

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

REGULAR BOARD MEETING

Friday, October 28, 2022

9:15 A.M.

**Meeting conducted in person pursuant to the Procedure Bylaw
28th Floor Boardroom, 4515 Central Boulevard, Burnaby, British Columbia**

Webstream available at <http://www.metrovanancouver.org>

[Membership and Votes](#)

A G E N D A¹

A. ADOPTION OF THE AGENDA

1. October 28, 2022 Regular Meeting Agenda

That the MVHC Board adopt the agenda for its regular meeting scheduled for October 28, 2022 as circulated.

B. ADOPTION OF THE MINUTES

1. July 29, 2022 Regular Meeting Minutes

That the MVHC Board adopt the minutes for its regular meeting held July 29, 2022 as circulated. *pg. 4*

2. October 19, 2022 Regular Joint Meeting Minutes

That the MVHC Board adopt the minutes for its regular joint meeting held October 19, 2022 as circulated. *pg. 9*

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 CMHC Contribution Agreement – Kelly Court Rehabilitation Project

pg. 13

That the MVHC Board authorize the execution and delivery of the contribution agreement as required by the Canada Mortgage and Housing Corporation (CMHC) for the purposes of receiving funding contribution of up to \$1,321,824 to support the Kelly Court Rehabilitation Project located at 2929 Nootka Street in the City of Vancouver.

F. ITEMS REMOVED FROM THE CONSENT AGENDA

G. REPORTS NOT INCLUDED IN CONSENT AGENDA

1. BUDGET REPORTS

1.1 MVHC Budget and 2023 to 2027 Financial Plan

pg.32

That the MVHC Board:

- a) approve the 2023 Annual Budget and endorse the 2023 - 2027 Financial Plan as shown in Attachment 1 of the report dated October 20, 2022, titled "MVHC 2023 Budget and 2023 - 2027 Financial Plan", in the following schedules:
 - Revenue and Expenditure Summary
 - Housing
 - Capital Portfolio – Housing
- b) approve the 2023 Reserve Applications as shown in Attachment 2 of the report dated October 20, 2022, titled "MVHC 2023 Budget and 2023 - 2027 Financial Plan".

H. MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

I. OTHER BUSINESS

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 October 28, 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 October 28, 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 10:49 a.m. on Friday, July 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 George Harvie*
Delta, Director Jeannie Kanakos*
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 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*
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:

Port Coquitlam, Director Brad West
Surrey, Director Mandeep Nagra
Tsawwassen, Director Ken Baird

STAFF PRESENT:

Jerry W. Dobrovolny, Chief Administrative Officer
Chris Plagnol, Corporate Officer
Natalia Melnikov, Legislative Services Coordinator, Board and Information Services

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

A. ADOPTION OF THE AGENDA

1. July 29, 2022 Regular Meeting Agenda

It was MOVED and SECONDED

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

CARRIED

B. ADOPTION OF THE MINUTES

1. May 27, 2022 Regular Meeting Minutes

It was MOVED and SECONDED

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

CARRIED

2. July 7, 2022 Regular Joint Board Meeting Minutes

It was MOVED and SECONDED

That the MVHC Board adopt the minutes for the regular joint meeting of the MVRD, MVHC, GVWD and GVS&DD Boards held July 7, 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 July 29, 2022 MVHC Board Consent Agenda:

- 1.1 Metro Vancouver 10-Year Plan – Progress Update
- 1.2 Benefits of Building Rehabilitation: Evergreen Downs
- 1.3 Metro Vancouver Housing – Extreme Heat Protocols
- 2.1 Welcher Affordable Housing Redevelopment – Grant and Loan Application to the Federation of Canadian Municipalities

CARRIED

The items and recommendations referred to above are as follows:

1.1 Metro Vancouver 10-Year Plan – Progress Update

Report dated June 14, 2022, from Laurel Cowan, Program Manager, Housing Planning and Policy, Regional Planning and Housing Services, providing the MVHC Board with an update on the context and progress to date since the launch of the 2019 Metro Vancouver Housing 10-Year Plan.

Recommendation:

That the MVHC Board receive for information the report dated June 14, 2022 titled “Metro Vancouver 10-Year Plan – Progress Update”.

Adopted on Consent

1.2 Benefits of Building Rehabilitation: Evergreen Downs

Report dated June 10, 2022, from Jade Hume, Division Manager, Housing Maintenance and Capital Projects, Regional Planning and Housing Services, providing the MVHC Board about the benefits of building rehabilitation by highlighting the recently completed Evergreen Downs rehabilitation.

Recommendation:

That the MVHC Board receive for information the report dated June 10, 2022, titled “Benefits of Building Rehabilitation: Evergreen Downs.”

Adopted on Consent

1.3 Metro Vancouver Housing – Extreme Heat Protocols

Report dated June 16, 2022, from Jag Klair, Division Manager, Housing Operations, Regional Planning and Housing Services, providing the MVHC Board with an update on the steps being taken to prepare for future extreme heat events.

Recommendation:

That the MVHC Board receive for information the report dated June 16, 2022, titled “Metro Vancouver Housing – Extreme Heat Protocols”.

Adopted on Consent

2.1 Welcher Affordable Housing Redevelopment – Grant and Loan Application to the Federation of Canadian Municipalities

Report dated July 12, 2022, from Leigh Rollins, Senior Project Engineer, Regional Planning and Housing Services, seeking a resolution from the MVHC Board authorizing staff to apply for the Federation of Canadian Municipalities’ Green Municipal Fund capital project grant and loan program.

Recommendation:

That the MVHC Board authorize staff to apply for capital project grant and loan project funding through the Federation of Canadian Municipalities Green Municipal Fund Program.

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

1. MVHC Board Committee Information Items and Delegation Summaries

It was MOVED and SECONDED

That the MVHC Board receive for information the MVHC Board Committee Information Items and Delegation Summaries, dated July 29, 2022.

CARRIED

J. BUSINESS ARISING FROM DELEGATIONS

No items presented.

K. RESOLUTION TO CLOSE MEETING

It was MOVED and SECONDED

That the MVHC Board close its regular meeting scheduled for July 29, 2022 pursuant to the *Community Charter* provisions, Section 90 (1) (e) and (g) as follows:

90 (1) A part of the 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; and

(g) litigation or potential litigation affecting the regional district.”

CARRIED

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

No items presented.

M. ADJOURNMENT/CONCLUSION

It was MOVED and SECONDED

That the MVHC Board adjourn its regular meeting of July 29, 2022.

CARRIED

(Time: 10:51 a.m.)

CERTIFIED CORRECT

Chris Plagnol, Corporate Officer

Sav Dhaliwal, Chair

54320586 FINAL

**REGULAR JOINT MEETING
MVRD, MVHC, GVWD and GVS&DD BOARDS**

Minutes of the Regular Joint Meeting of the Metro Vancouver Regional District (MVRD), Metro Vancouver Housing Corporation (MVHC), the Greater Vancouver Water District (GVWD), and the Greater Vancouver Sewerage and Drainage District (GVS&DD) Board of Directors held at 9:19 a.m. on Wednesday, October 19, 2022 in the 28th Floor Boardroom, 4515 Central Boulevard, Burnaby, British Columbia to hold a workshop on preparations for the 2023 Budget and 2023 - 2027 Financial Plan.

MEMBERS PRESENT:

Burnaby, Chair, Director Sav Dhaliwal	New Westminster, Director Jonathan Coté*
Anmore, Director John McEwen*	North Vancouver District, Director Lisa Muri*
Belcarra, Director Jamie Ross*	Pitt Meadows, Director Bill Dingwall*
Bowen Island, Director David Hocking	Port Coquitlam, Director Brad West*
Burnaby, Director Pietro Calendino*	Port Moody, Director Rob Vagramov* (departed at 10:08 a.m.)
Burnaby, Director Mike Hurley*	Richmond, Director Malcolm Brodie*
Coquitlam, Director Craig Hodge*	Richmond, Director Harold Steves*
Coquitlam, Director Richard Stewart* (departed at 10:02 a.m.)	Surrey, Director Linda Annis*
Delta, Alternate Director Dylan Kruger* for George Harvie	Surrey, Director Doug Elford*
Delta, Director Jeannie Kanakos*	Surrey, Director Laurie Guerra*
Electoral Area A, Director Jen McCutcheon*	Surrey, Director Mandeep Nagra* (departed at 10:04 a.m.)
Langley City, Director Gayle Martin*	Surrey, Director Allison Patton*
Langley Township, Director Jack Froese*	West Vancouver, Director Mary-Ann Booth*
Langley Township, Director Kim Richter*	White Rock, Director Darryl Walker*
Lions Bay, Director Ron McLaughlin*	
Maple Ridge, Director Mike Morden*	

MEMBERS ABSENT:

North Vancouver City, Vice Chair Director Linda Buchanan	Vancouver, Director Melissa De Genova
Surrey, Director Doug McCallum	Vancouver, Director Lisa Dominato
Tsawwassen, Alternate Director Steven Stark	Vancouver, Director Colleen Hardwick
Vancouver, Director Christine Boyle	Vancouver, Director Kennedy Stewart
Vancouver, Director Adriane Carr	Vancouver, Director Michael Wiebe

STAFF PRESENT:

Jerry W. Dobrovolsky, Chief Administrative Officer
Dorothy Shermer, Deputy Corporate Officer
Rapinder Khaira, Legislative Services Coordinator, Board and Information Services

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

A. ADOPTION OF THE AGENDA

1. October 19, 2022 Regular Joint Board Meeting Agenda

It was MOVED and SECONDED

That the MVRD, MVHC, GVS&DD and GVWD Boards adopt the agenda for its regular joint meeting scheduled for October 19, 2022 as circulated.

CARRIED

B. REPORTS

1. 2023 – 2027 Financial Plan – Metro Vancouver Districts and Housing Corporation

Report dated October 11, 2022, from Jerry Dobrovolny, Commissioner/Chief Administrative Officer and Dean Rear, General Manager, Financial Services, Chief Financial Officer, presenting the MVRD, MVHC, GVWD and GVS&DD Boards with the 2023 Budget and 2023 – 2027 Financial Plan for the Metro Vancouver Districts and Housing Corporation for consideration.

Jerry W. Dobrovolny, Commissioner/Chief Administrative Officer, and Dean Rear, Chief Financial Officer/General Manager, Financial Services provided a verbal overview of the 2023 – 2027 Financial Plan, including information on the overall household impact; strategic priorities and goals; and the projected operating and capital budgets.

Liquid Waste Services

Members were provided with an overview of the 2023 Liquid Waste Services Budget and 2023 – 2027 Financial Plan, including information on performance metrics; continuous improvements; operating and capital expenditures, funding, and highlights; budget reductions and new revenue sources; and the utility cost benchmark.

Water Services

Members were provided with an overview of the 2023 Budget and 2023 – 2027 Financial Plan, including information on performance metrics; continuous improvements; challenges to water services; operating and capital expenditures, funding, and highlights; the 2023 – 2026 Capital Plan; and the utility cost benchmark.

10:02 a.m. Director Stewart departed the meeting.

10:04 a.m. Director Nagra departed the meeting.

Solid Waste Services

Members were provided with an overview of the 2023 Solid Waste Services Budget and 2023 – 2027 Financial Plan, including information on performance metrics; continuous improvements; operating and capital expenditures, funding, and highlights; and the utility cost benchmark.

10:08 a.m. Director Vagramov departed the meeting.

Metro Vancouver Housing Corporation

Members were provided with an overview of the 2023 Metro Vancouver Housing Corporation Budget and 2023 – 2027 Financial Plan, including information on performance metrics; continuous improvements; operating and capital expenditures, funding, and highlights; 2023 – 2027 Capital Maintenance Plan expenditures; and tenant operations and community building programs.

Metro Vancouver Regional District

Members were provided with an overview of the Regional District Financial Plan, including information on MVRD's functions; performance metrics; continuous improvement; operating highlights; Regional Parks Capital Budget; Capital Program highlights; the bottom line of the 2023 Budget; and overall household impact for 2023 -2027.

Presentation material titled "2023 – 2027 Financial Plan Overview" is retained with the October 19, 2022 Joint Board Budget Workshop agenda.

