

Date: April 25, 2016 **File No.:** Bylaw 339
To: Salt Spring Island Local Trust Committee
 for May 5, 2016 meeting
From: Seth Wright, A/ Planner 2, Local Planning Services
Re: **Request to Amend Housing Agreement for Affordable Housing**
Owner: Salt Spring Island Community Services
Applicant: Elizabeth FitzZaland
Description: Lot 3, District Lot 24, North Salt Spring Island, Cowichan District, Plan
 VIP87215
PID: 028-104-269
Civic Address: Lot 3 Charlesworth Road

PRELIMINARY REPORT

THE PROPOSAL:

In 1995, the Salt Spring Island Local Trust Committee (LTC) entered into a housing agreement for the provision of affordable housing with the Bishop of Victoria (Catholic Diocese) as part of the Bishop's Walk development. Salt Spring Island Community Services is now the owner of the property intended for affordable housing and would like the LTC to amend the Affordable Housing Agreement to revise outdated and inaccurate content, to modify the definitions of affordable, and to allow Affordable Homeownership Housing instead of exclusively Affordable Rental Housing. Appendix 1 of this Staff Report contains the current Housing Agreement on title, Appendix 2 contains the full request of the applicant and Appendix 3 contains the applicant's Draft Business Plan, which provides the vision for the project and rationale for the requested changes. This Staff Report provides an analysis of the proposed changes and provides recommendations for amending the existing housing agreement.

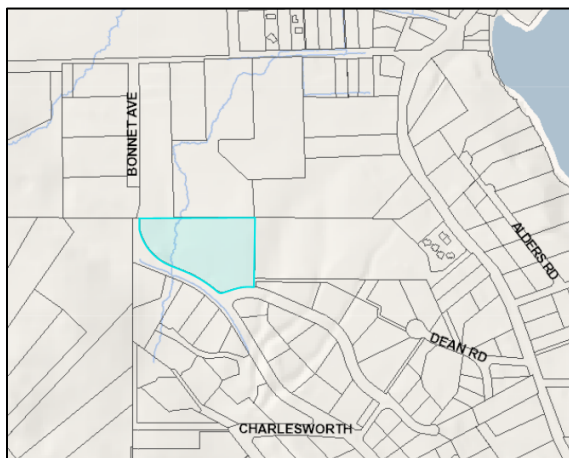


Figure 1: Context Map



Figure 2: 2013 Air Photo of Subject Property

BACKGROUND:

In 1989, Parcel M (15.32 ha) was excluded from the Agricultural Land Reserve by the Bishop of Victoria/Catholic Diocese (SS-ALR-1989.03). Parcel M was subsequently also rezoned from Agriculture 1 to Comprehensive Development 8 (CD8) in accordance with Official Community Plan policies which supported a gradient of higher density to lower density from the Ganges core outwards to the more rural areas (SS-RZ-1992.28). The CD8 zoning permitted 24 multi-family densities and 20 single family dwellings, which constituted an increase of 7 densities above those otherwise provided for in exchange for the provision of affordable housing. In 2001, Salt Spring Island Land Use Bylaw No. 355 replaced the CD8 zone with the current Residential 4 and Residential 10 zoning. Three Point Properties Ltd. subsequently subdivided Parcel M into 2 large lots (SS-SUB-2005.8), then into 15 fee simple lots - including creating the Subject Property as Lot 3 - (SS-SUB-2005.10), and into 14 bareland strata lots (SS-SUB-2005.11).

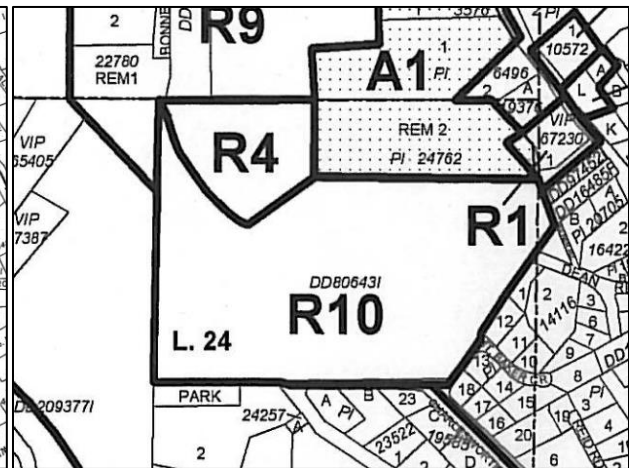
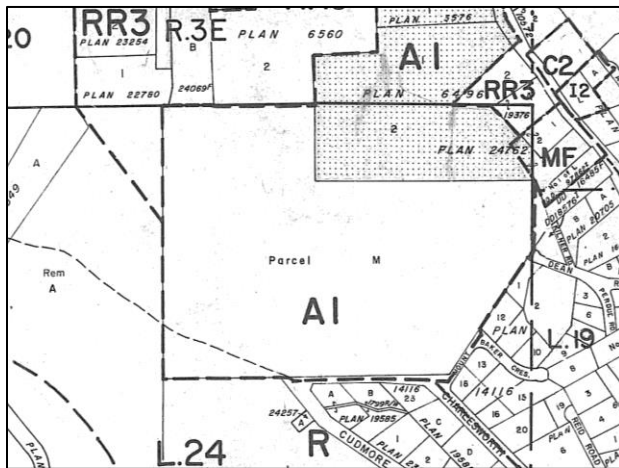


