

BC Housing

2023/24

Annual Service Plan Report

August 2024



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Board Chair's Accountability Statement



The BC Housing 2023/24 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2023/24 – 2025/26 Service Plan published in 2023. The Board is accountable for those results as reported.

Signed on behalf of the Board by:

A handwritten signature in blue ink that reads "Allan Seckel". The signature is written in a cursive, flowing style.

Allan Seckel, KC
Board Chair, BC Housing
August 09, 2024

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Letter from the Board Chair & CEO

We are pleased to submit BC Housing's 2023/24 Annual Service Plan Report, which summarizes how we advanced our 2023/24 Service Plan goals in alignment with the government's priorities as set out in the most recent BC Housing Mandate Letters.

It was a year of continued expansion and transformation at BC Housing, as we worked closely with the Ministry of Housing and our housing providers to accelerate delivery of more affordable housing to the people of British Columbia. We completed a total of 3,535 units of affordable and supportive housing across 55 communities in B.C. To advance the Province's Homes for People action plan, we identified 40 new projects to move forward that will create approximately 3,500 affordable rental homes. As part of Belonging in BC, the Province's collaborative plan to prevent and reduce homelessness, we launched the Homeless Encampment Action Response Team (HEART) and Homeless Encampment Action Response Temporary Housing (HEARTH) Program in six B.C. communities.

BC Housing's focus on growing the supply of new homes continued to be combined with actions to increase the resilience, sustainability, and cultural appropriateness of housing stock. Ongoing capital investment in existing stock extends the life of buildings, improves livability, increases building safety, and improves energy performance. Investments this year enabled us to meet our facility condition targets and helped reduce greenhouse gas emissions and increase sustainability, in alignment with the Province's CleanBC plan. Recognizing that the impacts of climate change and the housing crisis disproportionately affect Indigenous, racialized, and other marginalized people, BC Housing aligns its work with the principles of sustainability and of Reconciliation, equity, diversity, inclusion, and belonging.

BC Housing began implementation of a Business Transformation Program in response to findings of the Ernst & Young 2022 Financial Systems and Operations Review and 2023 Forensic Engagement. We made progress on recommendations on corporate governance, internal financial management, and oversight of non-profit providers. The improvements are designed to increase organizational capacity, strengthen relationships with providers and enhance service delivery for British Columbians – enabling BC Housing to better address housing needs across the province.

In 2023/24, BC Housing provided homes or rental assistance to over 120,000 B.C. households. We could not achieve this without the dedication of staff working closely with housing providers to deliver direct services to clients. We would also like to thank the Minister of Housing and his staff for their collaboration and support in the development and roll out of new programs to address the housing crisis. Our collective commitment to affordable housing allows BC Housing to fill critical gaps in the housing continuum and promote strong inclusive communities where people can thrive.



Vincent Tong
CEO, BC Housing
August 09, 2024



Allan Seckel, KC
Board Chair
August 09, 2024

Purpose of the Annual Service Plan Report

This annual service plan report has been developed to meet the requirements of the Budget Transparency and Accountability Act (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, a Minister Responsible for a government organization is required to make public a report on the actual results of that organization's performance related to the forecasted targets stated in the service plan for the reported year.

Strategic Direction

The strategic direction set by Government in 2020 and expanded upon in the Board Chair's [2021/22 Mandate Letter](#) from the Minister Responsible shaped the goals, objectives, performance measures and financial plan outlined in the BC Housing [2023/24 - 2025/26 Service Plan](#) and the actual results reported on in this annual report.

Purpose of the Organization

BC Housing was created in 1967 through an order-in-council under the [Ministry of Lands, Parks and Housing Act](#) to deliver on the provincial government's commitment to the development, management and administration of housing. Under the [Homeowner Protection Act](#), BC Housing also has responsibilities related to licensing of residential builders, administering owner-builder authorizations, overseeing home-warranty insurance, and carrying out research and education to improve the quality of residential construction and consumer protection. BC Housing has a board of commissioners that is responsible for corporate governance and an organizational structure with seven branches. Additional information about BC Housing's corporate governance as well as the organization's mandate, mission, vision, and values can be found on the [BC Housing website](#).

As the lead agency for social and affordable housing, it is crucial for BC Housing to build deep partnerships with Indigenous Peoples and organizations to create more housing and to support self-determination in the Indigenous housing sector. BC Housing is committed to addressing the systemic inequities experienced by Indigenous Peoples through reconciliation and by collaborating with Indigenous and community partners to provide culturally safe and inclusive programs and services. Led by its Office of Equity, Diversity, Inclusion and Belonging (OEDIB), BC Housing also strives to embed Reconciliation, Gender Based Analysis+, and EDI into all work to improve housing outcomes for everyone, and particularly for equity and rights seeking communities.

Operating Environment

The size, scope, and complexity of BC Housing’s activities continued to expand in 2023/24, driven by the Government of British Columbia’s historic investment in response to the housing crisis. In April 2023, the Province announced a new [Homes For People](#) action plan, committing an additional \$12 billion over the next decade on top of the \$7 billion over 10 years committed in 2018 under [Homes for B.C.: A 30-Point Plan for Housing Affordability](#).

While the Province’s substantial investments enabled BC Housing to provide new affordable options for thousands of BC residents in 2023/24, sustained population growth — 3.3% in 2023, the highest rate since 1971 — maintained upward pressure on housing demand. At the same time, sustained high interest rates, supply chain disruptions, and tight labour market conditions made it harder for BC Housing and its partners to create, maintain, and protect affordable housing options.

General inflation deepened households’ economic stress. In addition, the poisoned drug supply, homelessness, and climate change create interrelated challenges that disproportionately impact Indigenous, racialized, 2SLGBTQIA+, and disabled people. All 20 of the B.C. communities that participated in the [Point-in-Time Homeless Counts in 2023](#) identified increases compared to 2020/21. The counts, funded by the Province, also showed that homelessness continues to affect a broad demographic of individuals, families, youth, and seniors, with Indigenous people and former children in care significantly over-represented. BC Housing and the Ministry of Housing use these results to develop the supports and services that will best help people in need in different communities.

The 2023 wildfire season was the most destructive in B.C.’s recorded history with more than 2.8 million hectares of forest burned, tens of thousands of people forced to evacuate, and hundreds of homes lost or damaged.¹ Preparing for and mitigating the risk of emergencies like wildfires is essential to maintaining the health and safety of people who live in BC Housing buildings. In 2023/24, BC Housing managed climate risk by taking steps to reduce greenhouse gas (GHG) emissions and increasing the resilience of its housing stock. It also collaborated with provincial ministries, health authorities, agencies, and residents to prepare for and respond to extreme weather. This work advances the Province’s [Clean BC Roadmap to 2030](#) and [Climate Preparedness and Adaptation Strategy](#).

To strengthen BC Housing’s ability to deliver on its mandate, in 2023/24 BC Housing began implementing recommendations from the [2022 Financial Systems and Operations Review](#) and developed an action plan in response to the [2023 Forensic Engagement](#). BC Housing initiated a Business Transformation Program to enhance its structures, processes, and systems in ways that will increase accountability and improve service delivery.

¹ [Wildfire Season Summary - Province of British Columbia \(gov.bc.ca\)](#)

Report on Performance: Goals, Objectives, and Results

The following goals, objectives and performance measures have been restated from the 2023/24 – 2025/26 service plan. For forward-looking planning information, including current targets for 2024/25 – 2026/27, please see the latest service plan on the [BC Budget website](#).

Goal 1: Housing solutions are created and protected

Objective 1.1: Increase the supply of, access to, and security of affordable and sustainable housing for people with low and moderate incomes

Key results

- Completed 3,535 units of affordable housing and supportive housing across the province – 3,178 under Building BC and related programs, and 357 with other capital funding. BC Housing also provided rental assistance to 30,794 households.
- Identified more than 40 new housing projects to create an estimated 3,500 affordable rental homes throughout B.C. under the Community Housing Fund (CHF).
- Developed the BC Builds Rental Supply Program to leverage partnerships with non-profits, local governments, First Nations, and the development sector to identify underused land, provide financing and grant funding, and deliver projects that create more rental housing for middle-income households for launch April 1, 2024.
- Launched a second call for housing project proposals through the Indigenous Housing Fund (IHF), with a target of over 1,200 units to be awarded.

Summary of progress made in 2023/24

In 2023/24, BC Housing made further progress on strengthening investments in programs under [Building BC](#) (such as the [Community Housing Fund](#), [Indigenous Housing Fund](#), the [Women's Transition Housing Fund](#) and the [Supportive Housing Fund](#)). BC Housing also continued to deliver rental assistance for low-income households in the private market through the Shelter Aid For Elderly Renters (SAFER) program, Rental Assistance Program (RAP) and Canada-BC Housing Benefit (CBCHB) program. In addition, one new program was introduced in 2023/24 under the Homes for People action plan: [BC Builds](#).

Together, these programs increased the supply of, access to, and security of affordable and sustainable housing on multiple fronts. In August 2023, BC Housing issued a Request for Proposals (RFP) for housing projects under the Community Housing Fund (CHF) and selected 40 new projects, enabling approximately 3,500 rental homes to move forward. Part of Building BC, the CHF funds new subsidized homes for families, individuals, seniors, people with disabilities, and Indigenous people with low to moderate incomes. As of March 31, 2024, 1,027

homes were completed in 2023/24 under the CHF, for a total of 9,735 homes open or underway through the program since its launch in 2018.

In November 2023, BC Housing put out a second call through the IHF for proposals to build new homes for Indigenous families, individuals, and Elders, on and off reserve. Indigenous non-profit housing providers, First Nations, Indigenous organizations, and non-profit and for-profit developers wanting to partner with Indigenous housing providers and First Nations could apply.

In February 2024, the Province announced BC Builds to create a supply of market and below-market housing at an accelerated pace. The BC Builds Rental Supply Program, delivered by BC Housing through BC Builds, will create more rental housing for middle income households by bringing down building costs and getting projects from concept to construction in 12 to 18 months. In 2023/24, BC Housing also prepared to launch the Secondary Suite Incentive Program (SSIP), which, starting in April 2024, will provide financial assistance to eligible homeowners to create below-market rental units on their property.

Objective 1.2: Improve the quality of existing social housing and ensure its long-term provision

Key results

- BC Housing and the Ministry of Housing worked with the City of Vancouver, and the Canada Mortgage and Housing Corporation (CMHC), to develop an approach to renovation and redevelopment of Single Room Occupancy (SRO) buildings
- Launched the Provincial Redevelopment Program (PRP) to preserve and expand BC Housing's non-market housing stock.

Summary of progress made in 2023/24

Ensuring that housing stock continues to meet the needs of BC Housing's diverse population and improving livability for residents are essential elements of a sustainable social housing program. In 2023/24, BC Housing and the Ministry of Housing worked with the federal government and the City of Vancouver to discuss SRO improvements. By the end of 2023/24, BC Housing advanced SRO renovation projects to improve habitability and bring people indoors. These projects are in the design-development, project development, construction, and permitting stages.

As housing stock ages, it must be proactively renewed to ensure it remains in good condition. BC Housing's focus is to extend the life of buildings, improve livability, increase building safety against fire or earthquakes, and improve energy performance. In 2023/24, more than 350 projects to improve the quality, sustainability, resiliency, safety, and accessibility of existing social housing stock were underway or completed.

When housing stock ages beyond where renewal and repair is cost effective, BC Housing explores options to redevelop the property. The PRP revitalizes aging or underused provincially owned buildings to preserve affordable rental housing and create net new

housing. On March 31, 2024, 10 redevelopment projects were at the design or municipal approval stage through the PRP.

Performance measures and related discussion

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
[1a] Number of affordable and supportive housing homes completed, including affordable rental and social housing (including HousingHub) ¹	4,503	3,000	3,178
[1b] Number of homes completed – other capital funding ²	n/a	420	357
[1c] Number of households receiving rental assistance through SAFER, RAP and CBCHB ³	30,355	35,000	30,552
[1d] Facility Condition Index (FCI) of BC Housing’s Portfolio ⁴	18%	16% to 21%	18%

Data source: BC Housing’s Central Property System (CPS) database for measures [1a] and [1b]. April 1, 2023 – March 31, 2024. Due to a timing issue, 49 of the 3,178 units completed in 2023/24 were updated in the CPS database in June 2024.

