

**DATE:** April 2, 2025**FILE:** 5040-01**TO:** Chair and Directors  
Regional District Board**FROM:** James Warren  
Chief Administrative OfficerSupported by James Warren  
Chief Administrative Officer***J. Warren*****RE: Housing Entity Establishment Workplan****Purpose**

To outline the key milestones and activities that form the immediate workplan for the establishment of a housing entity to increase the supply of affordable rental housing units in the Comox Valley.

**Recommendations from the Chief Administrative Officer:**

1. THAT the 2025-26 work plan for Service 450 Comox Valley Housing, as outlined in the staff report dated April 2, 2025, be approved.
2. THAT the budget for Service 450 Comox Valley Housing be amended to transfer \$100,000 from reserves to operating for the purpose of implementing the Service 450 workplan as outlined in the staff report dated April 2, 2025.

**Executive Summary**

- In the face of escalating housing affordability issues, efforts to explore and initiate further direct actions have been ongoing over the past couple years.
- The creation of additional non-market rental housing has been consistently identified through recent housing needs assessments as a key element in addressing the acute housing affordability challenges being faced by low – and moderate-income households.
- With the Board’s recent enactment of the legislative and financial framework, the establishment of a housing entity for the purpose of directly creating affordable rental housing can now proceed.
- There are several key documents and steps that are required to establish and launch the housing entity. These include:
  - Business Plan: sets out the high-level feasibility for the entity and its value proposition within the context of the Comox Valley. The plan will

detail the objectives and establish a plan to achieve its goals. The business plan is purposefully drafted with broad intentions to enable flexibility.

- Articles of Incorporation: are required to incorporate a separate legal entity and must be filed with the Corporate Registry. The articles set out the corporation's rules and structure, including purpose, share structure, directors and officers.
- Engagement: information sharing and collaboration with municipal partners, senior government agencies, non-profit housing organizations and the development sector is important to help inform the key elements of the proposal and support the launch and growth of the housing entity.
- Approval: the Regional District is required to seek approval from the Provincial Inspector of Municipalities to create a municipal corporation. The submission to the Inspector must include the Articles of Incorporation in final draft form, together with relevant background reports, including the Business Plan.
- Partnership Agreement: is required to be entered into by the housing entity (once incorporated) and the Regional District to permit the provision of assistance to the housing entity in exchange for specific affordable housing services.
- Board approval of the workplan and the commitment of necessary financial resources is being sought to undertake these critical steps to bring this strategic initiative to fruition.

Prepared by:

***James Warren***

James Warren  
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Concurrence:

***Jake Martens***

Jake Martens  
General Manager of Corporate Services

### Government and Community Interests Distribution (Upon Agenda Publication)

City of Courtenay	✓
Town of Comox	✓
Village of Cumberland	✓
K'ómoks First Nation	✓
Comox Valley Coalition to End Homelessness	✓

**Background/Current Situation**

Service 450 was established in 2009 as the Emergency Shelter and Supportive Housing Land Acquisition Service. The Service was established in response to the identified need for land for a proposed emergency shelter. While a property was acquired for this purpose, an emergency shelter was not realized at the time and the Service subsequently entered an inactive period which lasted several years.

In response to a significant rise in housing prices and affordability and homelessness challenges, the Board conducted a review of the Service and engaged in several strategic planning sessions, beginning in January 2023, to explore further actions and supports. A key outcome from the Board's strategic planning session in 2023 was direction to "develop a response to the housing crisis that focusses on establishing a vehicle for regional housing collaboration, coordination, advocacy and development focused on non-market rental housing." This led to a [report to the Board](#) in October of 2024 that provided a service and financial framework for establishing and operating a housing entity that work to build non-market or affordable rental housing in the Comox Valley.

Aligned with the recommended framework, an amendment to the establishing bylaw for Service 450 was brought forward and elector approval was secured through an alternative approval process held in early 2025. Bylaw No. 850 being "Emergency Shelter and Supportive Housing Land Acquisition Service Establishment Bylaw No. 52, 2009, Amendment No. 1" was adopted on February 24, 2025. In March the Board also adopted its 2025-2029 Financial Plan Bylaw which included an \$880,000 requisition to support the creation of the housing entity and continue to build the reserve fund for the intended activities to realize new non-market housing units.

