



Audit at a glance

Why we did this audit

- Funded by the B.C. government, BC Housing purchased nine properties in Vancouver and Victoria in 2020 and 2021 to house former residents of city parks and other people experiencing homelessness, and to protect them from the spread of COVID-19.
- The properties were a significant public expenditure – totalling \$221 million – that were secured quickly because of the urgency of the government’s pandemic response.
- We did this audit to see if, despite the challenging COVID-19 circumstances, BC Housing adhered to the usual rules and procedures, completed the purchases within the government’s approved budget, and paid fair market value.

Objective

To determine whether BC Housing’s purchases of nine properties in Vancouver and Victoria during the COVID-19 pandemic were carried out in accordance with relevant government approvals and BC Housing policies and procedures.

Audit period:

April 2020 to December 2021

Conclusion

BC Housing met all relevant approvals and policy requirements for the purchases of nine properties in Vancouver and Victoria in 2020 and 2021.

We made no recommendations.

What we found

All required approvals were received for the property purchases

- The government approved a budget for four properties purchased in 2020 and the purchase of five properties in 2021.
- The total purchase amount for the nine properties was within the government’s approved budget.
- BC Housing met all required government directives.
- BC Housing’s board of commissioners approved individual purchases of more than \$35 million as required: the Howard Johnson Hotel (\$56.6 million) and the Patricia Hotel (\$64.4 million), both in Vancouver.
- BC Housing’s executive committee approved all nine purchases.



What we found *(continued)*

Required due diligence reviews were completed by BC Housing

- Due diligence reviews, required by internal policies and procedures, were performed for all acquisitions.
- The appropriate levels of due diligence reviews were determined after assessing potential risks and impacts of the pandemic.
- Some due diligence items were considered less applicable and were deferred with the approval of the executive committee.

Formal market value appraisals were received for all properties

- BC Housing obtained market value appraisals for all nine properties as required by internal policies and procedures.
- The total of the purchases (\$202.4 million) was 8.5% below the total appraised market values (\$220 million) for the nine properties.

After reading the report, you may want to ask the following questions of government:

1. *How does BC Housing plan to keep the public informed about these purchases and other similar significant investments?*
2. *What has BC Housing learned from the circumstances of these purchases and how will it inform future investments?*
3. *What are the long-term plans for the properties, how will supports for residents be coordinated, and how will the plans be funded?*