Data source: BC Housing’s Subsidy Management and Assisted Rental Tool (SMART) database [1c] March 31, 2024, snapshot

Data source: Physical building condition assessments of building systems, sub-systems and components are tracked by BC Housing and used to calculate the Facility Condition Index [1d] April 1, 2023 – March 31, 2024

¹ Programs included 1a are Affordable Rental Housing; Rapid Response to Homelessness; Deepening Affordability of Investment in Housing Innovation/Provincial Investment in Affordable Housing; Community Housing Fund; Women’s Transition Housing Fund; Supportive Housing Fund; Indigenous Housing Fund; Homelessness Action Plan; HousingHub; COVID-19 Action Plan, Canada Mortgage and Housing Corporation (CMHC) Rapid Housing Initiative and the Permanent Housing Plan. ² PM [1b] was introduced in the 2023/24 Service Plan. This measure includes the Community Partnership Initiative; Federal Social Infrastructure Fund; Group Home Program; Housing Endowment Fund; Investment in Housing Innovation; Mental Health Housing; Provincial Investment in Affordable Housing and the Provincial Matching of Federal Investment in Affordable Housing, amongst others.

³ Programs reflected in measure 1c include the Shelter Aid for Elderly Renters program, the Rental Assistance Program, and the Canada-BC Housing Benefit.

⁴The FCI calculation is the cost of a building’s renewal and replacement needs divided by its replacement cost, expressed as a percentage. A lower percentage corresponds to a better building condition. Without adequate continued investment in the existing social housing stock, its long-term sustainability decreases and the FCI rises over time.

BC Housing completed 3,178 affordable and supportive housing homes in 2023/24, exceeding the 2023/24 target of 3,000 homes completed under Building BC and related programs launched since 2017 (Measure 1a). Measure 1b tracks homes completed with capital funding outside of Building BC and HousingHub programs. BC Housing missed the target for this metric by 63 units due to a delay in one project for municipal reviews and utility connections. These units will be delivered in fiscal year 2024/25.

In 2023/24, BC Housing provided a total of 30,522 households with rental assistance primarily in the non-subsidized rental market, including 22,820 households through the SAFER program, 3,659 households under RAP, and 4,073 households under the CBCHB program. This result did not meet the target, reflecting declining enrollment in both RAP and SAFER programs due to changes in the rental market and static eligibility requirements. BC Housing, in collaboration with the Ministry of Housing, completed work in 2023/24 to update the SAFER eligibility

requirements, including increasing the eligibility threshold and the minimum benefit. This is expected to promote higher enrollments next year.

BC Housing's portfolio FCI, Measure 1d, was 18% in 2023/24, within the targeted range. The measurement of 18% for the social housing stock is comprised of 22% for the directly managed portfolio and 19% for the non-profit portfolio. Key factors that contributed to achieving the target include improvements in the quality of life and safety of homes for residents throughout the province; ongoing capital spending on building rehabilitation; and work by BC Housing and BC Non-Profit Housing Association (BCNHPA) to increase capacity for asset management and facility maintenance.

Goal 2: People experiencing, or at risk of, homelessness have access to diverse supportive housing options

Objective 2.1: Collaborate on and deliver supportive housing programs and services to prevent the cycle of homelessness

Key results

- Established data-sharing agreements with Vancouver Fire and Rescue Services and the Office of the Fire Commissioner to enhance inter-organization consultation on fire-related activity at BC Housing-owned buildings and non-profit operated buildings.
- Introduced regional Security and Emergency Program Advisors to support BC Housing and non-profits with fire safety and overall security.
- Launched the Complex Care Housing (CCH) program in collaboration with the Ministry of Mental Health and Addiction (MMHA).
- Expanded the new Supported Rent Supplement Program (SRSP) to allocate 1,100 rent supplements to non-profit providers across the province to help people remain stably housed.

Summary of progress made in 2023/24

Structural fires pose a significant risk to life, health, and safety, while also displacing residents. In 2023/24, BC Housing conducted survey research to identify training gaps and inform improved fire prevention and response processes.

CCH offers individuals facing homelessness permanent housing with continuous access to health, social, and cultural services. In 2023/24, the Ministry of Housing collaborated with MMHA to identify 11 priority communities for 200 new complex care units. BCH also worked with MMHA on the preliminary unit design as well as the procurement of operators. MMHA will deliver enhanced complex care services through health authorities once the units are in operation. As of March 31, 2024, BC Housing had identified sites for 100 units, which will be operational in future periods.

Purpose-built supportive housing and shelters that provide integrated health, social, and cultural services are also critical to addressing homelessness. As of March 31, 2024, BC Housing added 882 new units of supportive housing.

The SRSP offers another pathway to reduce and prevent homelessness by providing a coordinated network of services to eligible people receiving the federally funded CBCHB. BC Housing committed to 1,100 SRSP rent supplements through operating agreements with providers across the province as of March 31, 2024.

Objective 2.2: Better meet the needs of those experiencing homelessness and in encampments

Key results

- Launched the HEART and HEARTH Program in Prince George, Kelowna, Nanaimo, Abbotsford, Victoria, and Vancouver to better respond to complex encampments and homelessness with local governments, First Nations, and community partners.
- Supported the Ministry of Housing to refine the provincial Integrated Support Framework (ISF) to encourage increased participation of Indigenous Providers in the SRSP. The ISF is a model to support improved coordination and access to supports across government partners for people experiencing or at risk of homelessness.
- Developed and implemented encampment response plans in Prince George, Vancouver, Kelowna, Salt Spring Island, Abbotsford, and Sechelt, in collaboration with local and provincial partners.
- Supported cross-ministry partners in funding and distributing fire safety resources for encampments, prioritizing the health and safety of those experiencing homelessness.

Summary of progress made in 2023/24

In 2023/24, BC Housing collaborated with partners to provide people living outdoors and in encampments with better access to a range of support services, new shelters, and housing options through HEART and HEARTH, a new program funded by the Province under *Belonging in BC: A collaborative plan to prevent and reduce homelessness*. HEART and HEARTH bring together multidisciplinary teams to provide immediate, coordinated supports to assist people in encampments or sheltering in public spaces. BC Housing collaborates with the Ministry of Housing to identify priority communities for the program based on need and existing resources, and to establish agreements with municipal partners.

To support increased participation of Indigenous providers in the SRSP, BC Housing worked with the Ministry of Housing, provincial partners, and Indigenous organizations to identify and address factors contributing to low involvement. The factors identified included program requirements, rental market conditions, and the capacity of Indigenous providers. The procurement process was streamlined to encourage submissions, and opportunities were analyzed to further support Indigenous applications in the next phase.

Performance measure and related discussion

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
[2a] Percentage of homeless individuals who accessed housing and remained housed after 6 months	92%	92%	95%

Data source: The Housing Registry's Housing Connections software (March 31, 2024).

In 2023/24, 95% of people previously experiencing homelessness remained housed six months after placement, exceeding BC Housing’s target for Measure 2a. This measure focusses on housing stability as key to breaking the cycle of homelessness, recognizing that people face barriers to staying housed due to a lack of supports. Results on this measure reflect BC Housing’s collaboration with a range of partners, including non-profit housing providers and health authorities, as well as the Ministry of Health and the Ministry of Social Development and Poverty Reduction, to bring needed clinical and non-clinical supports to residents who are exiting homelessness.

Goal 3: Be a high performing organization that can adapt and scale in response to housing need

Objective 3.1: Embed equity analysis and leading equity principles into operations, programs, policies, and strategies

Key results

- Conducted a gender pay equity analysis and issued a Pay Transparency Report as one of the first wave of B.C. employers to adopt the *Pay Transparency Act* passed in 2023.
- Developed a reconciliation learning curriculum including trauma-informed and cultural safety training.
- Engaged with sector partners and non-profit delegates on a review of National Occupancy Standards to define strategies to mitigate inequity and potential discriminatory practices in tenant selection and placement.

Summary of progress made in 2023/24

To effectively deliver on its mandate, BC Housing aligns its work with the principles of equity, diversity, inclusion and belonging (EDIB). In 2023/24, BC Housing’s OEDIB began development of an Equity Action Plan informed by its 2022 equity assessment. The action plan will ensure that the work of BC Housing continues to embed equity and GBA+ analyses into operations, programs, policies, and strategies.

Results of BC Housing’s Pay Equity Report shows the organization has a gender pay gap of 2.2%, meaning women make 2.2% less on average than men. While lower than the 17% gender pay gap in the overall B.C. labour market, BC Housing is taking steps to identify

reasons for the gap and strategies to address it. These include embedding gender into merit pay processes, enhancing data collection and reporting, and working on candidate sourcing to increase the number of women and non-binary candidates for roles traditionally held by men.

In 2023/24, BC Housing updated its Indigenous Recruitment & Retention Action Plan, to strengthen current practices. For example, it enhanced candidate sourcing for Indigenous candidates by including additional recruitment advertising channels. It also built new connections at colleges and universities to enhance the Indigenous Student Co-Op and Internship Program.

Providing staff education and learning opportunities is key to building an inclusive, safe, and accessible workplace environment. In 2023/24, BC Housing expanded learning offerings and developed training including Fundamentals of EDIB eLearning course, Respect in the Workplace, Standards of Conduct training (with a module on EDIB and Human Rights), Working Effectively with Indigenous Peoples, and Building and Strengthening Relationships with Indigenous Communities.

Objective 3.2: Modernize and strengthen our corporate governance and operating systems

Key results

- Advanced a Business Transformation Program (BTP) to ensure BC Housing's organizational structure and processes align with BC Housing's objectives, and completed actions to strengthen corporate governance, financial management and oversight and Information Management and Technology.
- As part of BTP, developed a Technology Roadmap to drive positive outcomes across the organization by leveraging digital technologies that better manage BC Housing's complexity, provide scalability, and mitigate risks.
- Developed PartnerHub, an online portal to make it easier for non-profit providers to access and share information with BC Housing.
- Revitalized BC Housing's People Strategy to sustain engagement and build a culture of inclusion.

Summary of progress made in 2023/24

The Business Transformation Program began in 2023 to enhance BC Housing's tools, processes, and systems so that BC Housing can be more accountable and responsive in meeting the changing needs of employees, tenants, and communities.

The program includes 21 projects, addressing five focus areas: corporate governance, financial management and oversight, process modernization, people, and culture, and digital first environment. The program addresses recommendations from the [2022 Ernst & Young Financial Systems and Operations Review](#) and the 2023 Ernst & Young Forensic Engagement (EY-FE). As of March 31, 2024, a total of 12 out of 20 recommendations from EY-FE and 10 out

of 43 accepted recommendations² from the Financial Systems and Operations Review were complete, with progress made on key recommendations around corporate governance, internal financial management and oversight of non-profit providers.

BC Housing made significant progress in 2023/24 on transforming the Operational Review process for non-profit providers. An Operational Review is where BC Housing assesses a non-profit provider's performance in delivering safe, effective services and sustainably managing their budget and buildings. BC Housing created PartnerHub to simplify the sharing of important information between non-profits and the organization during this process.

To refine its People Strategy, BC Housing identified actions and metrics in eight areas of strategic focus: employee experience, talent acquisition, compensation, people managers, culture, employee support, safety and development, business transformation, and Human Resources operations.

Performance measure and related discussion

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
[3a] Employee Engagement index	Top Quartile of benchmarked employers	Top Quartile of benchmarked employers	Top Quartile of benchmarked employers

Data source: BC Housing's annual employee engagement survey. Employees received an email survey invitation in October 2023.

In 2023/24, 79% of staff expressed agreement with key indicators of employee engagement, with 86% of staff participating in the annual employee engagement survey. The 2023/24 survey results place BC Housing in the top quartile of benchmarked employers, meeting the performance target.

The survey framework is based on five key indicators of engagement: meaningful work; talent, skill, and knowledge; equity, safety and belonging; autonomy and impact; and balance, trust, and respect. Employees rated BC Housing highly for positive relationships between co-workers and with supervisors, the high value placed on fairness and respect, and a strong commitment to equity and reconciliation. Areas identified for improvement included addressing total compensation and total rewards, improving transparency and information sharing, and supporting managers and longer tenured employees. The survey findings will support BC Housing to take steps to enhance the employee experience.