A service review has since been initiated by the Town of Comox with the intent to withdraw as a participant in the Service. The Board has determined to expedite the Town's withdrawal, and this process is underway. While the Town of Comox is contributing through the Service requisition in 2025, that same contribution is not expected in future years. In this regard, the remaining participants in Service 450 will determine the scope and scale of activities and the budget requisition through the formulation of the housing entity and the annual budget process. It is not perceived that the Town of Comox's exit, should it be realized, presents a fatal challenge for the remaining participants to advance their intended actions and initiatives but further information will be brought forward through the work proposed to be undertaken this year to help inform the participants.

With the legislative authority now in place, the Regional District can now proceed with the next steps in the creation and launch of the housing entity. Detailed in

the table below are the key phases of work and their associated activities to be conducted between April 2025 and May of 2026.

Phase	1. Define Constituting Documents	2. Inform & Engage	3. Approvals	4. Creation/ Launch
<b>Timeline</b>	April – July 2025	April – November 2025	October 2025 – January 2026	January – May 2026
<b>Activities/ Tasks</b>	<ul style="list-style-type: none"> <li>Contract consultant(s) and legal counsel</li> <li>Develop draft Business Plan</li> <li>Develop draft Articles of Incorporation</li> <li>Develop draft Partnering Agreement</li> </ul>	<ul style="list-style-type: none"> <li>Inform senior government housing agencies and ministries</li> <li>Inform and engage local government partners, community partners and development sector</li> <li>Provincial advocacy through UBCM</li> </ul>	<ul style="list-style-type: none"> <li>Board endorsement of the refined focus and scope of housing entity</li> <li>Board endorsement of submission to Provincial Inspector of Municipalities and draft Partnering Agreement</li> <li>Submit application to Inspector of Municipalities</li> </ul>	<ul style="list-style-type: none"> <li>Following Inspector approval, finalize Articles of Incorporation and incorporate entity</li> <li>Enter into Partnering Agreement</li> <li>Approve service budget</li> <li>Hire senior staff position</li> </ul>

The work detailed in the table above reflects a significant undertaking for staff and requires an ‘all-hands-on-deck’ approach to:

- Hire the expertise needed to articulate the roles and responsibilities for a housing entity, and the legal advice and support to develop the articles of incorporation, business plan and partnership agreement
- Clarify and define affordable housing-related roles for local governments and the housing authority through facilitated engagement with local government elected officials and staff
- Engaging with community organizations and the development community to promote the work associated with the housing entity while also exploring opportunities for partnership
- Advocate with senior government housing-related agencies (such as the Canada Mortgage and Housing Corporation and BC Housing) to inform them of the work underway in the Comox Valley and solicit partnerships where appropriate

Through the engagement process, the draft foundational documents (e.g. Business Plan, Articles of Incorporation) are expected to be refined based on the feedback and information received.

In addition to the creation and provision of assistance to a housing entity, the amendment to Service 450 also enables the CVRD to provide additional means of support and assistance to local non-profit housing organizations for the creation of non-market housing. While this is viewed as an important and valued function of the Service, staff capacity during this creation phase is extremely limited. Further, staff do not possess the experience and knowledge specific to the affordable housing development sector to effectively evaluate such opportunities. For these reasons, it is not recommended that time and resources be put towards pursuing and exploring such development/project-specific opportunities until the housing entity is created and launched. Given the tremendous work of the non-profit housing organizations and the multiple opportunities they have cultivated, staff will stay informed of potential opportunities that align with the direction being pursued through the housing entity formation and the workplan described in this report. However, the ability to achieve the described workplan could be impacted if focus is not maintained, and as such staff cannot apply resources beyond nominal awareness of these potential opportunities.

### **Options**

The recommendation in this staff report is to endorse the proposed work plan and provide the necessary funding to accomplish the related activities. Alternatively, the Board can:

- Refer the report to staff to develop an alternative approach to establishing a housing entity for the purpose of increasing affordable rental housing in the Comox Valley. Specific instructions for an alternative approach or research would be helpful to maintain focus and momentum on this initiative.
- Direct specific changes to the proposed work plan and endorse that revised approach.
- Delay the implementation of a housing entity.