Figure 3: 1992 Zoning of Parent Parcel (“Parcel M”) Figure 4: 2001 Zoning of Parent Parcel

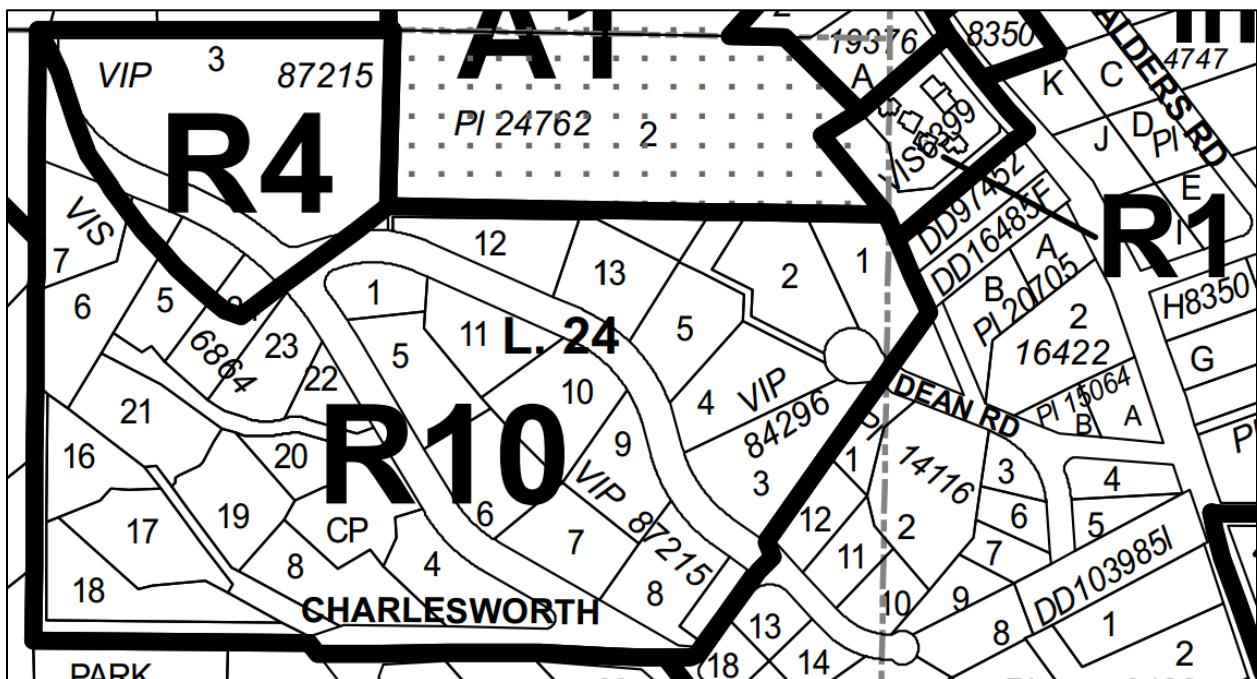


Figure 5: Current Zoning and Lot Layout of “Bishop’s Walk” subdivision

The affordable housing agreement was placed on the title of “Parcel M” in 1995 as part of the rezoning and is attached to this Staff Report as Appendix 1.

SITE CONTEXT:

The subject property is located south of Drake Road, connected at the rear lot line to both the Lion's Hall property (103 Bonnet Ave) and the Phoenix School property (163 Drake Rd). It is at the northwestern most extent of the Bishop's Walk subdivision and is 2.02 hectares (4.98 acres) in area. The property is designated within Ganges Village Core (GVC) in the Salt Spring Island Official Community Plan No. 434 (OCP) and zoned Residential 4 (R4) in the Salt Spring Island Land Use Bylaw No. 355 (LUB). Adjacent properties are zoned Residential 9 (R9) to the north, Agriculture 1 (A1) to the east, and Residential 10 (R10) to the south and southwest. Adjacent properties are either vacant or contain a single family dwelling and range in size from 0.17 hectares to 3.12 hectares.