² All recommendations from the report were accepted by BC Housing, except for harmonizing the terms and conditions in program frameworks. This recommendation was not accepted due to the lack of feasibility to consolidate more than 70 programs, many of which have long-standing agreements that would need to be renegotiated.

Goal 4: Deep Indigenous partnerships that advance Truth and Reconciliation and the implementation of the Declaration on the Rights of Indigenous Peoples Act

Objective 4.1: Forge and sustain positive relationships with Indigenous Peoples to enable the realization of their goals

Key results

- Collaborated with Indigenous and non-Indigenous organizations and First Nation partners to advance work building on the 2021 Moving Forward Together Report.
- Committed \$16M towards six Capital Renewal Fund non-profit projects administered by Aboriginal Housing Management Association (AHMA) that helped improve the quality, sustainability, resiliency, safety, and accessibility of existing social housing stock for Indigenous partners and clients.
- Completed 197 homes under the Indigenous Housing Fund.

Summary of progress made in 2023/24

BC Housing is committed to reconciliation with Indigenous Peoples. This requires a deep reckoning with the truth, a commitment to justice, and ongoing efforts to build relationships that enable meaningful change. This work must proceed at a pace that allows for building and sustaining relationships with Indigenous People and communities, and results in co-creation and walking this path together.

BC Housing completed engagements with more than 400 people, including individuals from First Nation BC Housing partners, First Nations Housing and Infrastructure Council, Métis Nation BC, AHMA, and Lu'ma Native Housing Society, as well as Indigenous and non-Indigenous organizations to strengthen relationships and support the improvement of existing housing.

While all BC Housing funding streams are open to Indigenous housing providers, the IHF is specifically aimed at supporting partnerships with Indigenous housing providers to develop affordable rental homes for Indigenous families, individuals, Elders, and persons with a disability, on and off reserve. As of March 31, 2024, 1,566 homes were open or underway under the fund.

Objective 4.2: Have culturally safe and inclusive programs and services for Indigenous partners and clients

Key results

- Continued collaborative work with First Nations communities on strengthening residential asset management practices and improving the quality of existing on-reserve housing.

- Advanced development of Indigenous Housing Design Guidelines and Construction Standards.
- Enhanced procurement processes for the IHF and CHF to support the intake of more proposals and to increase their Indigenous focus.

Summary of progress made in 2023/24

As part of BC Housing’s commitment to reconciliation, BC Housing works with Indigenous community partners and First Nations to ensure BC Housing’s programs, services and spaces are safe and inclusive for all and are built on a foundation of trust, understanding, and respect between Indigenous partners and BC Housing.

BC Housing also advanced work in 2023/24 on Indigenous Housing Design Guidelines and Construction Standards to ensure they reflect best practices and improve livability for residents by promoting resiliency, quality, social inclusion, safety, accessibility, equity, sustainability, and climate adaption. BC Housing established an advisory committee that brings together Indigenous housing design subject matter experts, architects, and academics from across the housing sector.

In 2023/24, BC Housing reviewed and updated its procurement processes for two key programs to reflect the principles of Reconciliation, EDI, and sustainability. The RFP processes for the IHF and CHF were streamlined to make it faster and easier to apply. The evaluation criteria for the CHF were enhanced to encourage applicants to include Indigenous design and Indigenous-owned service partners. The process and criteria enhancements set new standards that can be applied to other calls for proposals.

Performance measure and related discussion

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
[4a] Progressive Aboriginal Relations certification	Gold	Not applicable	Not applicable

Data source: The Canadian Council for Indigenous Business. BC Housing’s current PAR certification is valid from 2021/22 to 2023/24. Certification occurs every three years, with the next one scheduled for 2024/25.

BC Housing measures its performance triennially through the Progressive Aboriginal Relations (PAR) Certification. The Canadian Council for Indigenous Business certifies organizations at a bronze, silver, or gold level by assessing their commitment to the Indigenous sector in four areas: leadership, employment, business development, and community relationships. BC Housing achieved gold certification for the third time in 2021/22, demonstrating an active and ongoing commitment to supporting the Indigenous housing sector and Indigenous housing partners. In 2023/24, BC Housing continued to advance reconciliation through activities including building and sustaining relationships, having culturally safe and inclusive programs for Indigenous partners and clients, creating opportunities for training and employment advancement for Indigenous employees, and enhancing Indigenous procurement through business development.

Goal 5: Housing and services are equitable, people-centred, and accessible to all

Objective 5.1: Foster equitable, people-centred housing and services with our partners

Key results

- Advanced work on the BC Housing Tenant Relocation Standards and Toolkit.
- Launched an Accessibility Plan and set up an external advisory group and public feedback mechanism, meeting requirements under the *Accessible British Columbia Act*.
- Initiated the first phase of implementation of the Anti-Racism Data Act.

Summary of progress made in 2023/24

BC Housing works with its non-profit partners to ensure its services and programs reflect the needs of diverse populations and actively consider and operationalize principles of EDIB.

To inform development of the BC Housing Tenant Relocation Standards and Toolkit, in 2023/24 the ODEIB engaged with key groups involved in tenant relocation, including BC Housing employees, non-profit housing developers and operators, local governments with tenant relocation policies, community housing sector representatives, Residential Tenancy Branch staff, and those with lived tenant relocation experience.

BC Housing began analysis to implement Anti-Racism Data Act requirements throughout BC Housing's policies and procedures, in alignment with privacy and data governance standards. This included initiating work with Infrastructure Canada to implement enhancements to capture racial identity in the Homeless Individuals and Families Information System used for shelter and outreach programs.

Performance measure and related discussion

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
[5a] Percentage of clients reporting satisfaction with the quality, accessibility, and safety of their housing	76%	75% or higher	71%

Data source: BC Housing's tenant engagement survey.

In 2023/24, 71% of clients were satisfied with the quality, accessibility, and safety of their housing, 4 points below the target of 75% or higher. Over 4,800 tenants living in BC Housing directly managed homes were surveyed in November 2023. Results were disaggregated by location and by demographics, as part of implementation of the Anti-Racism Data Act. BC Housing is reviewing the results and developing a plan to address the identified drivers of client satisfaction, which include interactions with staff, perceptions of safety, and building/unit maintenance.

Regionally, positive scores range from a high of 81% among tenants in the Interior to 69% in Vancouver Coastal, 71% in the Fraser region, and 72% in the Vancouver Island region. Singles with dependents posted the lowest satisfaction ratings (64%) while couples without dependents posted the highest (81%). Historically, households without dependents tend to be more positive in their assessments than those with dependents.

Goal 6: Leader in sustainable and resilient housing

Objective 6.1: Advance the development of healthy, sustainable, low-carbon, resilient and innovative buildings

Key results

- Enabled nine electric energy retrofit projects at BC Housing and non-profit partner sites in 2023/24 through the Energy Efficiency Retrofit Program, for a total estimated savings of 378,565 kWh in 2023, contributing to reduced greenhouse gas (GHG) emissions.
- Completed 45 projects that achieved Step 3 or higher of the BC Energy Step Code.
- Started construction on Vienna House, an innovative near zero-emissions 123-unit rental apartment building in East Vancouver designed to balance resilience, affordability, and sustainability

Summary of progress made in 2023/24

BC Housing is committed to changing building practices to ensure homes can withstand the negative impacts of climate change. In 2023/24, BC Housing collaborated with partners, staff, and tenants to ensure lasting energy performance of housing stock. This work included completing energy audits and electrical load assessments on all major retrofit projects and implementing low carbon and resilient approaches in new design and major retrofits targeting the higher steps of the BC Energy Step Code. BC Housing also launched its [Sustainability and Resilience Strategy](#), including measures, targets, and a three-year implementation plan.

As part of its strategy to invest in technical projects related to the quality and sustainability of residential construction, BC Housing is developing Vienna House in partnership with the City of Vancouver through the Vancouver Affordable Housing Agency, and the More than a Roof Housing Society. Vienna House is an innovative multi-family housing project showcasing sustainable and resilient design and construction innovations that respond to community needs. It is also part of the CMHC National Housing Demonstration Strategy and BC's Mass Timber Demonstration Program. In February 2024, the visioning, planning, and investment culminated in breaking ground on construction. Occupancy is anticipated for December 2025.

Objective 6.2: Increase community resilience through social connections and emergency preparedness initiatives

Key results

- Enhanced BC Housing's [Extreme Heat and Wildfire Smoke Response Plan](#) in collaboration with provincial ministries, health authorities, municipalities, other government agencies, and residents.
- Piloted a community development program with staff and community partners at four directly managed housing sites in Victoria, Vancouver, and Surrey.

Summary of progress made in 2023/24

BC Housing collaborates with health authorities, municipalities, and other government agencies to inform its approach to extreme heat and wildfire smoke preparedness. The risks posed by the interface wildfires in 2023/24 to tenants, staff, and property highlighted the need to identify communities and assets at risk more rapidly. To address this need, BC Housing created an Emergency Management Portal that enables it to assess and communicate the impact of environmental emergencies in real time. The portal uses Geographic Information System (GIS) software to integrate data from internal and public sources into an interactive map. The spatial analysis provides data-driven insights to help BC Housing better prepare for and manage environmental risks.

As part of the Extreme Heat and Wildfire Smoke Action Plan, BC Housing conducted focus groups with residents at four directly managed sites to identify ways in which BC Housing can be more effective in mitigating the risks of extreme weather. This information was used to improve processes to keep residents safe during extreme weather events. In addition, BC Housing incorporated its Extreme Heat and Wildfire Smoke Plan into its Business Continuity Management approach to emergency management.

Objective 6.3: Facilitate the residential construction industry to cost effectively deliver sustainable, resilient, equitable housing, at a scale that meets the needs of BC

Key results

- Record number of new purpose-built rental homes registered in BC in 2023.
- Mobilizing Building Adaptation and Resilience (MBAR), a multi-year, multi-stakeholder knowledge and capacity building project led by BC Housing, held 8 engagements in 2023/24 – up from 5 in 2022/23.
- More than 2,000 Licensed Residential Builders accessed on-demand or mandatory online training provided by BC Housing to improve the quality of residential buildings.

Summary of progress made in 2023/24

In 2023, 19,064 rental homes were registered in B.C., the highest number since BC Housing started collecting this data in 2002 and about 30% higher than in 2022. In total, 45,647 new homes were registered, including 6,522 single detached homes and 39,125 multi-unit homes. Registered new-home data is collected at the beginning of a project, making it a leading indicator of housing activity.

Under the Homeowner Protection Act, BC Housing is mandated to improve the quality of residential construction in B.C. through industry research and education. In 2023/24, 325 Licensed Residential Builders and other industry professionals registered for online BC Housing courses. BC Housing also provided 122 hours of homeowner and strata management training in 10 communities and released over 20 publications in collaboration with partners.

Mobilizing Building Adaptation and Resilience (MBAR) advances innovation through partnerships, networks, and evaluating progress on addressing climate impacts on buildings and neighbourhoods. In 2023, MBAR conducted studies to determine the financial viability of a range of sustainability and resilience measures for new construction projects.

In 2023/24, 2,171 Licensed Residential Builders attended online BC Housing courses to demonstrate competency in building to Step 3 of the BC Energy Step Code. Demonstrated competency is now required by BC Housing on licence renewal to enable all new construction to be net-zero energy ready by 2032. Builders can meet this condition through experience or by attending training provided by BC Housing or [equivalent courses](#).

Performance measure and related discussion

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
[6a] Percent reduction in greenhouse gas emissions from 2010 levels	18%	Reduction of 20% to 25%	16%

Data source: Provided directly from utility companies and compiled by an external consultant. The targets for this measure are based on calendar year, in accordance with legislative requirements *under the Climate Change Accountability Act*.

BC Housing's 2023/24 GHG emissions were 33,438 tonnes or 16% lower than the 2010 baseline, falling short of the target. The measure includes emissions from all buildings owned

or leased by the Provincial Rental Housing Corporation, from BC Housing vehicles, and office paper. Emissions from heat, hot water and electricity for buildings were 33,169 tonnes.

In 2023, added units in newly constructed buildings contributed approximately 1% to overall emissions, while added units from newly acquired existing buildings added 2%. The GHG impact of added units depends on the energy efficiency of the buildings and their age. Purchasing less efficient buildings built after 2010 (the baseline year) increases current emissions and makes it more difficult for BC Housing to achieve its GHG targets. BC Housing considers the impact on emissions when making purchasing decisions, but this may be outweighed by other factors when addressing a community's urgent housing needs. Results in 2023 were also affected by a lack of data received from non-profits compared with previous years, which added 6%. When data is missing, the estimation methodology used is typically much more conservative than actual data.