### **Financial Factors**

In 2024, at the direction of the Board, a future expenditure reserve was established and a contribution of \$702,619 was made. During 2024, the reserve received \$19,588 in interest revenue from the pooled interest allocation. Within the Board's approved 2025-2029 financial plan, a contribution of \$880,000 will be transferred to the future expenditure reserve. As noted in the October 2024

report on direct actions, \$100,000 is noted towards the creation of a CVRD Housing Corporation. Staff are recommending that this amount be transferred from the reserve account to operations to support:

- Consultant expenses for drafting of the business plan and meeting facilitation
- Support for legal advice and related services

If the transfer of \$100,000 is approved, the projected ending balance of the reserve for 2025 will be just over \$1.6 million.

Based on the assumption that the 2026 – 2029 requisition, operating funds and corresponding reserve contributions will align with the foundational option as presented in the October 2024 staff report on direct actions (following the anticipated exit from the service by the Town of Comox), the table below details the impact per participant for a requisition of \$1,030,000 in 2026. The following table shows the resulting reserve account balances.

Participant	Net Taxable Value (Hospital Purpose)	Net Converted Value (Hospital Purpose)	Population - Comox Valley (excluding Town of Comox)	2026-2029 Requisition Apportionment based on Foundational Option
Electoral Area A	\$4,391,946,067	\$468,641,358	0.1086	\$142,371
Electoral Area B	3,397,591,464	354,690,066	0.1132	148,379
Electoral Area C	3,916,369,062	439,184,758	0.1310	171,801
City of Courtenay	10,154,055,773	1,182,119,487	0.3793	497,325
Village of Cumberland	1,522,760,145	174,579,376	0.0535	70,124
	<b>\$23,382,722,511</b>	<b>\$2,619,215,045</b>		<b>\$1,030,000</b>
	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
<b>Revenue</b>				
Taxation	\$1,030,000	\$1,030,000	\$1,030,000	\$1,030,000
<b>Total Revenue</b>	<b>\$1,030,000</b>	<b>\$1,030,000</b>	<b>\$1,030,000</b>	<b>\$1,030,000</b>
<b>Expenses</b>				
Administration and Support	\$4,634	\$4,634	\$4,634	\$4,634
Contracted and General Services	250,000	250,000	250,000	250,000
Transfer to Reserve	775,366	775,366	775,366	775,366
<b>Total Expenses</b>	<b>\$1,030,000</b>	<b>\$1,030,000</b>	<b>\$1,030,000</b>	<b>\$1,030,000</b>

Projected Reserve Balances based on Foundational Option					
Future Expenditure Reserve No. 450	2025	2026	2027	2028	2029
Balance Forward	\$860,604	\$1,641,063	\$2,416,429	\$3,191,795	\$3,967,161
Contributions	880,459	775,366	775,366	775,366	775,366
Transfers out to Operating	100,000	-	-	-	-
Ending Balance (projected)	<b>\$1,641,063</b>	<b>\$2,416,429</b>	<b>\$3,191,795</b>	<b>\$3,967,161</b>	<b>\$4,742,527</b>

As an alternative, based on the same assumption to align the budget with the foundational option in the October 2024 report on direct actions and not increasing the participants' relative share of funding, the table below details the impact per participant for a requisition of \$809,072. This represents the foundational option requisition in 2026 of \$1,030,000, less the proportional amount of \$220,928 that would have been attributed to the Town of Comox. The second table shows the reserve account balances under this alternative scenario.

Participant	Net Taxable Value (Hospital Purpose)	Net Converted Value (Hospital Purpose)	Population - Comox Valley (excluding Town of Comox)	2026-2029 Requisition Apportionment based on Foundational Option of \$1,030,000 less Town of Comox Proportional Share
Electoral Area A	\$4,391,946,067	\$468,641,358	0.1086	\$111,834
Electoral Area B	3,397,591,464	354,690,066	0.1132	116,552
Electoral Area C	3,916,369,062	439,184,758	0.1310	134,951
City of Courtenay	10,154,055,773	1,182,119,487	0.3793	390,652
Village of Cumberland	1,522,760,145	174,579,376	0.0535	55,083
	<b>\$23,382,722,511</b>	<b>\$2,619,215,045</b>		<b>\$809,072</b>
	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Revenue				
Taxation	\$809,072	\$809,072	\$809,072	\$809,072
Total Revenue	<b>\$809,072</b>	<b>\$809,072</b>	<b>\$809,072</b>	<b>\$809,072</b>
Expenses				
Administration and Support	\$4,634	\$4,634	\$4,634	\$4,634
Contracted and General Services	250,000	250,000	250,000	250,000
Transfer to Reserve	554,438	554,438	554,438	554,438
Total Expenses	<b>\$809,072</b>	<b>\$809,072</b>	<b>\$809,072</b>	<b>\$809,072</b>