2. Reference Materials

2.1 2023 – 2027 Financial Plan – Standing Committee Reports

3. Questions and Answers, Comments from the Public

Chair Dhaliwal called for input from members of the public wishing to speak to the proposed Metro Vancouver Districts and Housing Corporation Budgets.

1. Nathan Davidowicz

Nathan Davidowicz commented on the 2023 Budget and 2023 - 2027 Financial Plan, highlighting the need to reallocate gas tax funds from TransLink to local governments.

Chair Dhaliwal called twice more for input from members of the public wishing to speak.

It was MOVED and SECONDED

That the MVRD/MVHC/GVS&DD/GVWD Boards direct staff to prepare the necessary 2023 Budget and 2023-2027 Financial Plan information to be presented at the October 28, 2022 Metro Vancouver Districts and Housing Corporation Board meetings for consideration.

CARRIED

C. ADJOURNMENT/CONCLUSION

It was MOVED and SECONDED

That the MVRD/MVHC/GVS&DD/GVWD Boards conclude its regular joint meeting of October 19, 2022.

CARRIED

(Time: 10:46 a.m.)

CERTIFIED CORRECT

Dorothy Shermer, Deputy Corporate Officer

Sav Dhaliwal, Chair

55874350 FINAL

To: Housing Committee

From: Amanda Hrgovic, Program Manager, Housing Finance
Regional Planning and Housing Services

Date: September 21, 2022 Meeting Date: October 6, 2022

Subject: **CMHC Contribution Agreement – Kelly Court Rehabilitation Project**

RECOMMENDATION

That the MVHC Board authorize the execution and delivery of the contribution agreement as required by the Canada Mortgage and Housing Corporation (CMHC) for the purposes of receiving funding contribution of up to \$1,321,824 to support the Kelly Court Rehabilitation Project located at 2929 Nootka Street in the City of Vancouver.

EXECUTIVE SUMMARY

Metro Vancouver Housing has received a contribution agreement from CMHC to contribute up to \$1,321,824 to support the Kelly Court Rehabilitation Project located at 2929 Nootka Street in the City of Vancouver. CMHC requires MVHC to execute the contribution agreement to receive the approved funding and requires their standard form of directors' resolutions to be passed and certified. MVHC staff is requesting that the MVHC Board authorize the execution and delivery of the contribution agreement.

PURPOSE

To obtain approval of CMHC's standard form of directors' resolutions for CMHC's approved contribution for the Kelly Court Rehabilitation project.

BACKGROUND

Kelly Court, built in 1979, is a 45-unit, fully accessible building, housing persons with physical barriers. Kelly Court supports a unique population of tenants who have mobility issues and/or visual impairments. All units are fully accessible, as is the building and surrounding grounds. Metro Vancouver Housing is committed to filling vacancies at Kelly Court from the provincial Housing Registry with applicants who require fully accessible units. The majority of this population is on a fixed income and thus, require rental assistance – 38 of the 45 units (85%) at Kelly Court are rented at rents based on 30% of income (rent-geared-to-income), the remaining 7 units (15%) are rented well below market rates (discounted by 40-50%).

The rehabilitation of Kelly Court provides the building with a new life cycle, improves tenant comfort and increases energy efficiency through improved building performance. The rehabilitation project is underway and currently estimated at 75% completion, with full completion anticipated by the end of 2022. Staff have successfully applied for CMHC funding through CMHC's National Housing Co-Investment Fund, Rehabilitation Stream. CMHC requires a board resolution in order to execute the CMHC contribution agreement and any other documents as may be required by the agreement.

RESOLUTION AUTHORIZING CMHC CONTRIBUTION AGREEMENT

The resolution being requested for the Board's approval is included in Attachment 1, which has been adapted from CMHC's standard form of resolutions. The resolution is to authorize any two directors or officers of MVHC, or any combination thereof, to execute or cause to be executed under its corporate seal or otherwise, the contribution agreement between CMHC and MVHC and such other documentation as required by the agreement, with such alterations, additions, amendments and deletions as may be approved by any such persons executing the same, whose signatures shall be conclusive of such authorization.

ALTERNATIVES

1. That the MVHC Board approve the resolution included in Attachment 1, to authorize the execution and delivery of the contribution agreement as required by CMHC for the purposes of receiving funding contribution of up to \$1,321,824 to support the Kelly Court Rehabilitation Project.
2. That the Housing Committee receive for information the report dated September 21, 2022 titled "CMHC Contribution Agreement – Kelly Court Rehabilitation Project" and provide alternate direction to staff.

FINANCIAL IMPLICATIONS

Should the Board approve Alternative one, the CMHC contribution agreement for the Kelly Court rehabilitation project will be executed on time and the financial contribution will be conveyed to MVHC. Should Alternative two be selected, the contribution agreement may not be executed in due course, and MVHC will not receive the financial contribution, resulting in a greater financial contribution from MVHC reserves being required to fund the rehabilitation project.

CONCLUSION

CMHC requires the MVHC Board to authorize the execution and delivery of the contribution agreement for the Kelly Court Rehabilitation Project. Alternative one is recommended.

Attachments

1. CMHC Resolution Authorizing execution of the CMHC Contribution Agreement
2. CMHC Contribution Agreement dated September 7, 2022

55227518

RESOLUTION OF THE BOARD OF DIRECTORS
of
Metro Vancouver Housing Corporation
(the “**Corporation**”)

WHEREAS the Directors of the Corporation have considered the terms of the CMHC Contribution Agreement (as defined below) and have determined that it is in the best interests of the Corporation that the Directors authorize the execution of such agreement.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation approve the execution and delivery by the Corporation of:
 - (a) a Contribution Agreement (CMHC File #: 8857226) to be made between the Canada Mortgage and Housing Corporation (“**CMHC**”) and the Corporation, pursuant to which CMHC will provide funding up to the amount of One Million, Three Hundred Twenty-One Thousand, Eight Hundred and Twenty-Four Dollars (\$1,321,824) for the Kelly Court Rehabilitation project for the housing project located at 2929 Nootka Street, in Vancouver, B.C.;

(the “**CMHC Contribution Agreement**”).
2. Any two directors or officers of the Corporation, or any combination thereof, are hereby authorized for and on behalf of the Corporation to execute or cause to be executed under its corporate seal or otherwise, the CMHC Contribution Agreement and such other documentation as required by the CMHC Contribution Agreement, with such alterations, additions, amendments and deletions as may be approved by such persons executing the same whose signatures shall be conclusive of such authorization.
3. Such directors or officers of the Corporation are hereby authorized for and in the name of the Corporation to execute and deliver under the corporate seal or otherwise all such other documents and to do all such other acts and things as may be necessary or desirable to give effect to this Resolution and to perform the obligations of the Corporation thereunder.

Dated the 07 day of September, 2022

Private and Confidential

Metro Vancouver Housing Corporation
C/O Greater Vancouver Regional District,
4730 Kingsway 11th Floor,
Vancouver, British Columbia
V5H 0C6

Attention: Amanda Hrgovic

CMHC File No.: 8857226

Dear Sir/Madam:

On behalf of the Government of Canada, Canada Mortgage and Housing Corporation ("**CMHC**") is pleased to offer Metro Vancouver Housing Corporation (such party or parties collectively referred to herein as the "**Recipient**") the funding described below under the National Housing Co-Investment Fund (the "**Program**"), which is administered by CMHC as part of Canada's National Housing Strategy, to assist with financing the repair of the 3 storey building, which consists of 45 units that the Recipient is undertaking on the lands legally described in Schedule E, which are municipally known as 2929 Nootka, Vancouver, British Columbia (the "**Project Lands**"), subject to the terms and conditions contained herein.

1. INTERPRETATION

Schedule A contains the definitions of capitalized terms which are used in this Agreement.

2. CONTRIBUTION

- (a) Subject to the terms and conditions of this Agreement, the maximum contribution of CMHC under this Agreement is \$1,321,824 and will be advanced to the Recipient by way of multiple up to 3 advances on or before December 21, 2022, unless otherwise agreed by CMHC in writing.
- (b) **Purpose of Contribution.** The Contribution shall be used in respect of the financing of the Project and shall not be used for any other purpose.
- (c) **Term of Agreement.** This Agreement shall become effective on the Closing Date and, unless terminated earlier in accordance with Section 9, shall continue in force until the date that is 20 years from the date of final advance (the "**Term**").
- (d) **Expiration of Contribution.** If the first advance of the Contribution has not been made by December 21, 2022, then CMHC's obligation to make the Contribution shall end at CMHC's sole discretion.

3. ADVANCES

- (a) Subject to the provisions of this Agreement, the Recipient may request an Advance by providing CMHC with a notice (an “**Advance Request Notice**”) in substantially the form attached to this Agreement as Schedule B. The Advance shall not be less than \$50,000.00 against work in place and will be conditional upon satisfaction of all conditions precedent on or prior to the date that the Recipient delivers an Advance Request Notice to CMHC and, as applicable, on the date of the Advance.
- (b) The Recipient must deliver the Advance Request Notice to CMHC at least ten (10) Business Days prior to the Advance (“**Advance Date**”) on or prior to 4:00 p.m. (Ottawa time) on a Business Day. The Advance Date must be a Business Day.

4. **CONDITIONS PRECEDENT**

- (a) **Conditions Precedent to Effectiveness of Agreement.** The effectiveness of this Agreement is subject to and conditional upon the satisfaction (in form and substance satisfactory to CMHC, in its sole discretion) of each of the following conditions precedent (and the date on which the last condition precedent is satisfied or waived and this Agreement becomes effective, as confirmed in writing by CMHC, is referred to herein as the “**Closing Date**”):
 - (i) CMHC shall have received executed counterparts of this Agreement;
 - (ii) CMHC shall be satisfied with any insolvency, judgment or other searches it requires and makes against the Recipient;
 - (iii) CMHC shall have received the following third party reports supported by reliance letters addressed to CMHC:
 - (A) true and complete copies of all environmental audits, evaluations, assessments, studies or tests (including but not limited to any Hazardous Materials reports or environmental site assessments) relating to the Project Lands prepared in the last eighteen months; and
 - (B) the schedule of all proposed advances (“Advance Schedule”) attached as Schedule D, and such other third party reports, as CMHC requires in its sole discretion.
 - (iv) CMHC shall have received in respect of the Recipient that is not an individual, certified on or just prior to the Closing Date, a certificate signed by an appropriate corporate officer (the Officer’s Certificate) in the form and substance as supplied by CMHC which includes
 - i. confirmation of the solvency of the Recipient;
 - ii. CMHC shall have received evidence that the Project Lands, and any buildings on confirmation that the Recipient received all required approvals that are contemplated hereby and/or that are necessary in connection with the Project and/ or that may be required by Applicable Laws;
 - iii. the names and true signatures of the officers authorized to execute, deliver and perform, as applicable, this Agreement and all other documents to be delivered hereunder; and
 - iv. confirmation that the Recipient is in good standing.