BC Housing uses GHG data in its work with partners, staff, and tenants to create lasting energy performance in existing and new housing stock and meet lower emission targets. These actions are detailed in its annual [Climate Change Accountability Report](#). For example, in response to CleanBC's emission reduction targets for government fleets, in 2023/24 BC Housing conducted its first Green Fleet review. Results from the review will inform a strategy with actions such as eco-driver training, centralized management systems, and the adoption of alternative fuels and electrification, which are expected to reduce emissions in future years.

Financial Report

For the auditor's report and audited financial statements, see [Appendix C](#). These documents can also be found on the BC Housing website.

Discussion of Results

In 2023/24, BC Housing's revenues totaled \$2.63 billion, an increase of \$220.8 million over 2022/23. Out of these revenues, \$2.33 billion were received from the provincial government:

- \$1.26 billion through the Ministry of Housing
- \$1.03 billion through the Housing Priority Initiatives Special Account,
- \$12.9 million through the Housing Endowment Fund Special Account, and
- \$29.2 million through other partnering ministries/agencies.

The federal government, through CMHC, provided \$179.7 million under the Social Housing Agreement and the Canada - BC Bilateral Agreement under the 2017 National Housing Strategy.

The remaining \$120.8 million of revenue mainly comprised of rent/commercial revenue paid directly to BC Housing, earnings from financial activities, fees charged to builders/developers, and contributions from other funding partners.

In 2023/24, BC Housing's expenses totaled \$2.63 billion, an increase of \$220.8 million over 2022/23. BC Housing continues to provide financial support to various housing programs that are either managed by non-profit housing providers or BC Housing directly. The expenses in most categories increased due to new projects coming online and inflationary operating costs in the existing housing portfolio.

During 2023/24, most expense categories saw increases over the previous year. The operating funding flowed to non-profit housing providers had the most increases overall. This was mainly due to increased costs and new projects under various programs to provide wrap-around support services to clients and support property management activities. This operating funding is expected to grow in the years to come while BC Housing is expanding its housing portfolio.

Financial Summary

(\$000s)	2022/23 Actual	2023/24 Budget	2023/24 Actual	2023/24 Variance
Revenues				
Provincial Contributions	2,185,473	2,546,458	2,330,234	(216,224)
Federal Contributions	134,972	163,439	179,718	16,279
Other	89,536	114,441	120,787	6,346
Total Revenue	2,409,981	2,824,338	2,630,738	(193,600)
Expenses				
Grants	1,238,159	1,560,828	1,266,410	(294,418)
Housing Subsidies	784,081	835,559	933,299	97,740
Rental Assistance	105,291	121,093	116,148	(4,945)
Salaries and Labour	93,569	117,392	109,883	(7,509)
Operating Expenses	93,256	66,645	80,280	13,635
Interest Expense	29,051	45,972	51,592	5,620
Building Maintenance	26,533	30,324	27,501	(2,823)
Office and Overhead	17,189	19,699	22,772	3,073
Utilities	11,244	13,308	11,250	(2,058)
Grants in lieu of Property Taxes	9,933	12,082	10,472	(1,610)
Research and Education	1,650	1,436	1,105	(331)
Total Expenses	2,409,956	2,824,338	2,630,712	(193,626)
Net Income	25	-	26	26
Total Liabilities²	2,430,785	3,479,203	5,377,028	1,897,825
Capital Expenditures	6,287	5,000	12,081	7,081
Accumulated Surplus²	208,344	209,656	1,583,450	1,373,794

¹ The above financial information was prepared based on current Generally Accepted Accounting Principles.

² Effective January 26, 2024, BC Housing gained control of the Provincial Rental Housing Corporation (the Corporation) and decided to consolidate the Corporation effective March 31, 2024.

Variance and Trend Analysis

Major Variances in Revenues

The Financial Summary table shows BC Housing's actual revenues totalled \$2.63 billion in 2023/24, a decrease of \$193.6 million from the 2023/24 budget, and an increase of \$220.8 million from the 2022/23 actuals. These variances reflect changes in provincial revenue, federal revenue, and other revenue.

Provincial revenues were lower than the 2023/24 budget, mainly due to the reallocation of capital funding to future years according to updated construction schedules. Additional operating funding was provided to address the increased cost of salaries and wages across housing providers subsidized by BC Housing.

Federal revenue increased by \$16.3 million compared to the 2023/24 budget. This is primarily due to one-time top-up funding for the CBCHB Program.

Other revenue increased by \$6.3 million compared to the 2023/24 budget. This increase is mainly due to higher-than-expected interest revenues charged to interim construction financing due to an increase in construction activities.

Major Variances in Expenditures

The Financial Summary table shows BC Housing's actual expenditures totalled \$2.63 billion in 2023/24, reflecting decrease of \$193.6 million from the 2023/24 budget and increase of \$220.8 million from the 2022/23 actuals. Significant variances include:

Grants were \$294.4 million lower than the 2023/24 budget because of aligning the funding allocation with current progress in various non-profit-led and provincially owned programs. This is partially offset by the new injection of \$97.6 million of capital funding in responding to Hasting St. Corridor homeless encampment.

Housing Subsidies were \$97.7 million higher than the 2023/24 budget. This variance was primarily the result of increased subsidies to address wage cost increases incurred by non-profit housing providers. This increase was guided by the provincial government's Shared Recovery Mandate in public sector bargaining. Additional funding in response to the Hasting St. Corridor homeless encampment also contributed to the variance.

Salary and Labour was \$7.5 million lower than the 2023/24 budget. Collective agreements with BC Housing union employees expired March 31, 2022. Negotiations for new agreements are ongoing and were not completed in 2023/24, which delayed the salary adjustments to another year and resulted in the underspend in salary.

Rental Assistance was \$4.9 million lower than the 2023/24 budget due to the slow uptake in the SAFER, the RAP, and the CBCHB Program.

Operating costs were \$13.6 million higher than the 2023/24 budget. The budget variance is primarily attributed to higher than anticipated construction and lease costs of two modular projects in the City of Vancouver to house displaced people after the city dismantled the encampment on Hastings Street.

Risks and Uncertainties

British Columbia continues to experience escalating cost of living and a tightening rental market, which in turn drive demand for assistance, especially from individuals and families with low to moderate incomes. Continuous investment, in both capital and operating, across the housing continuum is required to rapidly increase supply to meet the demand for affordable housing.

Inflationary pressures on operating costs continued to negatively impact BC Housing and its non-profit partners in managing the social housing portfolio efficiently and effectively. Rising non-controllable costs such as insurance and property tax, increasing administration costs, and maintenance costs due to aging buildings are creating financial burdens on many non-profit housing providers with limited financial resources. Furthermore, the needs of clients are increasingly complex. Mental health issues, substance use disorders, and complex behaviors create health and safety concerns for housing provider staff, which in turn creates challenges related to staffing, recruitment, and retention. To address these challenges, BC Housing works closely with the Ministry of Housing, the Ministry of Finance, and non-profit partners to increase operational efficiency and source new funding to better support frontline staff that serve the most-in-need.

Appendix A: Progress on Mandate Letter Priorities

The following is a summary of progress made on priorities as stated in the 2021/22 and 2023 Mandate Letters from the Minister Responsible.

2021/22 Mandate Letter Priority	Status as of March 31, 2024
<p>In coordination with the Ministry Responsible and the Crown Agency Secretariat, continue to implement, support and report on BC Housing programs included in Homes for B.C.</p> <p>A 30-Point Plan for Housing Affordability in British Columbia as well as subsequent government commitments in Budgets 2019 and 2020 to create more permanent affordable and social housing, including those with the 10-year targets under the Building BC programs:</p> <ul style="list-style-type: none"> • 14,350 units through the Community Housing Fund • 1,500 units through the Women's Transition Housing Fund • 1,750 units through the Indigenous Housing Fund • 2,500 units through the Supportive Housing Fund 	<p>In 2023, Building BC programs were expanded, and targets raised. New ten-year targets, inclusive of the previous targets, are:</p> <ul style="list-style-type: none"> • 20,350 units through the Community Housing Fund • 3,000 new units through the Women's Transition Housing Fund • 3,500 new units through the Indigenous Housing Fund • 5,700 units through the Supportive Housing Fund <p>BC Housing's progress at March 31, 2024, is as follows:</p> <ul style="list-style-type: none"> • 9,735 homes open or underway through the Community Housing Fund • 1,054 homes open or underway for new units through the Women's Transition Housing Fund • 1,566 homes open or underway for new units through the Indigenous Housing Fund • 4,456 homes open or underway for units through the Supportive Housing Fund
<p>Support the Ministry Responsible in collaboration with other relevant ministries, in the development and implementation of a homelessness strategy – including development and continued delivery of permanent supportive housing, emergency shelter and homelessness outreach programs.</p>	<p>BC Housing continued to support the Ministry of Housing and other relevant ministries in the development and implementation of Belonging in BC homelessness plan (see HEART and HEARTH and CCH program progress below).</p>

2021/22 Mandate Letter Priority	Status as of March 31, 2024
<p>Deliver more affordable housing through HousingHub partnerships by:</p> <ul style="list-style-type: none"> • Providing low-interest construction loans • Expanding partnerships with non-profit and co-op housing providers to acquire and preserve existing rental buildings <p>Developing new home ownership program streams through the affordable homeownership program (AHOP), and other new equity-building programs</p>	<p>BC Housing continued to work with partners to facilitate the creation of rental housing options for middle-income British Columbians, including the announcement of BC Builds in February 2024.</p>
<p>Support the Ministry Responsible in their work with the Ministry of Mental Health and Addictions and other ministries and partners to explore and develop new models of higher intensity supports than those currently provided in supportive housing.</p>	<p>Continued to support the Ministry of Housing, the Ministry of Mental Health and Addictions and other ministries and partners to develop complex care housing, a new model that provides an enhanced level of health, cultural and social supports for people with significant mental health, addictions, or concurrent issues. BC Housing identified sites for 100 units of complex care housing in 2023/24.</p>

2023 Mandate Letter Priority	Status as of March 31, 2024
<p>Deliver BC Housing priorities to implement, and report on, progress related to the Homes for People action plan, and the Belonging in BC: A collaborative plan to prevent and reduce homelessness. This includes:</p> <ul style="list-style-type: none"> • Supporting the establishment of BC Builds to build housing for middle-income families, individuals, and seniors. • Continued development and delivery of Building BC programs and priorities. • Support the delivery of more homes and services near transit. • Supporting development and leading delivery of the Secondary Suites program. • Revitalizing and densifying aging BC Housing social housing stock. 	<p>BC Housing continued to make progress in delivering on the Homes for People action plan and the Belonging in BC: A collaborative plan to prevent and reduce homelessness, including:</p> <ul style="list-style-type: none"> • Announced the BC Builds Rental Supply Program Framework and the Secondary Suite Incentive Program Framework in February 2024. • Funded over 350 projects at various stages from initiation to completion to improve the quality, sustainability, resiliency, safety, and accessibility of existing social housing stock. • Completed 3,178 affordable and supportive housing homes, exceeding the 2023/24 target for homes completed under Building BC.
<ul style="list-style-type: none"> • Developing and delivering supports and services as outlined in the Belonging in BC homelessness plan including playing a key role in the delivery of the Supported Rent Supplement Program including accompanying non-clinical aspects of the Integrated Support Framework. • Partner in the implementation of Encampment Response Framework that includes the Homeless Encampment Actions Response Teams (HEART) and Homeless Encampment Action Response Temporary Housing (HEARTH), through partnerships and through continuing to deliver permanent supportive housing, emergency shelter and homeless outreach programs. • Supporting the Ministry of Mental Health and Addictions and the Ministry of Housing in the development and delivery of Complex Care Housing 	<ul style="list-style-type: none"> • Supported the Ministry of Housing to refine the provincial Integrated Support Framework identifying the challenges faced by Indigenous Providers in the Supported Rent Supplement Program • Implemented 25 Supported Rent Supplement Program agreements with non-profit providers, and committed to 1,100 rent supplements to operators • In partnership with the Ministry of Housing, municipalities, and local partners launched HEART and HEARTH Programs in 6 communities. Through partnership with MMHA, BC Housing implemented the CCH program. As of March 31, 2023/24, MMHA identified 11 communities to receive 200 units, and BC Housing identified sites for 100 units