Figure 5: OCP Land Use Designation

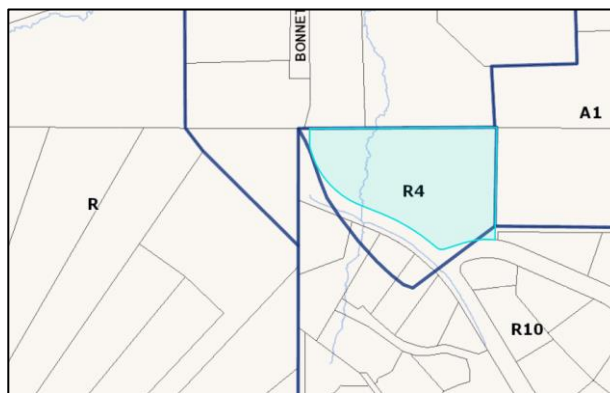


Figure 6: Land Use Bylaw Zoning

CURRENT PLANNING STATUS OF SUBJECT LANDS:

Land Title Act

Section 219 of the Land Title Act authorizes the registration of covenants with provisions in respect to the use of land and buildings in favour of a local trust committee.

Local Government Act

Section 483 of the Local Government Act authorizes local governments, including a local trust committee, to enter into a housing agreement containing but not limited to terms and conditions respecting one or more of the following:

- (a) the form of tenure of the housing units;
- (b) the availability of the housing units to classes of persons identified in the agreement or the bylaw under subsection (1) for the agreement;
- (c) the administration and management of the housing units, including the manner in which the housing units will be made available to persons within a class referred to in paragraph (b);
- (d) rents and lease, sale or share prices that may be charged, and the rates at which these may be increased over time, as specified in the agreement or as determined in accordance with a formula specified in the agreement.

Section 483 also requires that a housing agreement may only be amended by bylaw adopted with the consent of the owner. This amendment, therefore, must be proceed as a bylaw, but does not require a public hearing.

Islands Trust Policy Statement

This proposal is generally consistent with the Islands Trust Policy Statement and specifically supported with the following Directive Policy:

- 5.8.6 Local trust committees and island municipalities shall, in their official community plans and regulatory bylaws, address their community's current and projected housing requirements and the long-term needs for educational, institutional, community and health-related facilities and services, as well as the cultural and recreational facilities and services.

Official Community Plan

The OCP designates the subject property within the Ganges Village Core (GVC) designation. This designation indicates that the property is also within Development Permit Area 1 – Island Villages (DPA 1) and, as a multi-family development, will require a Development Permit prior to approval of any Building Permits. A small portion in the southwest corner of the subject property is designated within DPA 6 for a high slope stability hazard. Ganges Creek also traverses the subject property and is designated within DPA 7 – Riparian Areas. Staff have been in preliminary discussion with the applicant regarding a forthcoming Development Permit application.

While this application is not a rezoning, a housing agreement can only be amended by a bylaw. Accordingly, the following policies are provided for their general relevance to the application:

B.2 RESIDENTIAL LAND USE OBJECTIVES AND POLICIES

B.2.2 Affordable, rental and special needs housing

- B.2.2.2.2 The Local Trust Committee, in cooperation with the Capital Regional District and the community, should work to establish a target level for the percentage of rented and owned affordable housing units in the total housing stock, based on projected community housing needs.
- B.2.2.2.3 All rezoning applications for affordable housing projects should include evidence of:
- need for the housing.
 - an adequate water supply for potability and for fire protection.
 - means of sewage disposal.
 - energy and water efficient building design.
 - not degrading a sensitive ecosystem.
 - not being sited in an area subject to hazardous conditions.
- B.2.2.2.23 The Local Trust Committee encourages and supports other levels of government and non-profit groups to work towards the establishment of a Housing Agency on Salt Spring Island.
- B.2.2.2.24 Local service clubs, non-profit organizations and others that provide affordable, rental and special needs housing are encouraged to develop projects in keeping with the policies in this Section. Such groups are particularly encouraged to explore the potential for supplying a community pool of care cottages.
- B.2.2.2.25 The Local Trust Committee will support the establishment and work of non-profit community land trusts and other organizations for the acquisition of land for, and construction and management of, affordable housing units.

B.5 VILLAGE LAND USE OBJECTIVES AND POLICIES

B.5.2 Ganges Village Designation

- B.5.2.2.3 The Local Trust Committee should consider rezoning applications that would allow the addition of some affordable and special needs housing in the Ganges Village Designation, as outlined in Section B.2.2.2.