- (iv) CMHC shall have received evidence, satisfactory to CMHC, from an independent qualified environmental Consultant that the Project Lands and any buildings on the Project Lands are not adversely affected by Hazardous Materials, provided that: (i) any reports prepared by such Consultant shall be supported by reliance letters addressed to CMHC and the results have been confirmed by an independent qualified environmental Consultant or a record of site condition has been accepted by the applicable environmental and Governmental Authorities (ii) remediation is in compliance with any relevant Governmental Authority and environmental laws;
 - (v) CMHC shall have received from the Recipient the documentation and other information that are required by CMHC in respect of its "know-your-customer" policies and procedures;
 - (vi) CMHC's satisfactory review of the Recipient's leasehold interest; and
 - (vii) CMHC shall have received such financial and other information or documents relating to the Recipient as CMHC may reasonably require.
- (b) **Conditions Precedent to Advances.** The obligation of CMHC to advance any funds hereunder is subject to and conditional upon the satisfaction of each of the following conditions precedent on or just prior to the date the applicable Advance Request Notice is delivered (or such earlier date as may be specified below):
- (i) CMHC shall have received an Advance Request Notice and Progress Report from the Recipient;
 - (ii) the representations and warranties deemed to be repeated pursuant to Section 6 on each Advance Date will continue to be true and correct as if made on and as of the Advance Date;
 - (iii) no default or Event of Default will have occurred and be continuing on the Advance Date, or would result from making the requested advance;
 - (iv) a Material Adverse Change will not have occurred and be existing on the Advance Date, or would result from making the requested Advance;
 - (v) the Recipient must have delivered to CMHC all reporting required by Section 7;
 - (vi) CMHC shall be satisfied that the Minimum Equity Contribution will have been invested as of the Advance Date;
 - (vii) Recipient will have appropriate insurance in place as set forth in Schedule I attached hereto with insurers licensed to carry on business in the jurisdiction of the Project Lands;
 - (viii) CMHC shall have received evidence that all Permits necessary for Construction which relate to:
 - i. construction in respect of which the Advance is being made; and
 - ii. all prior Construction,
 are in place at the time of the Advance;
 - (ix) CMHC shall have received a Project Status Certificate in the form provided in Schedule H signed by an officer on behalf of the Recipient;

- (x) all other terms and conditions of this Agreement upon which the Recipient may obtain advances that have not been waived will have been fulfilled as of the Advance Date.
- (c) **Documentation.** All documents and evidence delivered pursuant to this Section must be in full force and effect, and in form and substance satisfactory to CMHC in its sole and absolute discretion.
- (d) **Waiver.** The conditions set forth in Sections 4(a) and 4(b) are inserted for the sole benefit of CMHC and may be waived by CMHC, in whole or in part (with or without terms or conditions), in respect of any Advance without prejudicing the right of CMHC at any time to assert such conditions in respect of any subsequent Advance.

5. RECORDS

- (a) CMHC will maintain records evidencing each Advance made under this Agreement and CMHC's accounts and records constitute, in the absence of manifest error, conclusive evidence thereof.
- (b) CMHC reserves the right to review, analyze and audit the costs of the Recipient in connection with the Project to ensure compliance with this Agreement and the Program. The Recipient will maintain proper and detailed records and statements of account, including receipts, vouchers, invoices, and other documents related to the Project Costs and shall permit CMHC, or its designated representative, to access to such records and statements for audit and inspection purposes within five (5) Business Days of such written request from CMHC.

6. REPRESENTATIONS AND WARRANTIES

The Recipient represents and warrants to CMHC, as of the Closing Date and (subject to any amendments or exceptions from time to time approved in writing by CMHC in its sole and absolute discretion) as of each Advance Date, that:

- (a) all information that has been or will be, directly or indirectly, made available to CMHC (or any of its agents, advisors or representatives) by itself or any of its agents, advisors, or representatives in connection with the Contribution, is or will be, when furnished correct in all material respects and will not, when furnished, contain any untrue statement of a material fact, or omit to state a material fact that would otherwise make the statements materially misleading in light of the circumstances under which such statements are made;
- (b) where it is not an individual, it is duly incorporated, amalgamated, continued, created or established, as the case may be, and validly existing under the laws of its jurisdiction of incorporation, amalgamation or continuance, creation or establishment, as the case may be, and is duly registered or qualified to carry on business in each Province in which it so does;
- (c) it has the power, authority and right:
 - (i) to enter into and deliver, and to exercise its rights and perform its obligations under this Agreement all other instruments and agreements delivered by it in connection therewith, and
 - (ii) to own or lease its property and carry on its business as currently conducted and as currently proposed to be conducted by it and without limiting the foregoing, all necessary power and authority to own or lease its respective interest in the real and personal property comprising the Project Lands and to develop and complete the Project and is duly licensed, registered and qualified to carry out such activities;

- (d) the execution, delivery and performance of the Agreement to which it is a party have been duly authorized by all necessary corporate and other actions and do not violate its respective constating documents, any Applicable Laws or any agreements to which it is subject or by which it is bound and its most recent financial statements provided to CMHC fairly present its financial position;
- (e) there has occurred no Material Adverse Change in its business or financial condition;
- (f) it is not subject to any judgment, order, writ, enforcement charge, injunction, decree or award, or to any restriction, rule or regulation (other than customary or ordinary course restrictions, rules and regulations consistent or similar with those imposed on other Persons engaged in similar businesses) that has not been stayed or of which enforcement has not been suspended and that individually or in the aggregate constitutes, or is reasonably likely to cause, a Material Adverse Change;
- (g) there is no claim, action, prosecution or other proceeding of any kind pending or threatened against it or any of its assets or properties before any court or administrative agency which could reasonably be expected to have a Material Adverse Change upon its financial condition or operations or its ability to perform its obligations under this Agreement and there are no circumstances of which it is aware which might give rise to any such proceeding which has not been fully disclosed to CMHC;
- (h) it has not committed any act of bankruptcy; and is not insolvent, or has not proposed or given notice of its intention to propose, a compromise or arrangement to its creditors generally;
- (i) it is not in default under a CMHC-insured mortgage, or any other agreement with CMHC and agrees to the Confidentiality and Announcement provisions set out in Schedule C;
- (j) it holds good and marketable leasehold title to the Project Lands and no default has occurred or is subsisting under the Lease;
- (k) except as disclosed to CMHC in writing and accepted by CMHC in Schedule J, to the best of its knowledge after due inquiry, the Project and the Project Lands are in compliance with all Applicable Laws (other than Environmental Laws, which are addressed below) where such default could reasonably be expected to cause a Material Adverse Change and there are no facts known or which ought reasonably to be known, in either case after due enquiry, which could give rise to a notice of non-compliance to such extent with any Applicable Laws (other than Environmental Laws, which are addressed below);
- (l) with respect to the Project and the Project Lands, as applicable it is zoned to permit the Construction and operation of the Project and the existing and proposed uses of the Project comply in all material respects with all Applicable Laws and the Lease;
- (m) except as identified in Schedule J attached hereto or as otherwise disclosed from time to time to CMHC in writing and accepted by CMHC, to the best of its knowledge after due inquiry the Project Lands and any buildings on the Project Lands are in compliance with and it operates in compliance with all applicable Environmental Laws and there are no Hazardous Materials in, on, under, migrating from or to the Project Lands not in compliance with Environmental Laws;
- (n) it is not a non-resident for the purposes of Section 116 of the *Income Tax Act* (Canada);
- (o) it is in compliance with all terms and conditions of all insurance policies issued in respect of the Project; and
- (p) the contents of the Integrity Declaration remain true and correct.

7. REPORTING COVENANTS

The Recipient covenants and agrees with CMHC to deliver (or cause to be delivered), at its expense, to CMHC:

- (a) **Progress Reports**: with each Advance Notice a progress report in relation to the Project, providing detailed information regarding the planning, design, construction, financing, revenue generation and performance monitoring of the Project including:
 - (i) an update to the Advance Schedule, Project Budget and Construction Schedule together with comments on any material variances from the original Advance Schedule, Project Budget and Construction Schedule provided to CMHC;
 - (ii) comments on any material changes to the Project or any potential or actual problem areas which have been identified and may affect completion of the Project in accordance with the Project Budget and Construction Schedule provided to CMHC;
 - (iii) Project consultants' certificate(s), substantially in the form of Schedule G attached hereto and contractor statutory declarations on properly sealed CCDC Form 9A-2001 or, alternatively, on other forms of statutory declarations that contain, at a minimum, the information contained in CCDC Form 9A-2001; and
 - (iv) any change or anticipated change in the Recipient's leasehold interest in the Project Lands.
- (b) **One-time Project Reports Upon Completion**: within sixty (60) days of the date of final advance, a report to CMHC identifying all material deviations from the Plans and Specifications,
- (c) **Annual Program Criteria Compliance Reports**: following the date of occupancy, detailed information in relation to the Project, such as financing, revenue generation and performance monitoring of the Project, on an annual basis within one hundred and twenty (120) days of the end of the fiscal year of the Recipient, and such other information as CMHC deems necessary, including reports, the frequency of which may vary, that include, but are not limited to, the following information:
 - (i) a current rent roll;
 - (ii) number of Housing Unit at market rents (if any);
 - (iii) percentage of Housing Units, which satisfy or exceed the Affordability Criteria; and
 - (iv) number of Housing Units occupied by priority population served by the Project (if any);
- (d) **Annual Financial Statements**.
 - i. as soon as available and in any event within one hundred and twenty (120) days after the end of each of its fiscal year, the annual financial statements of the Recipient including a balance sheet/statement of financial position, statement of income/statement of operations, statement of changes in equity/statement of changes in net assets, statement of cash flows and source and application of funds for such fiscal year, which will be prepared in accordance with GAAP on an audited basis; and
 - ii. as soon as available and in any event within one hundred and twenty (120) days after the end of each of its fiscal year until such time as the applicable guarantee is terminated, the annual financial statements of the Guarantor including a balance sheet/statement of

financial position, statement of income/statement of operations, statement of changes in equity/statement of changes in net assets, statement of cash flows and source and application of funds for such fiscal year, which will be prepared in accordance with GAAP on an audited basis,

and any auditor's report shall include:

- iii. a statement as to whether a fund, which shall be funded from income generated by the Project in accordance with the requirements of CMHC (the "Replacement Reserve Fund") has been properly funded and maintained in a segregated depository account designated by the borrower in respect of the Project, the particulars of which have been provided to CMHC (the "Replacement Reserve Fund Account"); and 2) a statement as to whether all earnings accruing to the Replacement Reserve Fund have been recorded and form part of such fund; and
 - iv. an opinion on the compliance of the Recipient with this Agreement.
- (e) The Recipient shall ensure that the use of personal information of tenants or occupants required to fulfill the foregoing reporting obligations, if any, is authorized and consented to by such persons and is otherwise in accordance with applicable privacy laws.
- (f) All reporting required under this Agreement shall be stand-alone Project reporting, isolating the Project's financial and operating information from that of other projects owned or leased by the Recipient, if any.

8. COVENANTS

- (a) **Positive Covenants.** The Recipient covenants and agrees with CMHC, while this Agreement is in effect and except as otherwise permitted by the prior written consent of CMHC, to:
- (i) complete the Project in accordance with the Plans and Specifications;
 - (ii) keep its existence in full force and effect and carry on and conduct its business and operations in a proper, efficient and businesslike manner, in accordance with good business practice and all Applicable Laws;
 - (iii) permit CMHC or its representatives, from time to time, to visit and inspect the Project and from time to time at reasonable intervals upon reasonable notice, the premises of the Recipient and examine and obtain copies of the records of the Recipient or other information and discuss the affairs of the Recipient with the auditors, counsel and other professional advisers of the Recipient;
 - (iv) promptly provide CMHC and any Independent Cost Consultant with all information reasonably requested by any of them from time to time at reasonable intervals in connection with this Agreement concerning its financial condition and the Project and during normal business hours and from time to time at reasonable intervals upon reasonable notice, permit representatives of CMHC to inspect the Project and to examine and take extracts from its financial records, including records stored in computer data banks and computer software systems regarding the Project, and to discuss its financial condition with its senior officers and its auditors;
 - (v) maintain documents, vouchers, records and accounts that pertain to the Project for not less than seven (7) years following the date of receipt or production of such documents, vouchers, records and accounts and maintain books, records and accounts in accordance with GAAP;