Projected Reserve Balances based on Foundational Option less Town of Comox Proportional Share					
Future Expenditure Reserve No. 450	2025	2026	2027	2028	2029
Balance Forward	\$860,604	\$1,641,063	\$2,195,501	\$2,749,939	\$3,304,377
Contributions	880,459	554,438	554,438	554,438	554,438
Transfers out to Operating	100,000	-	-	-	-
Ending Balance (projected)	\$1,641,063	\$2,195,501	\$2,749,939	\$3,304,377	\$3,858,815

These tables are provided for illustrative purposes only. The Service 450 participants will determine operating, and reserve contribution amounts on an annual basis during budget discussions.

Strategic Considerations - Strategic Drivers									
Fiscal Responsibility		Climate Crisis and Environmental Stewardship and Protection		Community Partnerships	✓	Indigenous Relations		Accessibility, Diversity, Equity and Inclusion	✓

The CVRD Board's key drivers of community partnerships and accessibility, diversity, equity and inclusion are strongly aligned with the proposed creation of a housing entity through:

- partnerships and collaboration with community organizations and businesses for the design, development and operation of housing units; and
- The promotion of economic and social equity by ensuring that low- to moderate-income households have access to safe, secure, and affordable housing.

Strategic Considerations - Regional Growth Strategy Goals							
Housing	✓	Ecosystems, Natural Areas and Parks		Local economic development		Transportation	
Infrastructure		Food Systems		Public Health and Safety		Climate Change	

The proposed housing entity is focussed on increasing affordable rental housing in the Comox Valley and as such aligns directly with the housing-related goal and objectives within the Comox Valley Regional Growth Strategy (RGS).

#### Goal 1: Housing

- Objective 1-B calls for increased affordable housing options
- Objective 1-B-6 calls for assisting local governments in the provision of non-profit housing

**Intergovernmental Factors**

One of the most important aspects of establishing the housing entity is to align its focus and purpose with existing local government activities such that efforts are maximized, and duplication does not occur. Local governments currently undertake some work and activities related to affordable housing and therefore describing the housing entity purpose, role and value proposition is crucial. The work plan includes engagement with local government partners to explore these aspects and to ensure awareness, collaboration and support for the launch and growth of the entity.

To this end, it is proposed that the CVRD Chair of the Board request each Mayor and Council and the Electoral Area Directors to support staff to participate in a workshop to describe the role of the housing entity. With the housing entity's goal being to increase the number of affordable rental units in the Comox Valley, the workshop would articulate activities for the housing entity and be clear on where actions are complementary to (not competing with) other local governments. K'ómoks First Nation would also be invited to participate in the workshop. The workshop would seek to:

- define the current actions being undertaken by these governments to increase affordable rental housing,
- describe new opportunities to increase affordable rental housing and
- seek consensus on the most appropriate agency to undertake such actions (whether that agency is a municipality, K'ómoks First Nation, the regional district or the housing entity).

An Elected Officials Forum would be scheduled following the workshop to inform and seek feedback on the housing entity roles.

**Citizen/Public Relations**

Public communication is proposed to be limited to informing the community about the next steps for the housing entity and the proposed path forward to provide increased affordable housing units within the Comox Valley. At this stage a robust promotional or engagement campaign is not proposed. The CVRD website will be updated with pertinent information and updates as they become available.

Consultation with the development community, non-profits, local governments and other government organizations will be focused on advising on the Board approved path forward and exploring the opportunities to partner and collaborate, once established.

Given the limited staff capacity and the need to remain focussed on the proposed workplan outlined in this report, substantive requests for financial support, property acquisition or other forms of assistance to local non-profit housing organizations under Service 450 are proposed to be tabled until the creation of the housing entity is complete.