2023 Mandate Letter Priority	Status as of March 31, 2024
<p>Develop and implement a new governance framework and oversight tools.</p> <ul style="list-style-type: none"> Address the outcomes and recommendations of the organizational and financial reviews of BC Housing, strengthen and enhance accountability, clarify roles and responsibilities, and position BC Housing and the Ministry of Housing to deliver on the government’s strategic housing priorities. <p>Deliver on key priorities of the Business Transformation Program, including improving operational systems and financial controls within the organization</p>	<p>Completed 12 out 20 recommendations from EY- Forensic Engagement and 10 out of 43 accepted recommendations from the 2022 EY Financial Systems and Operations Review Report, with progress made on key recommendations around corporate governance, internal financial management and oversight of non-profit providers.</p>
<p>Work with Indigenous partners, in collaboration with the Ministry of Housing and other relevant ministries, to support access to housing and cultural supports, address housing needs, and deliver Indigenous housing priorities.</p>	<p>This is an ongoing priority on which BC Housing continues to make progress. In 2023/24, BC Housing completed 197 homes under the IHF and launched a second RFP to award 1,200 new units. BC Housing also continued collaborations with First Nations communities to improve the quality of existing on reserve housing.</p>
<p>Improve outcomes for people living in Vancouver’s Downtown Eastside, including implementation of the Supporting the Downtown Eastside: Provincial Partnership Plan in collaboration with other relevant partners</p>	<p>Supported the Ministry of Housing in ongoing work on improving outcomes for people living in Vancouver’s Downtown Eastside. In 2023/24, BC Housing advanced SRO renovation projects to improve habitability and bring people indoors.</p>

Appendix B: Subsidiaries and Operating Segments

Active Subsidiaries

Provincial Rental Housing Corporation (PRHC)

PRHC holds property and land for social and other low-cost housing for the Province of British Columbia. BC Housing gained control of PRHC effective January 26, 2024, and decided to consolidate PRHC effective March 31, 2024. PRHC's assets and liabilities have been consolidated in BC Housing's financial statements at their carrying amounts at that date, and its revenues and expenditures will be consolidated with BC Housing moving forward.

Financial Summary

(\$000s)	2022/23 Actual	2023/24 Actual
Revenues	295,236	142,531
Expenses	153,448	136,960
Net Income	141,788	5,571

Appendix C: Auditor's Report and Audited Financial Statements

British Columbia Housing Management Commission

Consolidated Financial Statements

March 31, 2024

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British Columbia Housing Management Commission

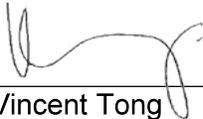
Statement of Management Responsibility

The consolidated financial statements of the British Columbia Housing Management Commission (the Commission) are the responsibility of management and have been prepared in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, consistently applied and appropriate in the circumstances. The preparation of consolidated financial statements necessarily involves the use of estimates which have been made using careful judgment. In management's opinion, the consolidated financial statements have been properly prepared within the framework of the accounting policies summarized in the consolidated financial statements and incorporate, within reasonable limits of materiality, all information available on May 24, 2024. The consolidated financial statements have also been reviewed by the Audit and Risk Management Committee and approved by the Board of Commissioners.

Management maintains systems of internal controls designed to provide reasonable assurance that assets are safeguarded and that reliable financial information is available on a timely basis. These systems include formal written policies and procedures, careful selection and training of qualified personnel, appropriate delegation of authority, and segregation of responsibilities within the organization. An internal audit function independently evaluates the effectiveness of these internal controls on an ongoing basis and reports its findings to management and the Audit and Risk Management Committee.

The consolidated financial statements have been examined by an independent external auditor. The external auditor's responsibility is to express their opinion on whether the consolidated financial statements are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. The Independent Auditor's Report, which follows, outlines the scope of their examination and their opinion.

The Board of Commissioners, through the Audit and Risk Management Committee, is responsible for ensuring that management fulfills its responsibility for financial reporting and internal controls. The Audit and Risk Management Committee meets regularly with the external auditors, the internal auditors and management to satisfy itself that each group has properly discharged its responsibility to review the consolidated financial statements before recommending approval by the Board of Commissioners. The Audit and Risk Management Committee also recommends the appointment of an external auditor to the Board of Commissioners. The external auditor has full and open access to the Audit and Risk Management Committee, with and without the presence of management.



Vincent Tong
Chief Executive Officer



David Sherwood
Vice President, Finance

May 24, 2024



Independent auditor's report

To the Board of Commissioners of British Columbia Housing Management Commission and Minister of Housing, Province of British Columbia

Our opinion

In our opinion, the accompanying consolidated financial statements of British Columbia Housing Management Commission and its subsidiary (together, the Commission) as at March 31, 2024 and for the year then ended are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

What we have audited

The Commission's consolidated financial statements comprise:

- the consolidated statement of financial position as at March 31, 2024;
- the consolidated statement of operations for the year then ended;
- the consolidated statement of remeasurement gains (losses) for the year then ended;
- the consolidated statement of changes in net (debt) financial assets for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Emphasis of matter – basis of accounting

We draw attention to note 2(a) to the consolidated financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards. Note 24 to the consolidated financial statements discloses the impact of these differences. Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Commission to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
May 24, 2024

British Columbia Housing Management Commission

Consolidated Statement of Financial Position

	March 31 2024 (\$000's)	March 31 2023 (\$000's)
Financial Assets		
Cash	\$ 105,442	\$ 89,405
Portfolio investments (Note 3)	127,840	116,566
Receivables (Note 4)	31,617	29,666
Long-term Receivables (Note 4)	236,632	-
Due from Province of British Columbia (Note 20)	1,302,810	1,007,103
Due from Canada Mortgage and Housing Corporation	50,965	41,742
Due from Provincial Rental Housing Corporation (Note 1)	-	97,878
Construction loans to housing projects (Note 4)	1,318,950	1,222,582
Mortgages and loans receivable (Note 5)	32,492	18,068
	<u>3,206,748</u>	<u>2,623,010</u>
Liabilities		
Accounts payable and accrued liabilities	280,825	190,161
Tenants' prepaid rent	1,659	1,673
Deferred revenue (Note 6)	277,219	226,783
Unearned lease revenue	28,043	-
Deferred capital contributions (Note 7)	2,001,601	-
Due to Provincial Treasury (Note 8)	955,827	999,661
Society funds held on deposit (Note 9)	41,673	30,766
Construction grants payable (Note 10)	1,285,307	977,199
Social Housing Agreement Reserves	4,989	4,542
Site contamination (Note 11)	6,159	-
Long-term debt (Note 12)	214,894	-
Asset retirement obligations (Note 13)	278,832	-
	<u>5,377,028</u>	<u>2,430,785</u>
Net financial assets (debt)	<u>(2,170,280)</u>	<u>192,225</u>
Non-financial assets		
Prepaid expenses and housing subsidies	6,064	4,544
Housing and projects under construction (Note 14)	3,666,595	-
Riverview Lands redevelopment (Note 14)	75,059	-
Other tangible capital assets (Note 14)	18,932	11,575
	<u>3,766,650</u>	<u>16,119</u>
Accumulated surplus	<u>1,596,370</u>	<u>208,344</u>
Accumulated surplus comprises:		
Accumulated surplus from operations	1,583,450	201,370
Accumulated remeasurement gain (loss)	12,920	6,974
	<u>\$ 1,596,370</u>	<u>\$ 208,344</u>

Commitments (Note 19)
Contingencies (Note 22)

On behalf of the Board of Commissioners:



Allan Seckel, Chair

See accompanying notes to the consolidated financial statements

British Columbia Housing Management Commission

Consolidated Statement of Operations

Year Ended March 31	2024 Budget (\$000's) (Note 15)	2024 Actuals (\$000's)	2023 Actuals (\$000's)
Revenue			
Provincial contributions	\$ 2,546,458	\$ 2,330,234	\$ 2,185,473
Federal contributions	163,439	179,718	134,972
Tenant rent	39,743	40,183	38,539
Other (Note 16)	70,698	75,207	46,827
Portfolio investment income	4,000	5,396	4,170
	<u>2,824,338</u>	<u>2,630,738</u>	<u>2,409,981</u>
Expenses			
Grants	1,560,828	1,266,410	1,238,159
Housing subsidies	835,558	933,299	784,081
Rental assistance	121,092	116,148	105,291
Salaries and labour	117,392	109,883	93,569
Operating expenses	66,645	80,280	93,256
Interest expense	45,974	51,592	29,051
Building maintenance	30,325	27,501	26,533
Office and overhead	19,699	22,772	17,189
Utilities	13,307	11,250	11,244
Grants in lieu of property taxes (Note 17)	12,082	10,472	9,933
Research and education	1,436	1,105	1,650
	<u>2,824,338</u>	<u>2,630,712</u>	<u>2,409,956</u>
Surplus from operations before the undernoted		<u>26</u>	<u>25</u>
Accumulated surplus from consolidation of Provincial Rental Housing Corporation (Notes 1 and 20)		<u>1,382,054</u>	<u>-</u>
Annual surplus from operations		<u>1,382,080</u>	<u>25</u>
Accumulated surplus from operations at beginning of year		<u>201,370</u>	<u>201,345</u>
Accumulated surplus from operations at end of year		<u>\$ 1,583,450</u>	<u>\$ 201,370</u>

See accompanying notes to the consolidated financial statements.

British Columbia Housing Management Commission

Consolidated Statement of Cash Flows

Year Ended March 31	2024 (\$000's)	2023 (\$000's)
Cash flows provided by (used in)		
Operating transactions		
Annual surplus from operations	\$ 1,382,080	\$ 25
Non cash Items:		
Accumulated surplus from consolidation of Provincial Rental Housing Corporation (Notes 1 and 20)	(1,382,054)	-
Changes in non-cash working capital (Note 18)	(136,141)	(438,296)
Portfolio investment income	(5,396)	(4,170)
Discount on loans receivable	(140)	(493)
Depreciation of tangible capital assets	4,724	5,082
	<u>(136,927)</u>	<u>(437,852)</u>
Capital transactions		
Tangible capital asset additions net of disposals	(12,081)	(6,287)
Investing transactions		
Construction loans provided to housing projects	(96,368)	(295,017)
Cash redemption from short-term investments	21,567	672
Cash used for short-term investments	(21,039)	(183)
New mortgages provided	(17,713)	(944)
Mortgages payments received	3,429	7,797
Cash from consolidation of Provincial Rental Housing Corporation (notes 1 and 20)	1	-
	<u>(110,123)</u>	<u>(287,675)</u>
Financing transactions		
Grants received for construction	1,241,280	1,218,535
Grants used for construction	(933,172)	(701,281)
Loans provided by Provincial Treasury	2,759,145	2,941,090
Repayment to Provincial Treasury	(2,802,979)	(2,677,453)
Social Housing Agreement Reserves	(13)	(15)
Additions to society funds	14,301	10,585
Society funds used for projects	(3,394)	(8,501)
	<u>275,168</u>	<u>782,960</u>
Increase in cash	16,037	51,146
Cash, beginning of year	89,405	38,259
Cash, end of year	<u>\$ 105,442</u>	<u>\$ 89,405</u>

See accompanying notes to the consolidated financial statements

British Columbia Housing Management Commission

Consolidated Statement of Remeasurement Gains (Losses)

Year Ended March 31	2024 (\$000's)	2023 (\$000's)
Accumulated remeasurement gain, beginning of year	\$ 6,974	\$ 8,311
Amount released to statement of operations	(1,798)	-
Unrealized gain (loss) attributable to portfolio investments	<u>7,744</u>	<u>(1,337)</u>
Net remeasurement changes for the year	<u>5,946</u>	<u>(1,337)</u>
Accumulated remeasurement gain, end of year	<u>\$ 12,920</u>	<u>\$ 6,974</u>

Consolidated Statement of Changes in Net (Debt) Financial Assets

Year Ended March 31	Budget (\$000's)	2024 (\$000's)	2023 (\$000's)
	(Note 15)		
Annual surplus from operations		\$ 1,382,080	\$ 25
Net remeasurement changes for the year		<u>5,946</u>	<u>(1,337)</u>
		<u>1,388,026</u>	<u>(1,312)</u>
Depreciation of tangible capital assets		4,724	5,082
Acquisition of tangible capital assets	\$ (5,000)	(12,081)	(6,287)
Housing and projects under construction from consolidation of Provincial Rental Housing Corporation (notes 1 and 20)		<u>(3,666,595)</u>	-
Riverview Lands redevelopment from consolidation of Provincial Rental Housing Corporation (notes 1 and 20)		<u>(75,059)</u>	-
		<u>(3,749,011)</u>	<u>(1,205)</u>
Acquisition of prepaid expenses		(17,455)	(16,308)
Use of prepaid expenses		15,935	17,842
Net Changes on prepaid Subsidies		-	49,897
		<u>(1,520)</u>	<u>51,431</u>
Changes in net financial assets for the year		(2,362,505)	48,914
Net financial assets, beginning of year		<u>192,225</u>	<u>143,311</u>
Net financial assets (debt), end of the year		<u>\$ (2,170,280)</u>	<u>\$ 192,225</u>

See accompanying notes to the consolidated financial statements

British Columbia Housing Management Commission

Notes to the Consolidated Financial Statements

March 31, 2024

1. General

The British Columbia Housing Management Commission (the Commission) is a Crown agency established in 1967 to deliver on the provincial government's commitment to the development, management and administration of subsidized housing throughout the Province of British Columbia (the Province). This includes developing and facilitating new social housing, administering rental assistance programs, and a variety of other federal and/or provincial housing programs.