- (vi) it shall maintain in place appropriate insurance as required by CMHC from time to time, including in accordance with the Insurance Requirements and otherwise in accordance with this Agreement and deliver copies of all certificates of insurance relating to such insurance requested by CMHC.
- (b) **Special Covenants.** The Recipient covenants and agrees with CMHC, while this Agreement is in effect and except as otherwise permitted by the prior written consent of CMHC, that:
- (i) **Affordability** – the Recipient will maintain the affordability of the housing within the Project for a period of 20 years from the date of the final advance, such that the average rents for a minimum of 100% of the residential units are offered below 50% of the median market rental rate (the “Affordability Criteria”); and
 - (ii) **Energy Efficiency** – the Project will be constructed such that (A) a minimum of a **25%** decrease in energy consumption; and (B) a minimum **25%** decrease in greenhouse gas emissions will be achieved, in each case as at the date of final advance relative to performance levels achieved prior to the commencement of the Construction of the Project (collectively, the “**Energy Efficiency Criteria**”).
- (c) **Notices.** The Recipient covenants and agrees with CMHC, while this Agreement is in effect, to promptly notify CMHC on becoming aware:
- (i) of the occurrence of an event of Force Majeure, describing in reasonable detail the effects of such event on the Project, the action which the Recipient intends to take to remedy such event and the estimated date when the event of Force Majeure will be remedied and will cease to impair the Project; or
 - (ii) of the cessation of any event of Force Majeure;
- (d) **Negative Covenants.** The Recipient covenants and agrees with CMHC, while this Agreement is in effect and except as otherwise permitted by the prior written consent of CMHC (which consent may be withheld in its sole and absolute discretion), that it shall not:
- (i) take any action, or permit any action to be taken, constituting or likely to result in a breach of any provision in this Agreement;
 - (ii) make any Disposition, or permit any Disposition to be made, of the Project, the Project Lands or any part thereof or interest therein unless the transferee of such Disposition executes and delivers an agreement with CMHC whereby such transferee agrees to be bound by the terms and conditions of Section 8(b) and this Section 8(d)(ii). The decision to release the Recipient from any obligations in connection with the Project in relation to any such Disposition shall be in CMHC’s sole and absolute discretion;
 - (iii) consolidate, amalgamate or merge with any other Person; enter into any corporate reorganization or other transaction intended to effect or otherwise permit a change in its existing corporate structure; voluntarily liquidate, wind-up or dissolve itself, or permit any voluntary liquidation, winding-up or dissolution the Recipient;
 - (iv) permit the Project to be owned, maintained or operated by or on behalf of any Person other than the Recipient;
 - (v) enter into or renew, amend, terminate, forfeit or cancel the Lease without CMHC’s prior written consent, which shall not be unreasonably withheld; or

- (vi) become a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act* (Canada).
- (e) The Recipient acknowledges and agrees that if it requests CMHC's written consent in respect of the foregoing, it shall pay any fees and costs of CMHC and CMHC's counsel incurred in connection with providing such consent and shall provide all such updated information CMHC requires in connection with such request.

9. TERMINATION

Without limiting any other rights of CMHC under this Agreement, if any one or more of the following events (herein an "**Event of Default**") has occurred and is continuing:

- (a) use of the proceeds of the Contribution for purposes other than the purpose set out in Section 2(b);
- (b) fraud, misconduct, criminal acts or intentional misrepresentation by the Recipient or a representative thereof, including any false Integrity Declaration (or failure by the Recipient to advise CMHC of any change in circumstances, subsequent to its submission of the Integrity Declaration) and any gross negligence of the Recipient resulting in the forfeiture, seizure or loss of any portion of the Project or the Lease;
- (c) the Recipient breaches or fails to fulfill any one or more of its obligations under the Agreement and has not remedied such breach or failure to the sole satisfaction of CMHC, within thirty (30) days of the date on which such breach occurred, or within any other timeframe that the parties have agreed to in writing;
- (d) any representation or warranty made or deemed to have been made by the Recipient in any document is false or inaccurate in any materially adverse respect;
- (e) if CMHC (in its sole discretion) determines that the Project fails to satisfy the Affordability Criteria;
- (f) if CMHC (in its sole discretion) considers that the Project is not proceeding in a timely manner or if the Recipient otherwise discontinues or abandons the Project (for a single period of twenty (20) days or more);
- (g) if substantial completion of the Project has not been achieved by **December 21, 2022**;
- (h) if CMHC (in its sole discretion) considers that a Material Adverse Change has occurred in the financial condition of the Recipient or the Recipient is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, insolvent;
- (i) if proceedings are started by any person to dissolve, liquidate, or wind-up the Recipient or to suspend any of its operations;
- (j) any secured creditor, encumbrancer or lienholder, or any trustee, receiver, receiver and manager, agent, bailiff or other similar official appointed by or acting for any secured creditor, encumbrancer or lienholder, takes possession of, or forecloses or retains, or sells or otherwise disposes of, or otherwise proceeds to enforce security over all or any significant part of the Project or gives notice of its intention to do any of the foregoing;
- (k) an event of default by the Recipient under this Agreement or under any other CMHC loan or contribution program; or

- (l) if any other event or circumstance occurs that CMHC (in its sole discretion) considers is likely to materially and adversely affect the ability of the Recipient to successfully proceed with the Project or otherwise perform all or any of its obligations under the Agreement,

then, in such event, the ability of the Recipient to make further requests for an Advance shall immediately terminate and CMHC may at its option, by written notice to the Recipient terminate its commitments hereunder.

Notwithstanding the foregoing, CMHC may terminate this Agreement for any reason upon ten (10) Business Days' written notice to the Recipient (a "**Notice of Termination**"), if funding for the Program is no longer available due to no or insufficient appropriations by the Government of Canada. In such event, CMHC will advance funding for the invoices relating to the Project Costs that have been completed up to the date of the Notice of Termination.

10. REPAYMENT OF CONTRIBUTION

Without limiting any other rights of CMHC under this Agreement, an Event of Default pursuant to Section 9(a) to (e) has occurred and is continuing, then CMHC may at its option, by written notice to the Recipient declare the Contribution to be repayable in whole or in part and shall bear interest at five (5%) percent per annum on the unpaid principal amount thereof from the date of such declaration until the date on which such Contribution is repaid in full, accruing monthly not in advance, commencing on the first day of the month following the month in which such declaration was made by CMHC or as CMHC may otherwise agree in its sole and absolute discretion. Whereupon the amount of the Contribution so declared to be due and payable, together with all accrued interest thereon and all fees and other obligations of the Recipient accrued hereunder, shall become due and payable immediately, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Recipient. For the avoidance of doubt, the accrual of interest following default will not be sufficient to make CMHC whole in the event of a default under this Agreement and CMHC may exercise other default remedies in accordance with this Agreement.

11. REMEDIES

The rights set out herein shall be without limitation, and shall be in addition to all other rights and remedies of CMHC otherwise available under any other provision of the Agreement, by operation of law, at equity or otherwise, all of which are hereby expressly preserved, all of which rights shall be cumulative. Furthermore, the Recipient acknowledges and agrees that:

- (a) the Program and the Contribution are intended to further the public interest by achieving certain social outcomes which are of fundamental importance to the Government of Canada and its agencies, including CMHC;
- (b) CMHC would not have made the Contribution without receiving the commitment of the Recipient to comply with the covenants set forth in this Agreement (including the special covenants set out under Section 8(b)) and it is the Recipient's fundamental purpose in entering this Agreement to establish, maintain and operate the Project for the Term of this Agreement in accordance with the terms and conditions of this Agreement is to benefit the public interest by achieving long-term social outcomes which are of fundamental importance to the federal Government of Canada and CMHC;
- (c) the intention to bind the Project to the fundamental purpose referred to in Section 11(b) arises out of the extraordinary nature of the Contribution made to the Recipient and other funding or support provided to the Recipient under the Co-investment Agreement as part of the Program;
- (d) if an Event of Default pursuant to Section 9(a), (b) or (e) occurs, CMHC, the Program, other affordable housing providers, the broader affordable housing sector and the public interest will sustain harm, the extent of which cannot be pre-determined or remedied through compensation;

- (e) without restricting or limiting the remedies CMHC may otherwise have upon a breach of this Agreement, CMHC may seek relief by other available legal and equitable remedies, including, without limitation, damages, disgorgement of profits and/or remedies of seizure, injunction and specific performance notwithstanding the termination of this Agreement; and
- (f) all costs and expenses, including the fees of appraisers, advisors, consultants and lawyers, associated with enforcing CMHC's rights under the Agreement shall be at the cost of the Recipient.

12. INDEMNIFICATION

- (a) The Recipient irrevocably and unconditionally agrees to indemnify and hold harmless the Government of Canada, CMHC, and any of its officers, directors, employees, controlling persons, members and representatives, and any of its successors (each of the foregoing, an "**Indemnified Person**") from and against any and all losses, claims, damages, liabilities, fees, costs and expenses (including fees and disbursements of legal counsel, accounting advisors, receivers and other advisors, together with any interest that may accrue) in connection with:
 - (i) enforcement of any provision, rights and remedies of CMHC in respect of the Recipient under the Agreement or at law or investigating or defending a Proceeding, as defined herein; and
 - (ii) the failure of the Recipient to comply with all Environmental Laws and any losses suffered by such Indemnified Person for, in connection with, or as a direct or indirect result of, the presence of any Hazardous Material situated in, on or under or migrating from or to the Project Lands, or as a direct or indirect result of, any legal or administrative proceedings with respect to the presence of any Hazardous Material in, on or under, migrating from or to the Project Lands or the buildings on the Project Lands, or the discharge, emission, leak, spill, radiation or disposal by the Recipient of any Hazardous Material into or upon the Project Lands or the buildings on the Project Lands, the atmosphere, or any watercourse or body of water; including the costs (including legal and professional fees on a full indemnity basis) of defending and/or counterclaiming or claiming against third parties in respect of any action or matter and any cost, liability or damage arising out of a settlement entered into by the Indemnified Person of any such action or matter,

whether individual, joint and several, or otherwise, to which any such Indemnified Person may become subject arising out of or in connection with any document, the Contribution or any actual or threatened claims, actions, suits, inquiries, litigation, investigation or proceeding (any such claims, actions, suits, inquiries, litigation, investigation or proceeding, a "**Proceeding**") relating to any of the foregoing, regardless of whether any such Indemnified Person is a party thereto, provided that none of CMHC or the Recipient, any other Indemnified Person, any of such Person's respective affiliates, or the respective directors, officers, employees, advisors, and agents of any of the foregoing, shall be liable for any indirect, special, punitive or consequential damages in connection with any document; and provided further that, that the foregoing shall not apply to indemnity obligations with respect to damages of such type suffered by a third party and for which an indemnitee may be or become liable. This indemnity is independent of and in addition to any right CMHC may have to seek recovery of costs in any litigation that may result in respect of the Agreement. The indemnity obligations contained in this Section 12 shall survive and remain in full force and effect in accordance with their terms, notwithstanding the termination of this Agreement or the repayment of the Contribution.

- (b) The Recipient also agrees to pay (or, at the discretion of such Indemnified Person, reimburse) each such Indemnified Person promptly upon demand for any reasonable fees of legal counsel, court costs, fees of expert witnesses, and other reasonable fees, costs or expenses incurred in connection with investigating or defending any of the foregoing or in connection with the enforcement of any provision of the Agreement, provided that the indemnity will not, as to any Indemnified Person, apply to losses, claims, damages, liabilities or related expenses to the extent

that they are found in a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnified Person.

13. COMMON TERMS

The following provisions apply to this Agreement as the “**Common Terms**”.