Land Use Bylaw

The LUB designates the subject property within the Residential 4 (R4) zone. The following uses, buildings and structures are permitted in the R4 zone:

Principal Uses, Buildings and Structures	R1	R2	R3	R4	R5	R6	R7	R8	R9	R10	R11	R12
<i>Single-family dwellings</i>	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	
<i>Two-family dwellings</i>	◆	◆				◆						
<i>Two family dwellings constructed before July 31, 1990</i>							◆	◆	◆			
<i>Multi-family dwellings</i>	◆	◆		◆							◆ ¹	
<i>Dental and medical office services for a maximum of two medical practitioners</i>						◆	◆	◆	◆	◆		
<i>Elementary schools, pre-schools and child day care centres</i>						◆	◆	◆	◆			
<i>Hospitals and public health care facilities</i>						◆	◆	◆	◆			
<i>Community halls</i>						◆	◆	◆	◆			
<i>Non-commercial outdoor active recreation</i>	◆					◆	◆	◆	◆			
<i>Churches</i>						◆	◆	◆	◆			
<i>Agriculture, excluding intensive agriculture</i>							◆	◆	◆			
<i>Public service uses</i>	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	
<i>Seniors' supportive housing complex</i>												◆ ²
Accessory Uses												
<i>Home-based businesses, subject to Section 3.13</i>	◆	◆	◆	◆	◆	◆	◆	◆	◆			
<i>Seasonal cottages subject to Section 3.14</i>							◆	◆	◆			

Sensitive Ecosystems and Hazard Areas

Islands Trust Sensitive Ecosystem Mapping indicates young forest with some mature forest on the subject property. A small portion in the southwest corner of the subject property is designated within DPA 6 for a high slope stability hazard.

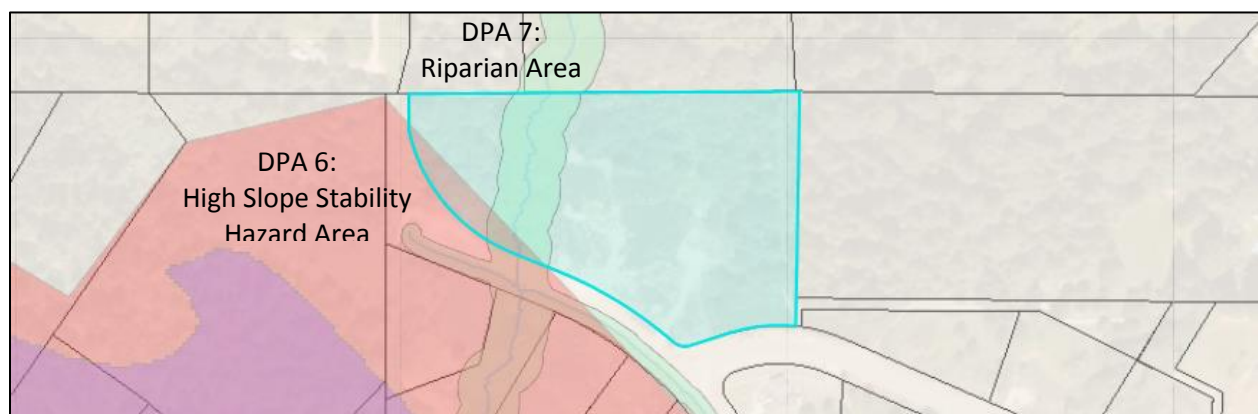


Figure 5: Sensitive Ecosystems and Hazard Areas

Archaeological Sites

Remote Access to Archaeological Data (RAAD) indicates no known archaeological sites or areas of archaeological potential on or within the 100 metres of the subject property.

Covenants

In addition to the Housing Agreement, the title of the subject property contains a number of covenants that are detailed below:

Covenants on Title of Subject Property			
Covenant	Nature	Registered Owner	Purpose
L7999	Statutory Right of Way	BC Hydro	Electric power
EX20855	Covenant	Salt Spring Island LTC	Requires certain conditions precedent to subdivision
FB131874	Covenant	Salt Spring Island LTC	Requires Trail Clearing
FB304501	Statutory Right of Way	Capital Regional District	Drainage/Sewer Infrastructure
FB304507	Statutory Right of Way	Capital Regional District	Public trail access

Bylaw Enforcement:

There are no bylaw enforcement files associated with the subject property.

Climate Change Mitigation and Adaptation

The following factors may be considered in relation to climate change:

Transportation: The location of the property is in close proximity to the Ganges Core (15 min. walk), accessible to transit, and can be accessed by various trails.

Buildings: The Draft Business Plan submitted by the applicant indicates that a cluster of four-plexes is proposed. This density and scale is supports energy efficient design.

Sea Level Rise: The subject property ranges from 66 metres to 92 metres above sea level rise and, as such, is not deemed vulnerable to sea level rise.

STAFF COMMENTS:

Staff recommend that the LTC amend the 1995 Housing Agreement for accuracy and relevance, but recommend that the LTC consider options regarding the change from affordable rental housing to affordable homeownership housing. The following affordability section provides an analysis of those factors.

Affordability

The existing Housing Agreement defines Affordable Rental Housing as “affordable to those who cannot afford to pay the market rent for comparable rental housing on Salt Spring Island” as determined by the LTC and in accordance with requirements of the BC Housing Management Corporation (now BC Housing). The applicant has proposed to replace this definition with Affordable Homeownership Housing, which is defined as “a dwelling unit privately owned within a building strata that is initially sold for a price at least 18% below local market value and with resale price escalation restricted to increases in the Victoria Price Index over the time the unit is owned.”