The Provincial Rental Housing Corporation (the Corporation) was incorporated under the Company Act of the Province of British Columbia (the Province) in 1961 and is a related entity to the Commission. Effective January 26, 2024, the Province changed the governance structure, including the appointment process of the Corporation's board of directors, and as a result, the Commission gained control of the Corporation as of that date. The Commission has decided to consolidate the Corporation effective March 31, 2024. See note 20 for more details.

The Corporation holds property for social and other low-cost housing initiatives for the Province. It also holds land under long-term leases to housing providers. The subsidized rental housing units of the Corporation are managed and operated by the Commission. The Commission recognizes the related rental revenue of the housing units and is responsible for all the operating and administrative activities and related costs. The Commission administers agreements relating to the operation of social housing units owned and/or managed by non-profit housing providers. Through the Licensing and Consumer Services Branch, the Commission also has responsibilities related to licensing of builders, home warranty insurance, and research and education to improve the quality of residential construction and consumer protection.

Both the Commission and the Corporation are exempt from federal and provincial income taxes.

2. Significant Accounting Policies

a) Basis of Presentation

These consolidated financial statements have been prepared by management in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia which requires that financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to accounting for government transfers as set out in Note 24.

b) Basis of Consolidation

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the Corporation, which is controlled by the Commission effective March 31, 2024. All balances and transactions between the Commission and the Corporation have been eliminated on consolidation.

c) Use of Estimates

In preparing these consolidated financial statements, management has made estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Areas requiring the use of estimates include the collectability of receivables, construction loans to housing projects, mortgages receivable, asset retirement obligations and land contamination liability, as well as the useful lives of tangible capital assets. Actual results could differ from those estimates.

British Columbia Housing Management Commission

Notes to the Consolidated Financial Statements

March 31, 2024

d) Revenue Recognition

The Commission is funded primarily by the Province and the Canada Mortgage Housing Corporation (CMHC).

Tenant rent and other Revenues are recognized on an accrual basis in the period in which the transactions or events that gave rise to the revenues occur. The amounts are considered to be collectible and can be reasonably estimated.

Tenant rent revenue represents rent charged to residents and is determined as the lesser of market rent and a percentage of each resident's income.

Contributions received or where eligibility criteria have been met are recognized as revenue except where the contribution meets the criteria for deferral. Eligibility criteria are the criteria that the Commission must meet in order to receive the contributions, including authorization by the transferring entity.

For contributions subject to a legislative or contractual stipulation or restriction as to their use, revenue is recognized in the year related expenses are incurred.

e) Deferred Contributions

Canadian public sector accounting standards require that government transfers be recognized when approved and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability, in which case the transfer is recognized over the period that the liability is extinguished.

However, consistent with the Province of British Columbia, Ministry of Finance regulation 198/2011, funding received from the Province for the acquisition or construction of depreciable capital assets is recorded as a liability (deferred capital contribution) and is recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded. The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal periods during which the tangible capital asset is used to provide services.

f) Tangible Capital Assets

The Commission capitalizes its tangible capital assets at cost.

i. Land, building and construction in progress.

Land is not depreciated, and buildings are depreciated using the straight-line method as follows:

- Newly constructed buildings are depreciated over a 40-year amortization period;
- Purchases of older buildings are depreciated over the remaining estimated useful life of the building; and,
- Betterments to buildings are depreciated over the extended remaining life of the building.

Construction in progress is not subject to depreciation until the project is complete and transferred to buildings.

British Columbia Housing Management Commission

Notes to the Consolidated Financial Statements

March 31, 2024

ii. Other tangible capital assets

Other tangible capital assets are depreciated over their estimated useful life (see Note 14). Computer software includes desktop applications, server applications, and enterprise applications, which are depreciated over a three-year, five-year, and 10-year amortization period, respectively. Computer hardware includes photocopier hardware, server hardware, data Centre hardware, and communication hardware and is depreciated over a three-year amortization period. Tenant improvements are amortized over their respective lease terms. All other capital assets are depreciated over a five-year amortization period.

iii. Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the Commission to provide services or when the value of future economic benefits is less than their net book value. The write-downs are accounted for as expenses in the consolidated statement of operations. Write-downs are not subsequently reversed.

g) Capitalization of Public-Private Partnership Projects

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

h) Səmiqwəʔelə (Riverview Lands) Redevelopment

Costs associated with the redevelopment that meet capitalization criteria are capitalized, including carrying costs, construction, net operating income or losses, financing, demolition, land planning and incidental carrying costs net of any revenue generated at the site. Costs are capitalized until the completion of the redevelopment. The net amount recoverable from the redevelopment is considered sufficient to recover the capitalized costs.

i) Property Leases

The Corporation leases property used for housing to housing providers. These 60-year leases are prepaid by the housing providers when the housing projects are completed and ready for occupancy. The Corporation amortizes the amount as lease revenue over the term of each lease and records the unearned portion as unearned lease revenue.

British Columbia Housing Management Commission

Notes to the Consolidated Financial Statements

March 31, 2024

j) Financial Instruments

The Commission's financial instruments consist of cash, portfolio investments, receivables, long-term receivables, due from the Province of British Columbia, due from Canada Mortgage and Housing Corporation, construction loans to housing projects, mortgages and loans receivable, accounts payable and accrued liabilities, due to Provincial Treasury, Society funds held on deposit, construction grants payable and long-term debt.

Equity instruments quoted in an active market (portfolio investments) are measured at fair value upon inception and subsequent to initial recognition. These financial instruments are not reclassified into another measurement category for the duration of their holding period. Transactions to purchase or sell these items are recorded on the settlement date, and transaction costs are immediately recognized in income. Realized gains and losses are recognized in the consolidated statement of operations, and unrealized gains/losses from changes in fair value are recorded in the consolidated statement of remeasurement losses.

All other financial assets and financial liabilities are measured at cost or amortized cost subsequent to initial recognition.

The classification of financial instruments is determined upon their initial recognition. Financial instruments are classified as level 1, 2 or 3 for the purposes of describing the basis of the inputs used to measure the fair values of financial instruments in the fair value measurement category as described below:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Market-based inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.
- Level 3 - Inputs for the asset or liability that are not based on observable market data; assumptions are based on the best internal and external information available and are most suitable and appropriate based on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's length transaction.

All financial assets are assessed annually for impairment. When financial assets are impaired, impairment losses are recorded in the consolidated statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

Transaction costs for financial instruments measured at fair value are expensed when incurred.

A financial liability or its part is derecognized when it is extinguished.

British Columbia Housing Management Commission

Notes to the Consolidated Financial Statements

March 31, 2024

k) Asset Retirement Obligations

Effective April 1, 2022, the Commission adopted PS3280 Asset Retirement Obligations. PS3280 defines and establishes standards for the recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets.

Its asset retirement activities include decommissioning or dismantling a tangible capital asset that was acquired, constructed, or developed, the abatement of hazardous materials in buildings, i.e. asbestos, lead paint, etc, and the dismantling of leasehold improvements as required in the respective lease agreements. The estimated timing for all hazardous materials removal is based on the end of the buildings' remaining useful lives, while the estimated timing for dismantling leasehold improvements is based on the end of current lease terms.

The asset retirement obligation at the consolidated financial statement date is measured based on the Commission's estimate of the amount required to retire its tangible capital asset at the balance sheet date. This was performed using unit cost estimations provided by a third-party consultant. The asset retirement cost is calculated using a discount rate of 3.49% (2023: 3.55%), which is the effective interest rate on the taxpayer-supported debt that is updated quarterly by the Provincial Treasury.

l) Government transfers

The Commission records government transfers (including grants and housing subsidies) as expenses during the period the transfer is authorized, and the recipient has met all eligibility criteria.

m) Employee Benefit Plans

The public service's employees and employers contribute to the Public Service Pension Plan (the Plan), a jointly trustee pension plan. The Public Service Pension Board of Trustees, representing plan members and employers, is responsible for overseeing the plan's management, including investing assets and administering benefits. The Plan is a multi-employer contributory defined benefits pension plan, and pension benefits are expensed as incurred. The Plan has approximately 70,000 active plan members and approximately 55,000 retired plan members.

An actuarial valuation is performed every three years to assess the financial position of the Plan and the adequacy of plan funding. The latest valuation, as of March 31, 2023, indicated an actuarial surplus of \$4.49 billion for basic pension benefits. The actuary does not attribute portions of the unfunded liability or surplus to individual employers. The Commission paid \$8,086,264 for employer contributions to the Plan in fiscal 2023/2024 (2022/2023: \$7,644,971).

n) New accounting standards adopted

Effective April 1, 2023, the Commission adopted sections PS 3400—Revenue, PSG-8—Purchased Intangibles, and PS 3160—Public Private Partnerships issued by the Public Sector Accounting Board. The adoption of these standards did not have a material impact on these consolidated financial statements.

British Columbia Housing Management Commission

Notes to the Consolidated Financial Statements

March 31, 2024

3. Portfolio Investments

Portfolio Investments are held in pooled investments and managed by five investment management firms. Income derived from the investments is reinvested into the portfolio. Management meets periodically to review the fund managers' performance and ensure compliance with the BC Housing investment policy. Quarterly reports are provided to the BC Housing Board of Commissioners.

4. Receivables and Construction Loans to Housing Projects

a) Receivables

Receivables are recorded at cost less an amount for allowance of doubtful accounts. The allowance is determined on the basis of past collection experience. As at March 31, 2024, the allowance totaled \$7,173,000 (2023: \$4,711,000). Changes in the valuation allowance are recognized in the consolidated statement of operations.

b) Long-term Receivables

The Corporation completed the sale of the Little Mountain property on July 2, 2013, for proceeds of \$333,957,000. The purchaser is required to provide the Corporation with 234 non-market housing units and to pay the balance of the purchase price based on the proportion of the site developed in phases over time. The current receivable is adjusted based on the updated cash flow forecast, and it is equal to the net present value of the remaining expected future payments, discounted at 2.31 percent, and the fixed value of the remaining 181 social housing units.

c) Construction Loans to Housing Projects

In its capacity as a *National Housing Act* (NHA) approved lender, the Commission advances approved interim construction loan draws to both non-profit housing providers and developers under the social housing and market rental housing programs. The loan advances are repaid upon project construction completion, and arrangement of long-term takeout mortgages with CMHC and/or NHA-approved lenders. Borrowers are charged interim interest at the Province's weighted average borrowing rate for short-term funds, plus administration costs. The average yield for the year 2023/2024 is 5.41% (2022/2023: 3.07%). The allowance for construction loans to housing projects for the year 2023/2024 totaled \$7,190,000 (2022/2023: \$8,614,000).

5. Mortgages and loans receivable

a) Non-profit Housing Provider Mortgages Receivable

The Commission periodically continues to hold construction financing mortgages receivable after construction is completed. In all but rare situations, these mortgages are tendered for take-out financing provided by private sector financial institutions within twelve months of the construction completion date. As of March 31, 2024, the carrying amount of construction financing mortgages receivable was \$25,969,000 (2023: \$9,257,000). These receivables are secured by mortgages and/or promissory notes.