- (a) **Interpretation.** Any reference in this Agreement to gender includes all genders and words importing the singular include the plural and vice versa. The division of this Agreement into Sections, Exhibits and Schedules and the insertion of headings are for convenient reference only and are not to affect or be used in the construction or interpretation of this Agreement. The Schedules are considered to be part of this Agreement. If more than one entity is a party to this Agreement as Recipient, all references to the Recipient shall include all of the said entities of this Agreement and this Agreement shall be binding on each jointly and severally.
- (b) **Currency.** Unless otherwise provided, all dollar amounts are in Canadian currency.
- (c) **Accounting Terms.** Accounting terms used in connection with this Agreement are to be interpreted in accordance with accounting principles generally accepted in Canada, including those set out in the CPA Canada Handbook at the relevant time in effect from time to time in Canada applied in a consistent manner.
- (d) **Limitations.** Neither the preparation and execution of the Agreement nor the advance of any monies by CMHC shall bind CMHC to make any advance, or extend any time for payment of any liability of the Recipient to CMHC. The eligibility of the Recipient for the Contribution does not constitute an assurance that it will be approved for CMHC loan insurance, or other forms of CMHC or federal assistance.
- (e) **Successors and Assignment.** This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns. CMHC may assign all or part of its rights and obligations under this Agreement to any Person. The rights and obligations of the Recipient under this Agreement may not be assigned without the prior written consent of CMHC.
- (f) **Set-Off.** CMHC is authorized, but not obligated, at any time, to apply any amount, whether or not then due, otherwise to be advanced to the Recipient is towards satisfaction of its obligations under this Agreement. In any claims by CMHC against the Recipient, the Recipient may not assert any set-off or counterclaim that it may have against CMHC.
- (g) **Costs and Expenses.** The Recipient agrees to pay all reasonable and documented or invoiced out-of-pocket fees, costs, and expenses incurred by CMHC, including, without limitation, fees, disbursements and other charges of all agents, consultants which have been retained in connection with the Contribution and the Agreement, including any costs and expenses of legal counsel engaged to prepare, review and negotiate and/or execute such documents, whether or not such documentation is executed or becomes effective and whether or not the Contribution is advanced, and any costs and expenses incurred in connection with Sections 8(e) and 13(l). Once paid, such fees, costs and expenses shall not be refundable under any circumstances.
- (h) **Notices.** Any notice, direction, demand or other communication given under this Agreement shall, except as otherwise permitted, be in writing and given by delivering it (personally or by courier) or sending it by electronic means addressed to the relevant party at the address set out on the signature pages of this Agreement. Any such communication is deemed to have been validly and effectively given if delivered or transmitted by electronic means on the day of such delivery or transmission if such day is a Business Day and delivery or transmission was made prior to 4:00 pm (Ottawa time) and otherwise on the next Business Day. Any party may change its address for

service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to the party at its changed address.

- (i) **Statutory Notice.** Notwithstanding the foregoing notice provision, if any statute in force in the Province or Territory in which the Project is located relating to the enforcement of the Agreement requires notice to be given in a manner different from that set forth herein, notice given in the manner prescribed by such statute shall be effectively made under the relevant document.
- (j) **Amendments and Waivers.** No amendment or waiver of any provision of this Agreement will be effective unless it is in writing signed by the Recipient and CMHC. No failure or delay, on the part of CMHC, in exercising any right or power hereunder or under any document shall operate as a waiver thereof.
- (k) **Rights Cumulative.** CMHC's rights and remedies set out in the Agreement and in any other agreement held by CMHC from the Recipient are cumulative and no right or remedy contained in the Agreement is intended to be exclusive but each will be in addition to every other right or remedy now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Recipient and CMHC that may be in effect from time to time.
- (l) **Severability.** If any term, covenant, obligation or provision in this Agreement is or becomes prohibited or unenforceable in any jurisdiction, such prohibition or unenforceability shall not invalidate or render unenforceable the provision concerned in any other jurisdiction nor invalidate, affect or impair any of the remaining terms, covenants, obligations or provisions of this Agreement.
- (m) **Further Assurances.** The Recipient covenants and agrees with CMHC that it will, forthwith at any time and from time to time at the request of CMHC and at its own cost, execute and deliver to CMHC all such schedules, instruments, deeds and documents and do all such further acts and things which CMHC may require for the purpose of carrying into effect the purposes of this Agreement, including in connection with any changes to Applicable Laws (whether arising as a result of statutory amendments, court decisions or otherwise) which requires the execution and delivery of different forms of documentation. After the occurrence of an Event of Default and for so long as such Event of Default is continuing, the Recipient irrevocably constitutes and appoints CMHC, or any receiver appointed by the court or CMHC, its true and lawful attorney (such power of attorney, being coupled with an interest, shall not be revoked by the dissolution, surrender of charter, winding-up, bankruptcy or insolvency of that party), with full power of substitution, to do any of the foregoing in its name whenever and wherever CMHC or any such receiver may consider it to be necessary or expedient.
- (n) **No Partnership and No Use of Logo.** Nothing herein contained shall be deemed or construed by the parties hereto or by any third party as creating the relationship of principal and agent or of partnership or of joint venture between the Recipient and CMHC. The Recipient shall rely on its own independent experts in connection with the Project. The Recipient shall not make any use whatsoever of the name, logo or initials of CMHC without the express written consent of CMHC.
- (o) **Conflict of Interest.** The Recipient shall avoid any conflict of interest during the Term and shall immediately declare any existing, potential or apparent conflict and shall, upon direction of CMHC, take steps to eliminate any conflict, or perception that a conflict of interest. In the event that a conflict of interest, real or perceived, cannot be resolved to the satisfaction of CMHC, CMHC shall have the right to immediately terminate the Contribution.
- (p) **English Language.** The Parties hereto agree that this Agreement and all transaction documents related thereto will be in the English language or will be accompanied by an English translation certified by the Recipient. *Les parties aux présentes conviennent que ce contrat de prêt ainsi que tout document qui s'y rapporte et devant être fourni par, sera rédigé en langue anglaise*

- (q) **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the Province where the Project Lands are situated and the laws of Canada applicable therein. The courts of such jurisdiction shall exclusively hear any dispute related to the validity, interpretation or performance of this Agreement.
- (r) **Paramountcy.** To the extent of any conflict, ambiguity or inconsistency between the provisions of this agreement and the provisions of the Integrity Declaration or any other documents, the provisions of this agreement shall prevail to the extent of such conflict, ambiguity or inconsistency.
- (s) **No Merger.** This Agreement shall not operate by way of merger of any of the obligations hereunder.
- (t) **Entire Agreement.** This Agreement and any other written agreement delivered pursuant to or referred to in this Agreement constitute the whole and entire agreement between the parties in respect of the Contribution and supersedes all prior understandings, whether written or oral, with respect thereto. There are no verbal agreements, undertakings or representations in connection with the Contribution.
- (u) **Time.** Time is of the essence in all provisions of this Agreement.
- (v) **Counterparts and Electronic Delivery.** This Agreement may be executed in any number of separate counterparts and all such signed counterparts will together constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a party may send a copy of its signature on the execution page hereof to the other parties by means of recorded electronic transmission (including in PDF form) and such transmission shall constitute valid delivery of an executed copy of this Agreement to the receiving party.

(Signature pages follow)

Please confirm your acceptance of this Agreement by signing the attached copy of this letter in the space provided and returning it to CMHC.

Yours truly,

**CANADA MORTGAGE AND HOUSING
CORPORATION**

We acknowledge and accept the foregoing terms and conditions on the _____ day of _____, _____.

METRO VANCOUVER HOUSING CORPORATION

To: MVHC Board

From: Dean Rear, General Manager, Financial Services/Chief Financial Officer

Date: October 20, 2022 Meeting Date: October 28, 2022

Subject: **MVHC 2023 Budget and 2023 - 2027 Financial Plan**

RECOMMENDATION

That the MVHC Board:

- a) approve the 2023 Annual Budget and endorse the 2023 - 2027 Financial Plan as shown in Attachment 1 of the report dated October 20, 2022, titled "MVHC 2023 Budget and 2023 - 2027 Financial Plan", in the following schedules:
 - Revenue and Expenditure Summary
 - Housing
 - Capital Portfolio – Housing
 - b) approve the 2023 Reserve Applications as shown in Attachment 2 of the report dated October 20, 2022, titled "MVHC 2023 Budget and 2023 - 2027 Financial Plan".
-

EXECUTIVE SUMMARY

Following the planning process outlined at the April 14th Board Budget Planning Workshop and as per the direction received at the October 19th Board Budget Workshop, the MVHC 2023 Annual Budget and 2023 - 2027 Financial Plan is now being brought forward to the Board for consideration and approval. The financial plan has been developed based on a detailed budgeting process that is designed to forecast anticipated future revenue requirements to cover operating expenditures, capital expenditures and debt servicing costs over the next five years.

Also being brought forward is a request to authorize the application of 2023 reserve funds which requires the approval of the MVHC Board pursuant to the Board's *Operating, Discretionary, and Statutory Reserves Policy*.

Staff recommend approving the MVHC 2023 Annual Budget and endorsing the 2023 - 2027 Financial Plan as presented.

PURPOSE

To consider and approve the 2023 MVHC Annual Budget for Housing Services and endorse the MVHC 2023 - 2027 Financial Plan.

BACKGROUND

A Board Budget Workshop was held on April 14th with the objective to seek direction for the preparation of the 2023 - 2027 Financial Plan. The workshop outlined the principles that guide the work of Metro Vancouver as an organization, the current 2022 - 2026 Financial Plan, the implications of the COVID-19 pandemic, the tools that can be used to make budget adjustments, and a proposed approach for the 2023 - 2027 Financial Plan.

In October, the 2022 budget and five-year financial plan for MVHC was presented to the Housing Committee for consideration and endorsement and is included in Attachment 1. On October 19, 2022 this budget was also presented at the Board Budget Workshop and is summarized in the report titled “2023 - 2027 Financial Plan – Metro Vancouver Districts and Housing Corporation” (Attachment 3).

The MVHC 2023 Annual Budget and 2023 - 2027 Financial Plan are now being brought forward to the Board for consideration and approval. Also being brought forward is a request to authorize the application of 2023 reserve funds which requires the approval of the MVHC Board pursuant to the Board’s *Operating, Discretionary, and Statutory Reserves Policy* (Attachment 2).

BOARD BUDGET APPROVAL REQUIREMENTS

Unlike the *Local Government Act* and the *Community Charter* which requires Regional Districts and Municipalities in British Columbia to annually approve by bylaw a financial plan for a five year period, multi-year financial plans are not required under MVHC enabling legislation.

However, in accordance with Metro Vancouver’s policies that adhere to long term financial planning principles, this report brings forward for the Board’s consideration a five-year financial plan for the years 2023 - 2027. The financial plan has been developed based on a detailed budgeting process that is designed to predict anticipated future revenue requirements to cover operating expenditures, capital expenditures and debt servicing costs over the next five years. This information is essential in supporting Metro Vancouver’s overall budgeting process.

ALTERNATIVES

1. That the MVHC Board:
 - a) approve the 2023 Annual Budget and endorse the 2023 - 2027 Financial Plan as shown in Attachment 1 of the report dated October 20, 2022, titled “MVHC 2023 Budget and 2023 - 2027 Financial Plan”, in the following schedules:
 - Revenue and Expenditure Summary
 - Housing
 - Capital Portfolio – Housing
 - b) approve the 2023 Reserve Applications as shown in Attachment 2 of the report dated October 20, 2022, titled “MVHC 2023 Budget and 2023 - 2027 Financial Plan”.
2. That the Board provide alternative direction as appropriate.

FINANCIAL IMPLICATIONS

If the Board approves alternative one, the 2023 Annual Budget will be approved as presented and authority will be provided to undertake the MVHC Housing Services work plans presented in the budget reports. The 2023 to 2027 Financial Plan for MVHC Housing Services will also be endorsed and will provide greater certainty for budget planning in future years, as well as improved information to the public, partner agencies and tenant services.

Under alternative two, the Board may wish to amend the 2023 budget and approve the budget and financial plan as amended. Under the MVHC enabling legislation, the Board is required to adopt a budget on an annual basis to ensure the ongoing financial sustainability of the Corporation.

SUMMARY / CONCLUSION

The 2023 Revenue and Expenditure Budgets and the 2023 Reserve Applications require Board approval. Endorsing the MVHC 2023 - 2027 Financial Plan aligns with Metro Vancouver's financial planning practices and concludes the administrative process of the 2023 budget development cycle. Staff recommend approving the MVHC 2023 Annual Budget and endorsing the 2023 - 2027 Financial Plan as presented in alternative one.

Attachments

1. MVHC 2023 - 2027 Financial Plan
2. 2023 Reserve Applications
3. "2023 - 2027 Financial Plan – Metro Vancouver Districts and Housing Corporation", dated October 20, 2022.