For reference, the following table is provided to illustrate year-to-year changes in the Consumer Price Index for Victoria, and Vancouver for comparison.

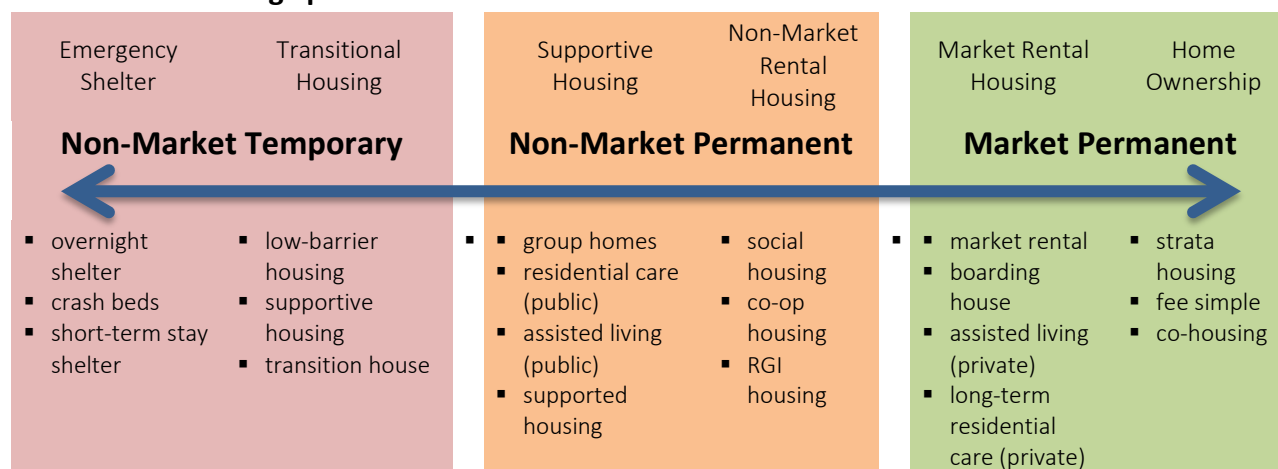
Consumer Price Index, by city (% change from previous year)												
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2006-2015
Victoria	TOTAL	1.5%	1.2%	1.8%	0.1%	1.1%	2.1%	1.0%	-0.3%	0.9%	1.1%	9.3%
	Shelter	1.8%	0.2%	2.2%	-1.4%	-0.3%	0.9%	-0.8%	-1.0%	0.5%	-0.4%	-0.1%

Vancouver	TOTAL	1.9%	2.0%	2.4%	0.1%	1.8%	2.3%	1.3%	0.2%	1.1%	1.2%	12.9%
	Shelter	2.9%	3.3%	3.4%	-1.6%	1.8%	1.2%	0.3%	-0.5%	0.7%	0.3%	9.1%
Source: Statistics Canada, CANSIM, table 326-0021 .										Last modified: 2016-01-22.		

The Bishop's Walk Affordable Homeownership Draft Business Plan | December 2015 (*attached as Appendix 3*) provides a Homeowner Eligibility Criteria that includes the requirement for an annual household income of \$60,000 or less. More recent correspondence with the applicant indicates suitability for households with incomes between \$40,000 and \$60,000. The applicant's 2015 Family Housing Survey of 124 Salt Spring families indicated that 27 percent of total respondents had a household income between \$40,000 and \$60,000 and 20 percent of single family respondents had a household income in this bracket.

The Affordable Housing Spectrum provides a framework to consider how different types of housing attend to the respective needs of populations that cannot access conventional home ownership. The proposed model of Affordable Home Ownership falls within the higher end of the spectrum as home ownership, but below-market.

Affordable Housing Spectrum



Recent housing agreements in favour of the LTC requested by private developers have emphasized homeownership over rental housing and have been oriented to moderate-income households rather than lower-income households, as evidenced most recently by Norton Road. The [Islands Trust Housing Needs Assessment \(August 2008\)](#) indicates that lone parent families on Salt Spring Island have a Median Family Income (2006) of \$33,977, which in turn suggests that a minority of single-parent households poses an income sufficient for eligibility within this affordable housing project. Staff consider that the original housing agreement required rental housing to address the greater and typically more severe need by low-income households such as single-parent families. Notwithstanding this intent, it is worth noting that provincial and federal funding has diminished sharply since the 1970s when considerable social housing was constructed, and further since the 1990s when moderate funding was available for affordable housing.¹

The Draft Business Plan indicates that one unit shall be "Affordable Rental Housing" which is proposed to be defined as "a dwelling unit owned by the Non-profit Housing Corporation and rented at a monthly price affordable to low to moderate income households or moderate income households earning up to 80 percent of the local median household income." More recent

¹ BC Non-Profit Housing Association; Politics of Social Good: A History of Social Housing in BC. November 20, 2013. http://www.bcnpha.ca/media/Conference_2013/Presentations/W4_Politics_of_Social_Good_History_of_Social_Housing_in_BC_2013.pdf

correspondence has indicated that 4 units may be dedicated for rental. In light of project financing, project flexibility and construction phasing, the applicant has requested that a requirement for a portion of rental housing units not be included in the revised housing agreement.