British Columbia Housing Management Commission

Notes to the Consolidated Financial Statements

March 31, 2024

b) BC HOME Partnership Loans Receivable

Through the BC Home Owner Mortgage and Equity Partnership (BC HOME Partnership), the Commission assisted eligible first-time homebuyers by providing repayable down payment assistance loans. The loans, secured as a second mortgage by property, are interest and payment-free for the first five years, after which interest at prime plus 0.5% will begin to accrue, and principal and interest payments will be amortized over 20 years. The initial interest rate is set when the loan is conditionally approved and will be reset at the Royal Bank of Canada Prime Rate plus 0.5% at each of the 10th, 15th, and 20th anniversary dates.

The program stopped accepting new applications on March 31, 2018. As at March 31, 2024, the carrying amount of the loans receivable was \$6,447,000 (2023: \$8,735,000).

c) Other Loans Receivable

\$76,000 in other loan receivables are for the projects managed by other government entities.

6. Deferred Revenue

Deferred revenue represents restricted contributions for the Commission's specific programs or restrictions on using the contributions in future periods.

	2023	Contributions Received	Revenue Recognized	2024
	(\$000's)	(\$000's)	(\$000's)	(\$000's)
Provincial Contributions	\$ 15,645	\$ 1,407,479	\$ (1,406,941)	\$ 16,183
Federal Contribution	200,111	\$ 230,103	\$ (179,718)	250,496
Other Agencies	11,027	\$ 7,031	\$ (7,518)	10,540
	\$ 226,783	\$ 1,644,613	\$ (1,594,177)	\$ 277,219

7. Deferred Capital Contributions

Deferred capital contributions are grants received that are restricted for the purchase and/or development of tangible capital assets, such as new social housing projects or the major rehabilitation of buildings. The carrying amount of deferred capital contributions assumed by the Commission on March 31, 2024, is \$2,001,601,000. See note 20 for further disclosure.

8. Due to Provincial Treasury

Amounts represent short-term funds borrowed from the Province for the purpose of facilitating the construction or renovation of affordable housing and for the HousingHub program. The maximum amount is not to exceed \$1.639 billion for the construction or renovation of affordable housing and \$2 billion for HousingHub. Amounts drawn bear interest at a rate charged by the provincial Ministry of Finance. The debt is available by way of a series of rolling short-term promissory notes (that, when due, can be rolled into further short-term promissory notes).

As of March 31, 2024, the total amount borrowed by the Commission for construction/renovation was \$522,110,000 (2023: \$477,449,000). The total amount borrowed by the Commission for HousingHub projects was \$433,717,000 (2023: \$522,212,000), with interest rates ranging from 4.84% to 5.21%.

British Columbia Housing Management Commission

Notes to the Consolidated Financial Statements

March 31, 2024

9. Society Funds Held on Deposit

These funds represent the balance of mortgage advances held to cover various non-profit society construction and soft costs required to complete their projects. Interest accrues on the society funds at the prime rate minus 1.8%.

10. Construction Grants Payable

Grants for construction represent liabilities to individual projects in advance of construction. The remaining balance will be paid as construction progresses.

	2023	Construction grants recognized	Construction grants applied	2024
	(\$000's)	(\$000's)	(\$000's)	(\$000's)
Building BC:				
Rapid Response to Homelessness	-	(376)	376	-
Affordable Rental Housing	-	44,886	(44,886)	-
Deepening Affordability	7,364	30,250	(21,145)	16,469
Community Housing Fund	260,406	325,294	(140,135)	445,565
Indigenous Housing Fund	122,301	82,432	(28,896)	175,837
MOU Metro Vancouver Housing Corp	-	119,991	(17)	119,974
Supportive Housing Fund	-	148,114	(148,114)	-
Women's Transition Housing Fund	-	113,404	(113,404)	-
Homeless Action Plan	-	6,623	(6,623)	-
Homeless Encamp Action Response Temp Hsg Complex Care	-	18,460	(18,460)	-
	-	2,692	(2,692)	-
Capital Renewal Fundig (Non-profit & PRHC)	136,637	150,671	(136,184)	151,125
Ventilation Improvement Fund (VIF)	-	83	(83)	-
Investment in Housing Innovation	20,282	-	(12,406)	7,876
Pandemic Recovery Grant	-	706	(706)	-
BC PHI Provincial Matching	4,996	2,500	(1,862)	5,634
Mental Health Housing Initiative	261	-	(31)	230
Permanent Housing Plan	-	21,433	(21,433)	-
Permanent Housing Plan Extension	-	11,035	(11,035)	-
Shovel-Ready Housing Grant	248,220	-	(52,751)	195,469
Cost Pressure Grant	128,428	-	(12,224)	116,203
Other Project Grants	11,310	107,064	(101,076)	17,299
Federal Bilateral Agreement	34,425	43,107	(46,468)	31,064
Federal Rapid Housing Initiative (RHI)	2,524	371	(377)	2,517
Federal Co-investment Fund	-	8,586	(8,586)	-
Federal Capital Renewal Fund (CRF)	-	3,954	(3,954)	-
Other	45	-	-	45
	\$ 977,199	\$ 1,241,280	\$ (933,172)	\$ 1,285,307

British Columbia Housing Management Commission

Notes to the Consolidated Financial Statements

March 31, 2024

11. Site Contamination

The Ministry of Citizens' Services and the Ministry of Health transferred \$7,420,000 to the Corporation in February 2015 for the remediation of contaminated sites at Səmiᑭwəʔele (Riverview Lands) project site. As of March 31, 2024, the total liability is \$6,160,000.

The contamination and cost of remediation over the life of the projects are under regular review, and the liability is adjusted as information is available. As of March 31, 2024, the liability amount is enough to cover the present value of remediation costs required; any portion of the amount transferred that proves to exceed the actual amount required will be repayable by the Commission to the Ministry of Citizens' Services.

12. Long-Term Debt

The carrying amount of long-term debt assumed by the Commission at March 31, 2024 is outlined below. See note 20 for further disclosure.

	2024
	(\$000's)
Canada Mortgage and Housing Corporation (CMHC) Debenture mortgages repayable at the end of each year, maturing between the years 2025 and 2029, with a weighted average rate of 8.11% (2023: 8.00%) and secured by unregistered first mortgages on properties of the Corporation.	\$ 11,371
Chartered banks and CMHC Mortgages repayable monthly over terms of up to 35 years, with an average rate of 3.19% (2023: 2.59%), secured by registered first mortgages on properties of the Corporation.	153,007
Public-Private Partnership Obligations SRO Renewal Initiative, 18-year contract until January 2031 with Habitat Housing Initiative, monthly payments including interest at 6.73% per annum, payable in accordance with the project agreement terms commencing July 2014 to a maximum of \$788,377.	50,516
	\$ 214,894

There is no change to the terms of the Public-Private Partnership arrangement occurring during the reporting period.

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

	(\$000's)
2025	52,197
2026	25,177
2027	33,710
2028	35,947
2029	14,435
Thereafter	53,428
	\$ 214,894

13. Asset Retirement Obligation

The asset retirement obligations include:

- The abatement of hazardous materials in buildings, i.e. asbestos, lead paint, etc.
- Leasehold obligation, which includes dismantling of leasehold improvements and returning the land to the original condition as required in the lease agreements.

The carrying amount of asset retirement obligation assumed by the Commission on March 31, 2024, is \$279,000,000.

14. Non-Financial Assets

a) Housing and projects under construction

The carrying amount of housing and projects under construction assumed by the Commission at March 31, 2024 is outlined below. See note 20 for further disclosure.

	Land (\$000's)	Building (\$000's)	Construction in Progress (\$000's)	Net Book Value March 31, 2024 (\$000's)
Housing and projects under construction	\$ 1,012,683	\$ 2,210,658	\$ 443,254	\$ 3,666,595

b) Səmiqwə?elə (Riverview Lands) redevelopment

On February 2, 2015, ownership of Səmiqwə?elə (Riverview Lands) was transferred to the Corporation from the Ministry of Citizens' Services. The land is to be redeveloped over the next several years. The proceeds from the redevelopment, including lease and film revenues, will fund the development costs. The carrying amount of Riverview Lands assumed by the Commission at March 31, 2024 is outlined below. See note 20 for further disclosure.

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	Land (\$000's)	Construction in Progress (\$000's)	Building (\$000's)	Accumulative Depreciation (\$000's)	Net Book Value March 31, 2024 (\$000's)
Riverview	\$ 3,788	\$ 61,166	\$ 13,752	\$ (3,647)	\$ 75,059

kʷikwəʔləm First Nation (KFN) asserted their aboriginal title to a collection of lands, including səmiqʷəʔelə (Riverview), through the filing of a civil land claim in 2016, naming the Commission and the Corporation. In 2021, the Commission, the Corporation and KFN, and all other named parties in the land claim agreed to a Reconciliation Agreement (RA) process led by the Ministry of Indigenous Relations & Reconciliation (MIRR). The purpose of the RA is to provide a non-litigation means of resolving KFN's assertion of aboriginal title. The land claim is currently in adjournment, with anticipated agreements into 2025. The Commission, the Corporation and MIRR are collaborating with KFN to co-determine an ownership outcome for səmiqʷəʔelə that would resolve KFN's claim.

c) Other Tangible Capital Assets

	2023 March 31 (\$000's)			2024 March 31 (\$000's)		
	Cost	Additions	Disposals	Cost		
Computer software	\$ 29,772	\$ 9,467	\$ -	\$ 39,239		
Computer hardware	74	-	-	74		
Tenant improvements	12,729	1,844	-	14,573		
Office furniture	3,162	-	-	3,162		
Office equipment	129	-	-	129		
Vehicles	2,220	629	7	2,842		
Grounds equipment	2,264	141	18	2,387		
	\$ 50,350	\$ 12,081	\$ 25	\$ 62,406		
	Accumulated Depreciation	Depreciation	Disposals	Accumulated Depreciation		
Computer software	\$ 21,244	\$ 2,920	\$ -	\$ 24,164		
Computer hardware	55	19	-	74		
Tenant improvements	11,249	940	-	12,189		
Office furniture	2,957	206	-	3,163		
Office equipment	90	10	-	100		
Vehicles	1,806	270	7	2,069		
Grounds equipment	1,374	359	18	1,715		
	\$ 38,775	\$ 4,724	\$ 25	\$ 43,474		
Net Book Value	\$ 11,575			\$ 18,932		

15. Budget Figures

Budgeted figures are provided for comparative purposes and are consistent with the budget presented in the 2023/2024 – 2025/2026 Service Plan that was released in February 2023.

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16. Other Revenue

	2024 (\$000's)	2023 (\$000's)
Licensing & Consumer Service Revenue	\$ 5,608	\$ 5,740
Interest Revenue	57,494	32,865
Commercial Rent/Lease Revenue	2,519	3,007
Operational Contribution on special projects	3,564	964
Miscellaneous Revenue	6,022	4,251
Total Other Revenue	\$ 75,207	\$ 46,827

17. Grants in Lieu of Property Taxes

The Commission, on behalf of the Province, pays each municipality a grant equivalent to gross property taxes due for all residential properties and projects managed.