References

[Metro Vancouver Board Budget Workshop Agenda, October 19, 2022](#)

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METRO VANCOUVER DISTRICTS
REVENUE AND EXPENDITURE SUMMARY
2023-2027 FINANCIAL PLAN

	2022 BUDGET	2023 BUDGET	% CHANGE	2024 FORECAST	% CHANGE	2025 FORECAST	% CHANGE	2026 FORECAST	% CHANGE	2027 FORECAST	% CHANGE
REVENUES											
Water Sales	\$ 329,365,517	\$ 338,337,102	2.7%	\$ 373,205,406	10.3%	\$ 425,239,222	13.9%	\$ 480,853,802	13.1%	\$ 548,965,816	14.2%
Liquid Waste Services Levy	301,424,687	324,265,595	7.6%	403,777,026	24.5%	492,474,707	22.0%	581,272,842	18.0%	678,672,079	16.8%
Solid Waste Tipping Fees	112,909,870	121,921,930	8.0%	129,029,184	5.8%	137,969,863	6.9%	146,011,531	5.8%	153,818,262	5.3%
Metro Vancouver Regional District Requisitions	89,868,576	100,621,354	12.0%	111,106,475	10.4%	113,923,688	2.5%	117,788,031	3.4%	120,131,118	2.0%
Compensation Services Revenue	503,691	537,759	6.8%	560,207	4.2%	568,902	1.6%	578,295	1.7%	589,590	2.0%
Collective Bargaining Services Revenue	934,437	982,987	5.2%	1,028,147	4.6%	1,042,611	1.4%	1,059,311	1.6%	1,078,487	1.8%
Housing Rents	42,110,363	43,776,981	4.0%	47,786,671	9.2%	51,169,123	7.1%	59,741,420	16.8%	62,385,099	4.4%
Liquid Waste Industrial Charges	12,262,636	12,495,626	1.9%	13,169,057	5.4%	13,655,992	3.7%	14,044,413	2.8%	14,465,746	3.0%
Energy Sales	6,401,758	5,900,000	(7.8%)	6,254,000	6.0%	6,504,160	4.0%	6,699,285	3.0%	6,900,263	3.0%
Transfer from DCC Reserves	60,751,328	63,572,619	4.6%	69,571,672	9.4%	79,429,974	14.2%	92,963,737	17.0%	113,739,505	22.3%
User Fees	5,977,543	7,898,030	32.1%	9,420,719	19.3%	11,031,103	17.1%	11,951,292	8.3%	12,715,175	6.4%
Housing Mortgage and Rental Subsidies	1,885,840	1,254,011	(33.5%)	1,291,631	3.0%	1,330,380	3.0%	1,370,292	3.0%	1,376,041	0.4%
Non-Road Diesel Fees	1,070,000	1,197,500	11.9%	1,656,250	38.3%	2,410,000	45.5%	2,692,500	11.7%	3,315,000	23.1%
Regional Global Positioning System User Fees	287,366	284,426	(1.0%)	306,332	7.7%	317,803	3.7%	327,586	3.1%	335,763	2.5%
Electoral Area Requisition	400,973	407,458	1.6%	430,053	5.5%	446,108	3.7%	456,376	2.3%	457,389	0.2%
Love Food Hate Waste	400,000	375,000	(6.3%)	375,000	0.0%	375,000	0.0%	375,000	0.0%	375,000	0.0%
Zero Waste Conference	337,000	240,000	(28.8%)	260,000	8.3%	280,000	7.7%	300,000	7.1%	320,000	6.7%
Other External Revenues	11,768,988	15,210,939	29.2%	16,713,388	9.9%	16,885,459	1.0%	17,086,061	1.2%	16,238,297	(5.0%)
Financing Proceeds	5,820,000	5,325,000	(8.5%)	12,600,000	140.0%	12,725,000	1.0%	11,000,000	(13.6%)	5,000,000	(54.5%)
Transfer from Sustainability Innovation Fund Reserves	10,236,355	3,092,000	(69.8%)	1,567,000	(49.3%)	75,000	(95.2%)	-	(100.0%)	-	0.0%
Transfer from Reserves	30,740,225	34,096,562	10.9%	20,648,451	(39.4%)	19,354,199	(6.3%)	20,558,274	6.2%	20,751,665	0.9%
TOTAL REVENUES	\$ 1,025,457,153	\$ 1,081,792,879	5.5%	\$ 1,220,756,669	12.8%	\$ 1,387,208,294	13.6%	\$ 1,567,130,048	13.0%	\$ 1,761,630,295	12.4%
EXPENDITURES											
Operating Programs:											
Greater Vancouver Water District	\$ 338,434,642	\$ 342,499,784	1.2%	\$ 376,733,297	10.0%	\$ 428,073,298	13.6%	\$ 483,622,380	13.0%	\$ 551,454,054	14.0%
Greater Vancouver Sewerage and Drainage District:											
Liquid Waste Services	392,967,276	418,834,586	6.6%	496,470,981	18.5%	594,295,145	19.7%	697,597,032	17.4%	815,795,204	16.9%
Solid Waste Services	122,991,007	133,391,739	8.5%	142,466,373	6.8%	151,856,553	6.6%	160,257,498	5.5%	168,434,633	5.1%
Metro Vancouver Housing Corporation	54,798,873	60,474,373	10.4%	72,072,906	19.2%	76,148,004	5.7%	83,598,840	9.8%	80,738,056	(3.4%)
Metro Vancouver Regional District											
Air Quality	14,275,068	14,193,563	(0.6%)	14,919,715	5.1%	14,670,984	(1.7%)	15,412,800	5.1%	15,356,938	(0.4%)
E911 Emergency Telephone Service	4,748,693	5,772,500	21.6%	6,116,870	6.0%	6,360,523	4.0%	6,550,801	3.0%	6,746,755	3.0%
Electoral Area Service	797,641	729,126	(8.6%)	727,136	(0.3%)	731,191	0.6%	831,459	13.7%	742,472	(10.7%)
General Government Administration	6,799,517	7,599,517	11.8%	7,927,505	4.3%	8,133,807	2.6%	8,199,594	0.8%	8,299,279	1.2%
General Government-Zero Waste Collaboration Initiative	1,606,945	1,494,777	(7.0%)	1,513,236	1.2%	1,535,346	1.5%	1,556,582	1.4%	1,579,174	1.5%
Housing Planning and Policy	6,743,628	6,280,995	(6.9%)	8,330,722	32.6%	8,361,356	0.4%	8,385,720	0.3%	8,499,157	1.4%
Invest Vancouver	2,785,217	3,791,644	36.1%	3,979,296	4.9%	4,050,950	1.8%	4,114,712	1.6%	4,184,132	1.7%
Regional Emergency Management	233,731	232,479	(0.5%)	233,653	0.5%	216,292	(7.4%)	211,527	(2.2%)	218,749	3.4%
Regional Employers Services	3,057,423	3,461,129	13.2%	3,373,130	(2.5%)	3,341,068	(1.0%)	3,394,507	1.6%	3,459,111	1.9%
Regional Global Positioning System	337,366	354,426	5.1%	379,932	7.2%	393,948	3.7%	405,716	3.0%	415,938	2.5%
Regional Parks	68,990,462	76,540,552	10.9%	79,791,223	4.2%	83,112,490	4.2%	86,922,886	4.6%	89,538,785	3.0%
Regional Planning	4,621,365	4,616,025	(0.1%)	4,774,988	3.4%	4,965,258	4.0%	5,092,192	2.6%	5,177,956	1.7%
Sasamat Fire Protection Service	1,268,299	1,525,664	20.3%	945,706	(38.0%)	962,081	1.7%	975,802	1.4%	989,902	1.4%
	116,265,355	126,592,397	8.9%	133,013,112	5.1%	136,835,294	2.9%	142,054,298	3.8%	145,208,348	2.2%
TOTAL EXPENDITURES	\$ 1,025,457,153	\$ 1,081,792,879	5.5%	\$ 1,220,756,669	12.8%	\$ 1,387,208,294	13.6%	\$ 1,567,130,048	13.0%	\$ 1,761,630,295	12.4%

METRO VANCOUVER HOUSING CORPORATION
HOUSING
2023-2027 FINANCIAL PLAN

	2022 BUDGET	2023 BUDGET	% CHANGE	2024 FORECAST	% CHANGE	2025 FORECAST	% CHANGE	2026 FORECAST	% CHANGE	2027 FORECAST	% CHANGE
REVENUES											
Housing Rents	\$ 42,110,363	\$ 43,776,981	4.0%	\$ 47,786,671	9.2%	\$ 51,169,123	7.1%	\$ 59,741,420	16.8%	\$ 62,385,099	4.4%
Housing Mortgage and Rental Subsidies	1,885,840	1,254,011		1,291,631		1,330,380		1,370,292		1,376,041	
Other External Revenues	884,490	927,600		941,175		954,980		969,021		983,297	
Financing Proceeds	5,820,000	5,325,000		12,600,000		12,725,000		11,000,000		5,000,000	
Transfer from Reserves	4,098,180	9,190,781		9,453,429		9,968,521		10,518,107		10,993,619	
TOTAL REVENUES	\$ 54,798,873	\$ 60,474,373	10.4%	\$ 72,072,906	19.2%	\$ 76,148,004	5.7%	\$ 83,598,840	9.8%	\$ 80,738,056	(3.4%)
EXPENDITURES											
Operating Programs:											
Property Operations	\$ 17,976,727	\$ 19,493,214		\$ 21,004,043		\$ 22,342,287		\$ 25,324,593		\$ 26,320,967	
Maintenance	1,108,815	1,136,393		1,173,908		1,207,051		1,239,443		1,272,914	
Housing Finance Operations	965,411	933,293		959,372		987,242		1,011,398		1,040,269	
Tenant Program and Services	585,086	609,913		628,952		646,531		664,705		683,489	
Site Administration	2,250,084	2,302,527		2,373,339		2,437,838		2,501,237		2,566,037	
Engineers in Training	15,508	7,350		7,566		7,769		7,977		8,191	
Administration and Department Support	1,479,635	1,515,185		1,576,098		1,625,938		1,671,522		1,718,383	
	24,381,266	25,997,875	6.6%	27,723,278	6.6%	29,254,656	5.5%	32,420,875	10.8%	33,610,250	3.7%
Communications Program	40,000	40,000	0.0%	40,000	0.0%	40,000	0.0%	40,000	0.0%	40,000	0.0%
Allocation of Centralized Support Costs	2,401,739	2,352,769	(2.0%)	2,475,030	5.2%	2,425,419	(2.0%)	2,294,932	(5.4%)	2,321,942	1.2%
Total Operating Programs	26,823,005	28,390,644	5.8%	30,238,308	6.5%	31,720,075	4.9%	34,755,807	9.6%	35,972,192	3.5%
Capital Maintenance	9,918,180	14,303,156	44.2%	21,399,804	49.6%	21,164,348	(1.1%)	18,847,226	(10.9%)	12,364,056	(34.4%)
Allocation of Project Delivery Cost	-	-	0.0%	640,051	0.0%	676,768	5.7%	699,058	3.3%	706,126	1.0%
Debt Service:											
Mortgage Payments	4,799,022	4,698,170	(2.1%)	6,862,059	46.1%	8,049,939	17.3%	12,232,359	52.0%	12,512,017	2.3%
Capital Maintenance Financing	678,428	212,625	(68.7%)	653,625	210.0%	1,529,173	130.0%	2,670,881	74.7%	3,629,563	35.9%
Contribution to Capital Replacement Reserve	1,859,270	1,858,786	0.0%	1,993,890	7.3%	2,071,286	3.9%	2,360,868	14.0%	2,403,373	1.8%
Contribution to Reserve	10,720,968	11,010,992	2.7%	10,285,169	(6.6%)	10,936,415	6.3%	12,032,641	10.0%	13,150,729	9.3%
TOTAL EXPENDITURES	\$ 54,798,873	\$ 60,474,373	10.4%	\$ 72,072,906	19.2%	\$ 76,148,004	5.7%	\$ 83,598,840	9.8%	\$ 80,738,056	(3.4%)