In consideration that four units are proposed as affordable rental units, that the existing housing agreement required all housing to be rental, and that there is a significant and urgent need for affordable rental housing on Salt Spring Island, staff recommend that the revised Housing Agreement include a requirement that four units be maintained as rental housing.

Other Issues

The existing Housing Agreement also contains a number of clauses that are no longer relevant, so staff recommend that these clauses are removed from the Housing Agreement. The following table identifies the section of each clause proposed to be struck and the rationale.

Sections Proposed for Removal from Housing Agreement		
	Section	Rationale
4.1	Designation of Building Sites	Pertains exclusively to siting of Market Dwelling Units
4.2	Dedication of Park	Parkland Dedication occurred as part of SS-SUB-2005.10 and SS-SUB-2005.11 in the form of linear strips suitable for public trails amounting to 5% of total development area. Inclusion of this clause has no effect.
4.4	Construction of Trails on Market Housing Parcels	Pertains exclusively to location of trails on now distinct Market Dwelling Parcels.
4.5	Dedication of Highways	Highways have been dedicated at time of subdivision. No further highways need to be dedicated.
6.1	Terms of this Agreement	Timelines for development have been significantly exceeded and there is no benefit to this clause.

Cost Recovery

Islands Trust Council Policies 5.6.ii and 5.6.iii, require that extraordinary processing services, including covenant development, “are funded by an applicant via a cost recovery agreement,” which must proceed only by resolution of the Local Trust Committee. Therefore, a final recommendation is provided to enter into a cost recovery agreement with the applicant to cover the legal costs of reviewing the revised Housing Agreement covenant. The applicant has submitted a request for an exemption from the cost recovery process, which is attached as Appendix 4.

RECOMMENDATIONS:

1. That the Salt Spring Island Local Trust Committee request staff to prepare a draft bylaw to amend the Land Use Covenant and Housing Agreement adopted as “Salt Spring Island Local Trust Committee Affordable Housing Agreement Bylaw No. 339, 1995” (Covenant EK13176) in accordance with the letter from Salt Spring Island Community Services (dated March 17, 2016 and attached as Appendix 2).
2. That the Salt Spring Island Local Trust Committee request staff to amend the revised Land Use Covenant and Housing Agreement originally adopted as “Salt Spring Island Local Trust Committee Affordable Housing Agreement Bylaw No. 339, 1995” to include at least 4 Affordable Rental Housing units.

3. That the Salt Spring Island Local Trust Committee request staff to amend the revised Land Use Covenant and Housing Agreement originally adopted as “Salt Spring Island Local Trust Committee Affordable Housing Agreement Bylaw No. 339, 1995” to remove Articles 4.1 [*Designation of Building Sites*], 4.2 [*Dedication of Park*], 4.4 [*Construction of Trails on Market Housing Parcels*], 4.5 [*Dedication of Highways*], and 6.1 [*Terms of this Agreement*].
4. That the Salt Spring Island Local Trust Committee request staff to enter into a cost recovery agreement with Salt Spring Island Community Services for Islands Trust legal review of the revised Land Use Covenant and Housing Agreement originally adopted as “Salt Spring Island Local Trust Committee Affordable Housing Agreement Bylaw No. 339, 1995”, according to a terms of reference mutually agreed to by the applicant and Islands Trust staff.

Prepared and Submitted by:

Seth Wright, A/ Planner 2

Date

Concurred by:

Stefan Cermak, Regional Planning Manager

Date

Appendices:

1. Bylaw 339: Existing Housing Agreement Covenant EK13176
2. Request Letter from SSI Community Services, dated March 17, 2016.
3. Bishop’s Walk Affordable Homeownership Draft Business Plan | December 2015
4. Letter from SSI Community Services for Exemption from Cost Recovery

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EJ136452

LAND TITLE ACT FORM C

(Section 219.81)

Province of British Columbia GENERAL INSTRUMENT-PART 1

(This area for Land Title Office use)

Page 1 of 14 Pages

1. Application: (Name, address, phone number and signature of applicant, applicant's solicitor or agent)

Lidstone, Young, Anderson, Barristers and Solicitors
1616 - 808 Nelson Street, Vancouver, B.C., V6Z 2H2 (604)
Attention: David Loukidelis
Telephone: 689-7400
File No.: 2-194


David Loukidelis
Applicant's Solicitor

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:*

(PID)

(LEGAL DESCRIPTIONS)

(DD 80643 I)

009-596-721

Parcel M (DD 80643 I), Section 19, Range 4 East, and of Lot 24, North Salt Spring Island,
Cowichan District

3. NATURE OF INTEREST:*

Description

Document Reference
(page and paragraph)

Person Entitled to Interest

Section 215 Covenant

Entire Instrument

Transferee

4. TERMS: Part 2 of this instrument consists of (select one only)

- (a) File Standard Charge Terms
(b) Express Charge Terms
(c) Release

☒
☐

D.F. No.
Annexed as Part 2
There is no Part 2 of this Instrument

A selection of (a) include any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument. If (c) is selected, the charge described in Item 3 is released or discharged as a charge on the land described in Item 2.