18. Changes in Non-Cash Working Capital

	2024 (\$000's)	2023 (\$000's)
Accounts payable and accrued liabilities	\$ 90,574	\$ 48,746
Tenants' prepaid rent	(14)	198
Deferred revenue	50,436	42,450
Due from Canada Mortgage and Housing Corporation	(9,223)	(5,978)
Due from Province of British Columbia	(295,707)	(600,170)
Due from (to) Provincial Rental Housing Corporation	30,425	29,970
Prepaid expenses and housing subsidies	(1,520)	51,431
Receivables	(1,112)	(4,943)
	\$ (136,141)	\$ (438,296)

19. Commitments

a) Rental Obligations

The Commission has minimum rental obligations under operating leases for office space over the next five years and beyond as follows:

	(\$000's)
2025	\$ 6,119
2026	6,107
2027	6,269
2028	6,384
2029	2,009
Beyond	1,499
Total	\$ 28,387

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b) Contractual Obligations- Housing Subsidies

The Commission has significant contractual obligations with non-profit housing societies for the provision of annual subsidies. These contracts are reviewed annually to evaluate the level of commitment. The forecasted amount over the next five years and beyond as follows:

		(\$000's)
2025	\$	714,273
2026		610,448
2027		261,097
2028		204,454
2029		162,709
Beyond		3,323,420
Total	\$	5,276,401

c) Contractual Obligations- Construction

The Commission entered into construction contracts to build or renovate 399 projects owned by the Corporation. Total construction commitments as of March 31, 2024, were \$68,000,000. All construction contracts are expected to be completed within two years. As construction progresses, the asset values are recorded as work in progress (WIP) in the Corporation. Upon construction completion, WIP will be transferred to capital assets, and depreciation will commence.

d) Public-Private Partnership Commitments

The Corporation has entered into a public-private partnership project (P3) with Habitat Housing Initiative (HHI) to renovate 13 single-room occupancy Hotels in Vancouver's Downtown Eastside. The information provided below shows the anticipated cash outflow, net of federal contributions provided during construction, for future obligations under the contract with HHI for the capital cost and financing, the facility maintenance and lifecycle costs as defined in the Project Agreement. Payments to the private partner are contingent on specified performance criteria and include an estimation of inflation where applicable.

As construction progressed, the asset values were recorded as tangible capital assets (see Note 14), and the obligation was recorded as a liability and included in long-term debt (see Note 12). Upon construction completion, the obligation is met through the capital component of the monthly service payments over the term of the Project Agreement, which is paid directly by the Commission.

	Capital (\$000's)	Facility Maintenance and Lifecycle (\$000's)	Total Payments (\$000's)
2025	9,461	2,031	11,492
2026	9,461	2,040	11,501
2027	9,461	1,840	11,301
2028	9,461	1,994	11,455
2029	9,461	2,218	11,679
Thereafter	17,344	3,658	21,002
Total	\$ 64,649	\$ 13,781	\$ 78,430

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e) Loan Insurance Agreement

CMHC provides loan insurance under the *NHA*. The CMHC/BC Housing Loan Insurance Agreement allows the Commission to arrange long-term CMHC loan-insured mortgages on behalf of non-profit housing providers. In the event of a loan default, the Commission is required to rectify the default and fully reimburse CMHC for claims paid to approved lenders. Since the establishment of the Loan Insurance Agreement in January 1993, the Commission has never had a claim made against the Loan Insurance Agreement. The Commission underwrites the mortgages in accordance with CMHC Handbook for multi-unit properties, registers a charge on title to ensure access to property and requires housing providers to enter into an operating agreement with BC Housing to ensure ongoing operational compliance and access to housing provider's financial information.

The maximum value of mortgages that can be insured under this agreement is \$4.5 billion. As of March 31, 2024, the total value of outstanding CMHC insured mortgages was \$3,385,550,000 (2023: \$3,161,207,000). No claim is expected on this portfolio, and the Commission has not recorded a provision for loss.

20. Related Party Transactions

As at March 31, 2024, the Commission accounted for its control in the Corporation and as a result, the following assets and liabilities have been consolidated in the Commission's financial statements at their carrying amounts at that date.

	March 31 2024 (\$000's)
Financial assets	
Cash	\$ 1
Debenture subsidy receivable	839
Long-term receivables	236,632
	<u>237,472</u>
Liabilities	
Interest payable	90
Deferred capital contributions	2,001,601
Due to BC Housing Management Commission	67,453
Unearned lease revenue	28,043
Site contamination	6,159
Long-term debt	214,894
Asset retirement obligations	278,832
	<u>2,597,072</u>
Net debt	<u>(2,359,600)</u>
Non-financial assets	
Housing and projects under construction	3,666,595
Riverview Lands redevelopment	75,059
	<u>3,741,654</u>
Accumulated surplus	<u>\$ 1,382,054</u>

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The residual, representing the corporation's accumulated surplus of \$1,382,088,000 as of March 31, 2024, has been reflected within the Commission's consolidated statement of operations. This arrangement has been accounted for under PS 3420 - Inter-entity transactions and PS 2200 - Related party transactions.

The Commission is related through common control to all Province of BC ministries, agencies, Crown corporations, school districts, health authorities, hospital societies, universities and colleges that are included in the provincial government reporting entity. Transactions with these entities, unless disclosed otherwise, are considered to be in the normal course of operations and are recorded at the exchanged amount, which is the amount of consideration established and agreed to by the related parties. Funds are due on receipt of the invoice and bear no interest. As of March 31, 2024, the total due from the Province was \$1,302,810,000 (2023: \$1,007,103,000).

21. Contractual Rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future. The Commission has contractual rights to receive payments under the following agreements or to receive lease payments as follows:

Contractual right with:	Description	2025 (\$000's)	2026 (\$000's)	2027 (\$000's)	2028 (\$000's)	2029 (\$000's)	Thereafter (\$000's)
CMHC	Annual funding under the Social Housing Agreement (SHA)	\$ 63,711	\$ 51,422	\$ 37,306	\$ 23,295	\$ 13,564	13,500
CMHC	Annual funding under Bilateral Agreement	89,392	-	-	-	-	-
Non-profit housing providers	Land/and or building lease payments on properties owned by the Corporation	1,808	1,668	1,612	1,514	1,192	13,675
Total		\$ 154,911	\$ 53,090	\$ 38,918	\$ 24,809	\$ 14,756	\$ 27,175

22. Contingencies

a) Letters of Credit

As of March 31, 2024, the Commission was contingently liable with respect to letters of credit totalling \$17,798,000 (2023: \$14,163,000) for municipal development cost charges.

b) Legal Claims

The nature of the Commission's activities is such that there will be litigation pending or in progress at any time. With respect to claims on March 31, 2024, management is of the opinion that it has valid defenses and appropriate insurance coverage in place, or if there is an unfunded risk, such claims are not expected to have a material effect on the Commission's financial position. Outstanding contingencies are reviewed on an ongoing basis and are provided for based on management's best estimate of the ultimate settlement.

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c) Collective agreements with BCGEU

The commission has two collective agreements (administrative/clerical division & maintenance/service division) with BC General Employees' Union (BCGEU) that expired on March 31, 2022. As at March 31, 2024, the bargaining process was still ongoing. When a ratified agreement is reached, retroactive compensation will be calculated starting from April 1, 2022.

23. Financial Instrument Risks

The Commission, through its financial assets and liabilities, is exposed to credit risk, interest rate risk, market risk and liquidity risk. The following analysis provides a measurement of those risks on March 31, 2024:

a) Credit Risk

Credit risk is the risk that the Commission will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the Commission to credit risk consist primarily of cash and portfolio investments, receivables due from the Province of British Columbia, due from Canada Mortgage and Housing Corporation, mortgages and loans receivable and construction loans to housing projects.

Credit risk associated with cash is managed by investing these financial assets in instruments held with reputable Canadian chartered banks. Credit risk associated with portfolio investments is managed by investing in pooled funds that have a well-diversified portfolio of securities.

With respect to construction loans to housing projects, the development phase of a project bears some credit risk due to municipal zoning uncertainty, the capacity of non-profit housing providers, and funding availability. During this phase, credit risk is mitigated by an assessment of collectability. During the construction phase of a project, credit risk is low with respect to construction loans to housing projects owned by non-profit housing providers as the loans are secured by property and repaid at substantial completion of the project (see Note 4).

With respect to mortgages and loan receivables, credit risk is mitigated as these receivables are also secured by property (see Note 5).

To reduce the risk associated with long-term receivables, the Corporation periodically evaluates the collectability of its accounts receivable and adjusts it to reflect the true value of the receivable when necessary.

The Commission is also exposed to credit risk through its CMHC indemnifications as in the event of a loan default, the Commission is required to rectify the default and fully reimburse CMHC for claims paid and approved to lenders. This is further disclosed in note 19 (e). The Commission mitigates this risk by identifying and locating an alternate housing provider to own the asset, continue the operation and assume the loan obligation. Since the establishment of the Loan Insurance Agreement in January 1993, the Commission has never had a claim made against the Loan Insurance Agreement.

The Commission is not significantly exposed to credit risk on its receivables from the Province.

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b) Market Risk

Market risk is comprised of currency risk, interest rate risk and other price risk.

Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Construction loans bear interest at the Province's weighted average borrowing rate, however this risk is mitigated due to the relatively stable Provincial borrowing rate and the fact that these loans are relatively short term in nature (within two years). Investments bear some interest rate risk, but these risks are mitigated through the diversification of the portfolio.

The Commission is subject to interest rate risk when refinancing its long-term debt portfolio. The Commission mitigates this risk by maximizing its borrowing from CMHC and seeking competitive interest rates from financial institutions. The Commission is also able to mitigate short- and long-term interest rate changes through the Commission's ability to borrow directly from the Provincial Treasury.

Other price risk

Other price risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market. The Commission has an investment policy to ensure investments are managed appropriately and invested in diversified funds to secure the preservation of capital and the availability of liquid funds. The Commission has also retained qualified investment firms to invest surplus funds in accordance with its investment policy.

Currency risk - Currency risk is the risk arising from change in price of one currency in relation to another. The Commission is not exposed to currency risk.

c) Liquidity Risk

Liquidity risk is the risk that the Commission will not be able to meet its obligations as they fall due. The Commission maintains adequate levels of working capital to ensure all its obligations can be met as they become due. To further manage liquidity risk, the Commission has a borrowing limit of up to \$2.8 billion with the Province, including an additional approved \$2 billion borrowing limit for the HousingHub program. The debt is available by way of a series of rolling short-term promissory notes. The Commission therefore can access further financing through these promissory notes as they are repaid in stages through the receipt of cash on construction loans receivable. Further financing can also be obtained through transfers and grants from the Province to mitigate this risk. The Commission has the option to sell its portfolio investments.

The majority of the Commission's financial assets and liabilities are current, maturing within one year. The table below shows the various financial assets and liabilities that mature after one year.

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2024				
Financial assets	Up to 1 year (\$000's)	1 to 5 years (\$000's)	Over 5 years (\$000's)	Total (\$000's)
Construction loans to housing projects	\$ 1,131,653	\$ 187,297	\$ -	\$ 1,318,950
Mortgages and loans receivable	\$ 616	2,498	29,378	32,492
Long-term receivables	\$ 23,316	\$ 44,752	\$ 168,564	\$ 236,632
Total	\$ 1,155,585	\$ 234,547	\$ 197,942	\$ 1,588,074

Financial liabilities	Up to 1 year (\$000's)	1 to 5 years (\$000's)	Over 5 years (\$000's)	Total (\$000's)
Society funds held on deposit	\$ 4,548	8,166	28,959	41,673
Long-term debt	\$ 52,197	\$ 109,269	\$ 53,428	\$ 214,894
Total	\$ 56,745	\$ 117,435	\$ 82,387	\$ 256,567

2023				
Financial assets	Up to 1 year (\$000's)	1 to 5 years (\$000's)	Over 5 years (\$000's)	Total (\$000's)
Construction loans to housing projects	\$ 787,185	\$ 435,397	\$ -	\$ 1,222,582
Mortgages and loans receivable	\$ 1,364	2,802	13,902	18,068
Total	\$ 788,549	\$ 438,199	\$ 13,902	\$ 1,240,650

Financial liabilities	Up to 1 year (\$000's)	1 to 5 years (\$000's)	Over 5 years (\$000's)	Total (\$000's)
Society funds held on deposit	\$ 561	9,093	21,112	30,766
Total	\$ 561	\$ 9,093	\$ 21,112	\$ 30,766

24. Impact of Accounting for Government Transfers in accordance with the Budget Transparency and Accounting Act

As noted in the significant accounting policies (see Note 2), section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia and its related regulations require the Corporation to account for government transfers for capital assets by deferring and recognizing them in revenue at the same rate that amortization of the related capital asset is recorded. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be reported in income immediately. If government transfers were accounted for under Canadian public sector accounting standards, the impact of this difference on the financial statements of the Corporation is as follows:

- For the year ended March 31, 2023, an increase to the annual surplus of \$175,057,000; and,
- On March 31, 2023, there was an increase in accumulated surplus and a decrease in contributions of \$1,618,818,000.
- For the year ended March 31, 2024, an increase to the annual surplus of \$313,905,000; and,
- On March 31, 2024, there was an increase in accumulated surplus and a decrease in contributions of \$1,932,723,000.