METRO VANCOUVER HOUSING CORPORATION
CAPITAL PORTFOLIO
HOUSING DEVELOPMENT
2023 CAPITAL BUDGET AND 2023-2027 CAPITAL PLAN

	2023 CAPITAL BUDGET	2023 CAPITAL CASH FLOW	2024 CAPITAL CASH FLOW	2025 CAPITAL CASH FLOW	2026 CAPITAL CASH FLOW	2027 CAPITAL CASH FLOW	2023 TO 2027 TOTAL CAPITAL CASH FLOW	ACTIVE PHASE	PRIMARY DRIVER
CAPITAL EXPENDITURES									
Heather Place - Building B	\$ 47,000,000	\$ 5,000,000	\$ 15,000,000	\$ 20,000,000	\$ 5,350,000	\$ -	\$ 45,350,000	Detailed Design	Expand/Re-develop
Kingston Gardens - Phase 1	44,700,000	23,000,000	4,500,000	-	-	-	27,500,000	Construction	Expand/Re-develop
Welcher Avenue	36,100,000	26,000,000	3,900,000	-	-	-	29,900,000	Construction	Expand/Re-develop
Eastburn Square	73,500,000	2,000,000	30,000,000	30,000,000	10,600,000	-	72,600,000	Planned	Expand/Re-develop
Malaspina	81,700,000	3,000,000	5,000,000	10,000,000	30,000,000	26,700,000	74,700,000	Planned	Expand/Re-develop
Pitt Meadows Town Centre	74,700,000	1,200,000	40,800,000	31,270,000	-	-	73,270,000	Planned	Expand/Member Partnerships
Southwynde - Burnaby	64,500,000	2,000,000	30,000,000	30,000,000	1,650,000	-	63,650,000	Planned	Expand/Member Partnerships
TOTAL CAPITAL EXPENDITURES	\$ 422,200,000	\$ 62,200,000	\$ 129,200,000	\$ 121,270,000	\$ 47,600,000	\$ 26,700,000	\$ 386,970,000		
CAPITAL FUNDING									
Grants	\$ 160,913,236	\$ 15,575,000	\$ 94,000,000	\$ 19,988,236	\$ 21,000,000	\$ -	\$ 150,563,236		
External Borrowing	146,089,672	38,950,000	28,100,000	47,089,672	11,800,000	16,500,000	142,439,672		
Reserve	115,197,092	7,675,000	7,100,000	54,192,092	14,800,000	10,200,000	93,967,092		
Total	\$ 422,200,000	\$ 62,200,000	\$ 129,200,000	\$ 121,270,000	\$ 47,600,000	\$ 26,700,000	\$ 386,970,000		
SUMMARY BY DRIVER									
Expand/Re-develop	\$ 283,000,000	\$ 59,000,000	\$ 58,400,000	\$ 60,000,000	\$ 45,950,000	\$ 26,700,000	\$ 250,050,000		
Expand/Member Partnerships	139,200,000	3,200,000	70,800,000	61,270,000	1,650,000	-	136,920,000		
Total	\$ 422,200,000	\$ 62,200,000	\$ 129,200,000	\$ 121,270,000	\$ 47,600,000	\$ 26,700,000	\$ 386,970,000		

2023 RESERVE APPLICATIONS - METRO VANCOUVER DISTRICTS
2023 Budget - Proposed Application And Transfers of Reserves (To Be Approved by the Board in October 2022)

Function	Description	Reserve Name	Operating Reserves	Discretionary Reserves	Statutory Reserves
PROPOSED APPLICATIONS					
MVHC					
Metro Vancouver Housing Corporation					
	Fund Capital Replacement Activities	MVHC Capital Replacement Reserve		10,753,248	
	Fund Capital Replacement Activities	MVHC Restricted Capital Replacement Reserve			774,600
	Fund Operating Deficit for BC Housing Properties	MVHC Restricted Capital Replacement Reserve			910,156
	Fund Housing Development	MVHC Capital Development Reserve		7,675,000	
TOTAL PROPOSED APPLICATIONS			\$ -	\$ 18,428,248	\$ 1,684,756

To: Metro Vancouver Districts Boards of Directors
Metro Vancouver Housing Corporation Board of Directors

From: Jerry Dobrovlny, Commissioner/Chief Administrative Officer
Dean Rear, General Manager, Financial Services/Chief Financial Officer

Date: October 11, 2022 Meeting Date: October 19, 2022

Subject: **2023-2027 Financial Plan – Metro Vancouver Districts and Housing Corporation**

RECOMMENDATION

That the MVRD/MVHC/GVS&DD/GVWD Boards direct staff to prepare the necessary 2023 Budget and 2023-2027 Financial Plan information to be presented at the October 28, 2022 Metro Vancouver Districts and Housing Corporation Board meetings for consideration.

EXECUTIVE SUMMARY

The 2023 - 2027 Metro Vancouver Financial Plan has been prepared following direction received at the April 14, 2022 Metro Vancouver Board Budget Workshop. This has resulted in a plan that maintains the goals and objectives of Metro Vancouver while removing the use of financial levers that were utilized during the COVID-19 pandemic to minimize increases on ratepayers. Further, this budget represents a pause to assess the implications of the rapidly evolving macro-economic environment and to undertake strategic planning with the incoming Board of Directors.

Key highlights of the overall Metro Vancouver 2023 proposed budget are as follows:

- A reduction of \$22 million of the total 2023 Metro Vancouver proposed operating budget compared to that previously projected for 2023.
- Maintained or increased contribution to capital and reserves for key functions.
- Reduced capital cash flow for 2023 and 2024.
- Reduction of household impact, \$33 less than that previously projected for 2023.

While considered a pause, the proposed budget still contains provisions to address key Board strategic priorities such as Climate action, Asset Management, Metro 2050, Regional Parks Land Acquisition, Accelerated action on Invest Vancouver, and Indigenous Relations.

As proposed, the 2023 budget has total operating expenditures of \$1.082 Billion and expected capital cashflow of 1.247 Billion. For the year, the average household impact is projected to increase by \$26 for a total of \$620. This represents a 4.5% increase over the prior year, down from the 10.1% projected for 2023 in the previous financial planning cycle.

PURPOSE

To present the 2023 Budget and 2023 - 2027 Financial Plan for the Metro Vancouver Districts and Housing Corporation for consideration.

BACKGROUND

The 2023 - 2027 Financial Plans for the Metro Vancouver Regional District (MVRD), Greater Vancouver Water District (GVWD), Greater Vancouver Sewerage and Drainage District (GVS&DD) and Metro Vancouver Housing Corporation (MVHC) have been prepared following the direction received at the April 14, 2022 Board Budget Workshop.

On April 14, 2022 a Metro Vancouver Board Budget Workshop was held with the objective to seek direction for the preparation of the 2023 - 2027 Financial Plan. The workshop outlined the principles that guide the work of Metro Vancouver as an organization, the current 2022 - 2026 Financial Plan, the implications of the COVID-19 pandemic, the tools that can be used to make budget adjustments, and a proposed approach for the 2023 - 2027 Financial Plan.

Given the challenges being observed coming out of the Covid-19 pandemic, this budget represents a pause for Metro Vancouver and focuses on maintaining the existing goals and objectives of Metro Vancouver. Staff will undertake strategic planning with the incoming Board of Directors, evaluate current plans under this leadership, and assess the implications of the rapidly evolving macro environment.

Key highlights of the overall Metro Vancouver 2023 proposed budget are as follows:

- A reduction of \$22 million of the total 2023 Metro Vancouver proposed operating budget compared to that previously projected for 2023.
- Maintained or increased contribution to capital and reserves for key functions.
- Reduced capital cash flow for 2023 and 2024.
- Reduction of household impact, \$33 less than that previously projected for 2023.

While considered a pause, the proposed budget still contains provisions to address key Board strategic priorities such as:

- Climate action
- Asset Management
- Metro 2050
- Regional Parks Land Acquisition
- Accelerated action on Invest Vancouver
- Indigenous Relations

During the month of October, the 2023 - 2027 Financial Plans for Metro Vancouver's four legal entities were presented to the following ten Board Standing Committees for the individual functions that fall under the oversight of those Committees:

- Indigenous Relations
- Climate Action
- Electoral Area
- Finance
- Housing
- Regional Parks
- Regional Planning
- Water
- Liquid Waste
- Zero Waste

The Metro Vancouver Standing Committees were presented with individual reports covering the 2023 Budget and 2023 - 2027 Financial Plans for each function including program highlights and financial plan highlights (see agenda item B2). The reports included financial information for multiple years as well as a "What's Happening" summary page that described the key activities projected over the five-year period of the financial plan. Each Committee has reviewed and endorsed their individual financial plans and provided comments and direction where appropriate for consideration by the Board at the October 19, 2022 Board Budget Workshop.

The 2023 Budget and 2023 - 2027 Financial Plans reflect alignment with the legislative authority of the individual Districts and functions. Prepared with the direction provided at the Board Budget Workshop on April 14, 2022, the Financial Plan supports the vision and mission as articulated in the *Board Strategic Plan* and the corresponding Regional Management Plans.

This report is being brought forward to present the overall 2023 - 2027 Financial Plan for Metro Vancouver Districts and Housing Corporation (representing the four legal entities: MVRD, MVHC, GVWD, GVS&DD) for consideration and to forward to the Board meeting on October 28, 2022 for approval.

DEVELOPMENT OF 2023 BUDGET AND FIVE-YEAR FINANCIAL PLAN

The *Metro Vancouver Proposed 2023 - 2027 Financial Plan* (Attachment 1) provides the financial details of the proposed 2023 Budget and 2023 - 2027 Financial Plan including financial information by sub-region for the GVS&DD sewerage areas. The attachment also shows the impact of the plan on the cost to the average regional household by those sub-regions to assist member local governments in anticipating the financial impact of Metro Vancouver services to their communities.

The budget and the five-year financial plans are built upon five central themes that guide the development of Metro Vancouver's long term plans and budgets:

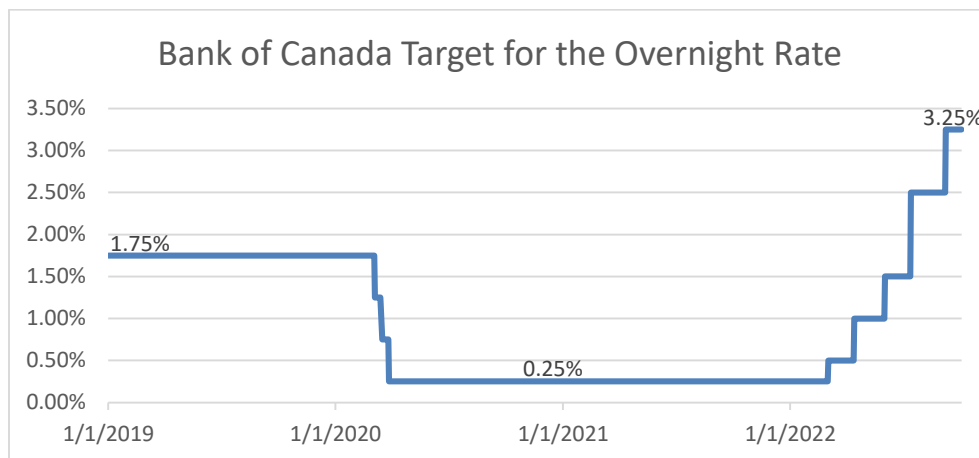
- Financial Sustainability
- Regional Growth
- Environmental Sustainability
- System Stewardship
- Regulatory and Legislative Environment

The Metro Vancouver financial planning process is also framed by a number of Board policies including:

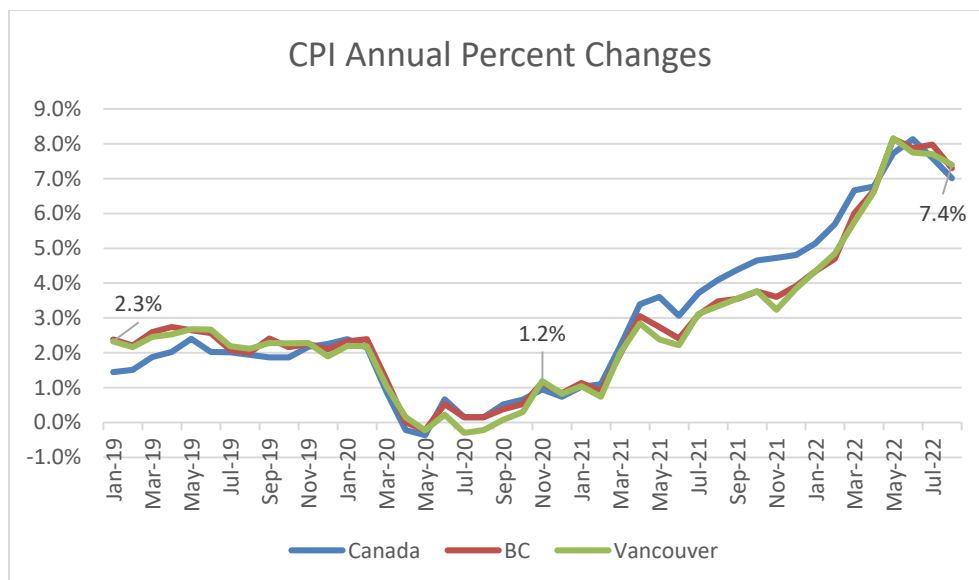
- the *Financial Management Policy*
- the *Corporate Allocation Policy*
- the *Operating, Statutory and Discretionary Reserves Policy*
- the Asset Management policies for individual functions

Macro-Economic Conditions

An overriding concern for many organizations at this time are the pervading macro-economic conditions. These are most evident in the recent changes in interest rates and inflation which are highlighted in the charts below.