5. TRANSFEROR(S):*

BISHOP OF VICTORIA, a corporation sole incorporated under the laws of the Province of British Columbia,
with an office at 1 - 4044 Nelthorpe Street, Victoria, British Columbia, V8X 2A1

6. TRANSFEREE(S): (including postal address(es) and postal code(s))*

SALT SPRING ISLAND LOCAL TRUST COMMITTEE, a local trust committee incorporated under the *Islands Trust Act*, S.B.C. 1989, c. 68, 2nd Floor, 1627 Fort Street, Victoria, B.C. V8W 3E1

**LAND TITLE ACT
FORM C**

(Section 219.81)

**Province of British Columbia
GENERAL INSTRUMENT-PART 1**

Page 2

7. **ADDITIONAL OR MODIFIED TERMS:**

N/A

8. **EXECUTION(S):** **This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)

Execution Date

Party(ies) Signature(s)

Name:

95 12 11SALT SPRING ISLAND LOCAL TRUST
COMMITTEE by its authorized
signatories:

Name:

Name:

Name:

95 11 24BISHOP OF VICTORIA by its
authorized signatories:Name: RIGHT REVEREND MICHAEL LAPIER

Name:

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public, or other person authorized by the Evidence Act, R.S.B.C. 1979, c. 116, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

- * If space insufficient, enter "SEE SCHEDULE" and attach schedule in Form E.
- ** If space insufficient, continue executions on additional page(s) in Form D.

PART 2 - TERMS OF INSTRUMENT**SECTION 215 LAND USE COVENANT AND HOUSING AGREEMENT**

This Agreement dated for reference May 1, 1995 is

AMONG:

SALT SPRING ISLAND LOCAL TRUST COMMITTEE, a local trust committee incorporated under the *Islands Trust Act*, S.B.C. 1989, c. 68, 2nd Floor, 1627 Fort Street, Victoria, B.C., V8W 3E1

("Trust Committee")

AND:

SALT SPRING ISLAND COMMUNITY SOCIETY, a society incorporated under the *Society Act* under number S11466, with an office at 268 Fulford - Ganges Road, Ganges, B.C., V0S 1E0

("Society")

AND:

BISHOP OF VICTORIA, a corporation sole incorporated under the laws of the Province of British Columbia, with an office at 1 - 4044 Nelthorpe Street, Victoria, British Columbia, V8X 2A1

("Owner")

GIVEN THAT

- A. The Owner is the registered owner of the Land,
- B. The Owner is to subdivide the Land and lease part of it to the Society,
- C. The Society and the Owner wish to obtain Rezoning of the Land so the Society may develop part of it with Affordable Housing Development, and so the Owner may develop the Market Housing Parcels (as defined herein) with market dwelling units in accordance with the Rezoning and
- D. The Owner wishes to grant to the Trust Committee a covenant under s. 215 of the *Land Title Act* over the Market Housing Parcels and to enter into this Agreement as a housing agreement under s. 963.2 of the *Municipal Act*,

This Agreement is evidence that in consideration of \$2.00 paid by the Trust Committee to each of the Society and the Owner (the receipt of which is acknowledged by the Society and by the Owner), and in consideration of the promises exchanged below, the Trust Committee, the Society and the Owner agree, as covenants granted by the Owner to the Trust Committee under s. 215 of the *Land Title Act*, R.S.B.C. 1979, c. 219, as an affordable housing agreement between the Owner and the Trust Committee under s. 963.2 of the *Municipal Act*, and as a contract and a deed under executed and delivered seal among the Owner, the Society and the Trust Committee, as follows:

Article 1

DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement

- (a) "Affordable Housing Development" means the affordable housing development to be constructed on the Land, comprised of a townhouse development constructed generally in accordance with the site plans and drawings prepared by R. Cunliffe, MAIBC, and dated November 18, 1992;
- (b) "Affordable Housing Parcel" means the parcel of land created by the Subdivision that is designated as Lot 21 on the Subdivision Plan,
- (c) "Affordable Rental Housing" means rental housing that
 - (i) is affordable to those who cannot afford to pay the market rent for comparable rental housing on Salt Spring Island, as determined under section 3.2; and
 - (ii) is operated on a not for profit basis by a society under the *Society Act* (British Columbia), a government organization, or another entity or organization of a not for profit nature;
- (d) "Alternate Route" means the highway that is to be dedicated by deposit of the Subdivision Plan in the LTO, and which is shown within heavy bold line on the Subdivision Plan,
- (e) "Approving Officer" means the approving officer appointed in respect of Salt Spring Island under the *Land Title Act*,
- (f) "BCHMC" means British Columbia Housing Management Commission,

