills, combined with mild weather in BC, made it more difficult to harvest logs, driving the cost of lumber and other wood and softwood lumber. The most significant increases in material costs were lumber and plastics, followed by concrete, steel and fixtures (like doors and windows).
- Location also plays a factor. Construction costs are even higher in BC, and in particular the Lower Mainland due to higher housing costs which contribute to higher trade costs and shortages.
- Fuel prices increased dramatically, rising by 25-30% in the Lower Mainland over the past 2 years and hitting all-time highs. This impacts construction costs due to the transport of materials, as well as the manufacturing of energy-intensive materials such as steel, cement, brick, and glass.
- There are also a number of geopolitical challenges, such as the Russian invasion of Ukraine and China's Zero-COVID Strategy, that have impacted global markets and supply chains and will continue to have impacts moving forward.
- Starting in Spring of 2022, interest rates have also begun to rise significantly, with additional increases expected to come. This limits the construction industry's ability to borrow cash and is anticipated to impact project costs moving forward.

Next Steps

All of these challenges increase uncertainty and financial risk for housing's capital program. MVH will continue to assess projected construction cost escalation and report back to the Committee and Board with impacts to project budgets and long-term development planning and budgeting.

ALTERNATIVES

This is an information report. No alternatives are presented.

FINANCIAL IMPLICATIONS

A total of \$4,950 was allocated for consulting costs and included as part of the Board approved Housing Planning & Policy budget. Any implications of construction cost escalation that impact

existing MVH project budgets will be brought for Housing Committee and MVHC Board review and approval.

CONCLUSION

Construction costs have seen unprecedented increases over the past 2 years, a trend that is significantly impacting Metro Vancouver Housing's (MVH's) development of affordable rental housing. This report provides an overview of construction cost escalation trends, particularly how the COVID pandemic and other global challenges have impacted supply chains, material and labour shortages, and increased unpredictability. MVH will continue to assess projections for escalation rates moving forward and return to the Committee and Board to advise how this will impact specific housing development projects and long-term development planning and budgeting.

51189951

To: MVHC Board of Directors

From: Chris Plagnol, Corporate Officer

Date: May 12, 2022 Meeting Date: May 27, 2022

Subject: **Change of Address for MVHC Registered Office**

RECOMMENDATION

That the MVHC Board authorize the change of the mailing address and delivery address of the corporation's registered office to c/o Metro Vancouver Regional District, 4515 Central Boulevard, Burnaby, BC, V5H 0C6, and authorize the Corporate Officer to undertake all necessary actions to complete the foregoing address change.

EXECUTIVE SUMMARY

In fall 2021, Metro Vancouver changed its address to 4515 Central Boulevard in Burnaby. Pursuant to the *Business Corporations Act*, the MVHC directors must authorize this change in address, which must be kept up to date with the BC Registrar of Companies.

PURPOSE

To authorize a change of address for the Metro Vancouver Housing Corporation's registered office.

BACKGROUND

In the fall of 2021, the City of Burnaby approved Metro Vancouver's request to change the address of Metrotower III, from 4730 Kingsway to 4515 Central Boulevard, to better reflect the location of the building as being adjacent to Central Boulevard. With this change in address, section 35 of the *Business Corporations Act* requires the MVHC to file a Notice of Change of Address with the BC Registrar of Companies by way of directors' resolution.

This report seeks the directors' resolution for the address change which is public and must be kept up-to-date; if approved, notice will be filed with the registrar at BC Registry Services.

ALTERNATIVES

1. That the MVHC Board authorize the change of the mailing address and delivery address of the corporation's registered office to c/o Metro Vancouver Regional District, 4515 Central Boulevard, Burnaby, BC, V5H 0C6, and authorize the Corporate Officer to undertake all necessary actions to complete the foregoing address change.
2. That the MVHC Board receive for information the report dated May 12, 2022, titled "Change of Address for MVHC Registered Office".

FINANCIAL IMPLICATIONS

The cost to file the Notice of Address Change with the registry is minimal and included in the board approved budget for its annual filings.

CONCLUSION

In fall 2021, Metro Vancouver changed its address to 4515 Central Boulevard in Burnaby. Pursuant to the *Business Corporations Act*, the MVHC must authorize this change in address, which must be filed with the BC Registrar of Companies. On that basis, staff recommend alternative 1.

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COMMITTEE INFORMATION ITEMS AND DELEGATION SUMMARIES

Metro Vancouver Housing Corporation
Board Meeting Date – Friday, May 27, 2022

This information item, listing recent information received by committee, is provided for the MVHC Board's information. Please access a complete PDF package [here](#).

Housing Committee – May 19, 2022

Delegation Summaries:

No delegations presented

Information Items:

- 5.2 Status of Metro Vancouver Housing Corporation Capital Expenditures to December 31, 2021

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