Source: Bank of Canada



Source: Statistics Canada. Table 18-10-0004-01 Consumer Price Index, monthly, not seasonally adjusted

Staff assumptions used in the development of the proposed 2023 – 2027 Financial Plan are as follows:

	2023	2024	2025	2026	2027
Interest Rate for Borrowing	5.1%	5.2%	5.25%	5.25%	5.25%
Inflation	6%	6%	4%	3%	3%

Financial Services staff monitor these key factors as they seem to vary rapidly with the changing geopolitical environment.

HOUSEHOLD IMPACT

Household Impact is the key budget metric for Metro Vancouver. It estimates the impact of Metro Vancouver services on the average regional household based on services used.

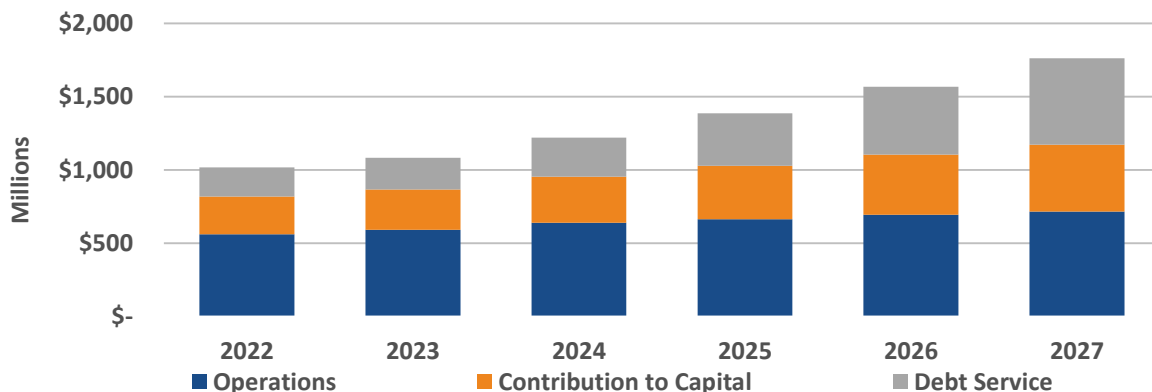
The projection for 2023 in the 2022 - 2026 Financial Plan was for an increase in the household impact of \$59 to a total of \$653. For this cycle, the household impact for 2023 is projected to increase by \$26 for a total of \$620. The total household impact compared to that projected in the previous financial plan is set out in the table below:

OVERALL HOUSEHOLD IMPACT 2023 - 2027						
	2022	2023	2024	2025	2026	2027
Water	\$ 175	\$ 177	\$ 191	\$ 215	\$ 240	\$ 270
Liquid Waste	280	295	360	432	503	579
Solid Waste	63	65	68	71	74	78
Regional District	76	83	90	91	93	94
Total Household Impact	\$ 594	\$ 620	\$ 709	\$ 809	\$ 910	\$ 1,021
<i>Prior Year Forecast</i>		\$ 653	\$ 731	\$ 826	\$ 949	
<i>Prior Year % Change</i>		10.1%	11.7%	13.1 %	14.9%	

FINANCIAL PLAN OVERVIEW

As proposed, the 2023 - 2027 Financial Plan has total operating expenditures for 2023 of \$1.082 million with projected capital expenditures of just under \$1.25 billion as summarized in the tables below:

Operating Budget



The overall Metro Vancouver Operating budget can be categorized into Operations, Debt Service and Contributions to Capital.

Operations – These are the basic inputs for all of the services that Metro Vancouver provides – materials, supplies, labour, energy, chemicals, contractors etc. This makes up about 55% of the proposed 2023 operating budget and is projected to increase on average by about 3.8% over the term of the plan. This is essentially inflationary, especially taking into consideration regional growth.

Debt Service – This represents about 20% of the proposed 2023 operating budget. Much of the capital program is funded through borrowing and thus debt servicing is a function of the size of that capital program, thus the growth that is projected over the five-year term.

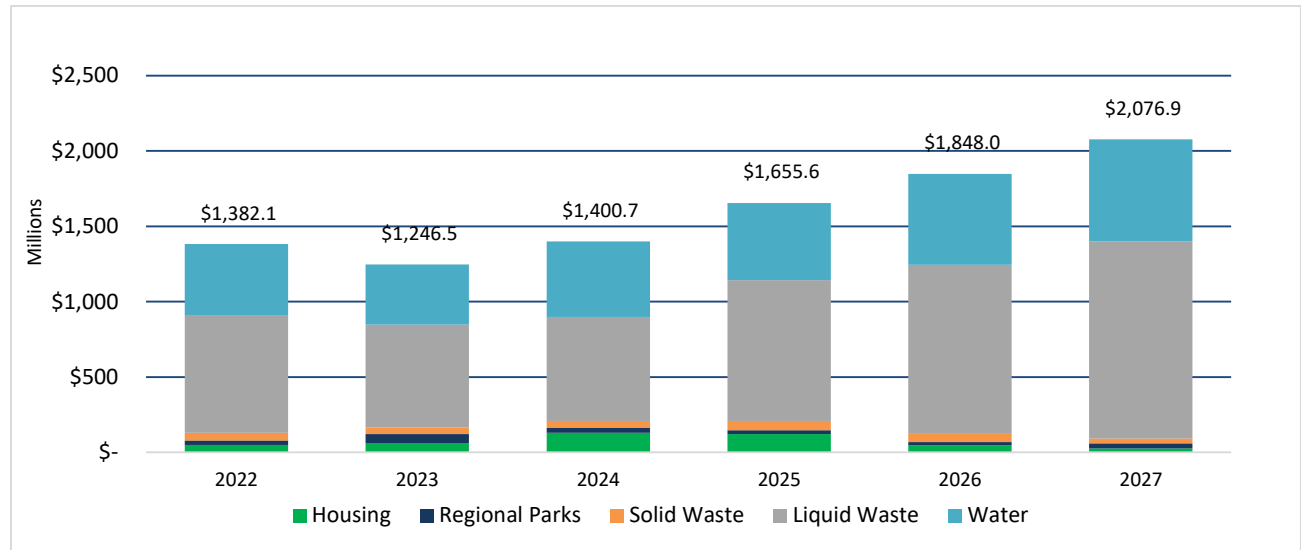
Contribution to Capital – This is the “Pay as You Go” funding for the capital program which is a key factor in avoiding debt and keeping long term costs as low as possible. This represents about 25% of the proposed 2023 operating budget.

The 2023 - 2027 Metro Vancouver Districts Operating Budget is summarized in the table below.

2023 - 2027 METRO VANCOUVER DISTRICTS OPERATING BUDGET						
\$ Millions	2022	2023	2024	2025	2026	2027
Revenues						
Water Sales	\$ 329.4	\$338.3	\$373.2	\$425.2	\$480.9	\$549.0
Liquid Waste Services Levy	301.4	324.3	403.8	492.5	581.3	678.7
Solid Waste Tipping Fees	112.9	121.9	129.0	138.0	146.0	153.8
Housing Rents	42.1	43.8	47.8	51.2	59.7	62.4
MVRD Requisitions	89.9	100.6	111.1	113.9	117.8	120.1
Other Revenue	108.8	152.9	155.9	166.4	181.5	197.7
Transfer from Reserves	41.0	37.2	22.2	19.4	20.6	20.8
Total Revenues	\$ 1,025.5	\$1,081.8	\$1,220.8	\$1,387.2	\$1,567.1	\$1,761.6
Expenditures						
Water Services	\$ 338.4	\$342.5	\$376.7	\$428.1	\$483.6	\$551.5
Liquid Waste Services	393.0	418.8	496.5	594.3	697.6	815.8
Solid Waste Services	123.0	133.4	142.5	151.9	160.3	168.4
MVHC	54.8	60.5	72.1	76.2	83.6	80.7
MVRD	116.3	126.6	133.0	136.8	142.1	145.2
Total Expenditures	\$ 1,025.5	\$1,081.8	\$1,220.8	\$1,387.2	\$1,567.1	\$1,761.6

Capital Expenditures

The 2023 - 2027 Metro Vancouver Districts planned capital cash flows are summarized in the table below.



The 2023 - 2027 Capital plan includes at least \$433.6 million of capital costs being carried forward as incomplete from 2021. Further, through the review of the capital projects through this budget cycle, almost \$1.385 million of projects were deferred from the previous capital plan.

ALTERNATIVES

1. That the MVRD/MVHC/GVS&DD/GVWD Board direct staff to prepare the necessary 2023 Budget and 2023 - 2027 Financial Plan information to be presented at the October 28, 2022 Metro Vancouver Districts and Housing Corporation Board meetings for consideration; and
2. That the MVRD/MVHC/GVS&DD/GVWD Boards make recommendations to amend the 2023 Budget and 2023 - 2027 Financial Plan for the Metro Vancouver Districts and Housing Corporation, as presented, and endorse the 2023 Budget and 2023 - 2027 Financial Plan for the Metro Vancouver Districts and Housing Corporation as amended.

FINANCIAL IMPLICATIONS

If the Board endorses the 2023 Budget and 2023 - 2027 Financial Plan for the Metro Vancouver Districts and Housing Corporation as presented under alternative one, the cost to the average regional household will increase by \$26 in 2023 for a total impact of \$620 for all Metro Vancouver services.

The Board may wish to consider recommending amendments to the financial plan to reflect program priorities. Any proposed changes could require an update to the revenues required to fund the priorities in the plan.

SUMMARY / CONCLUSION

During the first two weeks of October, the 2023 Budget and 2023 - 2027 Financial Plans for Metro Vancouver's legal entities and functions were presented to the following ten Board Standing Committees for the individual functions that fall under the oversight of those Committees:

- Indigenous Relations
- Climate Action
- Electoral Area
- Finance and Intergovernment
- Housing
- Regional Parks
- Regional Planning
- Water
- Liquid Waste
- Zero Waste

The Metro Vancouver Standing Committees were presented with individual reports covering the 2023 Budget and 2023 - 2027 Financial Plans for each function including program highlights, financial plan highlights, financial information for multiple years as well as a "What's Happening" summary page that described the key activities projected over the five-year period of the financial plan. Each Committee reviewed and endorsed their individual financial plans and provided comments and direction where appropriate for consideration by the Board at the October 19, 2022 Board Budget Workshop.

Within this report, the 2023 Budget and 2023 - 2027 Financial Plan for the Metro Vancouver Districts and Housing Corporation have been consolidated for Board consideration and present the overall financial forecast for Metro Vancouver over the next five years. The proposed Financial Plan includes significant capital investment that will be required if Metro Vancouver and its member jurisdictions are to meet the growth and regulatory demands of the region over the coming years. For 2023, the plan represents a \$26 increase in 2023 for a total impact of \$620 for all Metro Vancouver services.

Staff recommend endorsing the 2023 Budget and 2023 - 2027 Financial Plan as presented under alternative one.

Attachments:

1. Proposed 2023 - 2027 Financial Plan
2. GVWD Summary
3. GVS&DD Summary
4. MVHC Summary
5. MVRD Summary
6. Budget in Brief