

Capital Review Committee Terms of Reference

Purpose

The delivery of the Commission's capital projects is primarily the responsibility of management with oversight from the Board of Commissioners.

The purpose of the Capital Review Committee (the "Committee") is to assist the Board of Commissioners in fulfilling its obligations and oversight responsibilities with respect to the review of capital projects, and when required, to make recommendations to the Board of Commissioners.

In order to discharge its responsibilities, the Committee will have unrestricted access to the Commission's personnel and documents through the Corporate Secretary and the Vice President of Development and Asset Strategies and will be provided with the resources necessary to carry out its responsibilities, including the authority to engage independent counsel and other advisers as part of this resource requirement.

The Committee will consider any relevant financial, social and environmental considerations in its planning and decision making.

These Terms of Reference establish the Committee's governance framework and duties and responsibilities in fulfilling its oversight role.

Definition of Capital Project

Capital projects include new affordable housing and social housing as well as renewal and repair of existing housing.

For the purposes of the Committee, a capital project includes projects where there is a cash contribution towards the project from BC Housing, or where BC Housing is providing financing towards the project.

Accountability

The Committee will report its discussions to the Board of Commissioners by distributing the minutes of its meetings with support from the Corporate Secretary's office and, where appropriate, by oral report to the Board of Commissioners.

Committee Membership

The Board approves the Terms of Reference for the Committee, including the method for establishing committee membership and composition as well as delegated duties and responsibilities. The Committee Chair is appointed by the Board.

The Committee will be composed of no fewer than three Commissioners or 40% of Commissioners holding office, whichever is lower.

Committee members will have a working familiarity with the development of affordable and social housing in British Columbia, and at least one Committee member will have expertise in the areas of capital planning, major project construction and/or real estate development.

The Corporate Secretary will provide staff support to the Committee.

Orientation

In accordance with the Board's Terms of Reference, an orientation session and relevant orientation materials will be provided by the Corporate Secretary to the new members of the Committee.

Meetings

A quorum for any meeting of the Committee will be the majority of the members of the Committee.

Meetings will be held at the call of the Chair in accordance with the Committee Timetable that appears in these terms of reference under section "Committee Timetable", or as deemed necessary to carry out the business of the Committee.

Members of the Executive team may attend all meetings of the Committee, except for in camera sessions.

There will be a Secretary for all Committee meetings.

Independent Advice

The Committee may at any time, through the Corporate Secretary and following approval of the Board Chair, engage independent consultants to assist the Committee with its duties.

Duties and Responsibilities

Subject to the powers and duties of the Board of Commissioners, the Committee in carrying out its mandate, has a number of key duties and responsibilities as follows:

- Review and make recommendations to the Board of Commissioners on the Development and Asset Strategies (DAS) Capital Progress Plan presented by BC Housing staff on an annual basis; and
- Monitor, review and make recommendations to the Board of Commissioners on all DAS Capital Progress Plan Reports presented by BC Housing staff on a quarterly basis; and
- Review and approve all capital project submissions that:

- Exceed \$20 million but are below \$100 million in provincial contributions;
- Have been previously approved by the Capital Review Committee and/or the Board of Commissioners, and that have had their capital budget amount exceeded by a minimum of 10%, but remain below \$100 million in provincial contributions;
- Review capital project submissions that exceed \$100 million, or are determined to be higher risk, as determined by the Capital Review Committee Chair, and make recommendations to the Board of commissioners.

The Capital Review Committee also:

- Reviews all projects that exceed loan to value ratios of 85% for non-subsidized projects, regardless of the total capital budget amount, and has the power to approve them if below \$100 million in provincial contributions. If the total capital budget amount exceeds \$100 million, the Committee makes recommendations to the Board of Commissioners;
- Reviews all projects that fall below debt coverage ratios of 1.0 for non-subsidized projects in accordance with the housing program(s) applicable to the capital project, regardless of the total capital budget amount, and has the power to approve them if below \$100 million. If the capital budget exceeds \$100 million, it makes recommendations to the Board of Commissioners;
- Reviews all projects that do not fall within BC Housing's mandate (e.g., non-housing initiatives) and makes recommendations to the Board of Commissioners.

As the Committee relies on timely and accurate information being received by BC Housing staff in order to carry out its mandate and fulfilling its key duties and responsibilities, the BC Housing CEO will bring to the Committee's attention:

- Any matter that would substantively influence the Board's overall assessment of an approved capital project.
- The results of how emerging issues of strategic importance impact capital projects.
- Proposed changes to the decision-making processes that provide sound fiscal and risk management, accountability and service delivery for capital projects.
- Present to the Committee all matters related to major capital projects which may significantly affect the Commission's performance in this area.
- Information with respect capital project matters that the Committee or Board of Commissioners requires in order to fulfill their mandate as a Committee and governing Board.

At the discretion of the BC Housing CEO, capital project submissions may be presented to the Committee that would not normally be reviewed by the Committee but that due to

the complexity involving significant stakeholder, financial, environmental, political and/or other sensitivities, is deemed important for the Committee to review.

Committee Effectiveness

The Capital Review Committee annually reviews its Terms of Reference to ensure that it continues to meet best practice and the needs of the Board. As part of the annual Board evaluation process, the Committee will assess its performance in carrying out its duties.

Committee Timetable

The timetable on the following page outlines the Committee's schedule of activities during the year.

Capital Review Committee Timetable¹					
	Quarter 1 (Apr 1 – Jun 30)	Quarter 2 (Jul 1 – Sept 30)	Quarter 3 (Oct 1 – Dec 31)	Quarter 4 (Jan 1 – Mar 31)	As Required/ Ongoing
Review and recommend board approval of the Annual Development and Asset Strategies (DAS) Capital Progress Plan	X				
Review quarterly DAS Capital Progress Report	X	X	X	X	
Review and recommend to the Board changes to the DAS Capital Progress Report					X
Review the business case for individual projects that meet the established criteria, and recommend to the Board whether or not to proceed					X
Review decision-making processes that are in place to provide sound fiscal and risk management, accountability and service delivery for capital projects					X
Review and recommend Committee Terms of Reference			X		

¹ BC Housing's fiscal year begins on April 1 and ends on March 31.