- (g) "BCHMC Agreements" means
- (i) the covenant under s. 215 of the *Land Title Act*, and the option to purchase, entered into between the Society and BCHMC's agent, the Provincial Rental Housing Corporation, on the terms and conditions set out in the standard charge terms filed by BCHMC under number DF _____ under s. 219.83 of the *Land Title Act*,
 - (ii) the operating agreement between the Society and BCHMC for operation of the Affordable Housing Development, in the form required by BCHMC, and
 - (iii) the Lease,
- (h) "Dwelling Unit" means a dwelling unit as defined in the Zoning Bylaw,
- (i) "Land" means the land on Salt Spring Island legally described as
- Saanich/Capital Assessment Area
Parcel Identifier: 009-596-721
Parcel M (DD806431) of Section 19
Range 4 East and of Lot 24
North Salt Spring Island
Cowichan District,
- (j) "Lease" means the lease of the Land between the Owner and the Society in the form approved by BCHMC,
- (k) "LTO" means the Victoria Land Title Office,
- (l) "Market Housing" means the single-family dwelling units constructed on the Market Housing Parcels in accordance with the Site Plans,
- (m) "Market Housing Parcels" mean the parcels of land created by the Subdivision that are designated as Lot 1 through 20 on the Subdivision Plan,
- (n) "MOTH" means the Ministry of Transportation and Highways,
- (o) "Rezoning" means rezoning of the Land to permit its development and use for the Affordable Housing Development and for the Market Housing, as provided in *Zoning Bylaw, Salt Spring Island, 1985, Amendment Bylaw No. 1, 1993*,
- (p) "Road Standards" means the standards and specifications for minor rural highways, including as regards the construction of any bicycle lane or shoulder, set out in the

agreement dated October 20, 1992 between the MOTH and the Islands Trust,

- (q) "Site Plans" means the plans and drawings depicting the development proposed for the Market Housing Parcels, prepared by R. Cunliffe, MAIBC and dated November 18, 1992,
- (r) "Subdivision" means subdivision of the Land into the Affordable Housing Parcel and the Market Housing Parcels by deposit of the Subdivision Plan in the LTO,
- (s) "Subdivision Plan" means a plan of subdivision substantially in form of the preliminary plan of subdivision prepared by Wolfe-Milner & Associates, British Columbia Land Surveyors, and dated April 13, 1993,
- (t) "Substantial Completion" means substantial completion of the Affordable Housing Development, as conclusively determined in accordance with the *Builders Lien Act* and as certified by the architect or other professional responsible for doing so with respect to the Affordable Housing Development,
- (u) "Tree" means any tree, including bushes and shrubs, whether living or dead, and
- (v) "Zoning Bylaw" means *Zoning Bylaw, Salt Spring Island, 1985* as it is in force on the date of final adoption of the Rezoning.

1.2 Interpretation

Reference in this Agreement to

- (a) the singular includes a reference to the plural and a reference to the plural includes a reference to the singular,
- (b) a "party" is a reference to a party to this Agreement,
- (c) a particular numbered "article" or "section" or to a particular lettered "schedule" is a reference to the corresponding numbered or lettered article, section or schedule of this Agreement,
- (d) an "enactment" is a reference to an enactment as defined in the *Interpretation Act* and is a reference to any revision, amendment or re-enactment of, or replacement for, that enactment, and
- (e) the Trust Committee includes a reference to its successors in function, including a municipality.

1.3 Headings

The division of this Agreement into articles, sections and schedules is for convenience of reference only and does not affect its interpretation. The article and section headings used in this Agreement are for convenience of reference only and do not affect the interpretation of this Agreement.

1.4 Entire Agreement

This is the entire agreement among the parties concerning its subject and it may be amended only by a document executed by all parties.

Article 2

PARCEL SIZES FOR MARKET PARCELS

2.1 Minimum Parcel Sizes for Market Housing Parcels

Despite the rest of this Agreement, and despite any enactment, including the Zoning Bylaw, the Owner agrees that the minimum parcel size for that part of the Land within the Market Housing Parcels is 3,000 square metres (0.75 acre).

Article 3

AFFORDABLE HOUSING PARCEL

3.1 Affordable Housing Parcel

The Owner agrees that the Affordable Housing Parcel may be used only in accordance with the following conditions:

- (a) the Affordable Housing Parcel may not be further subdivided by subdivision plan, strata plan, lease or otherwise, and no application for its further subdivision may be made by the Owner or anyone else,
- (b) the Affordable Housing Parcel may be used only for construction, use, and occupation of the Affordable Housing Development, with at least 16 of the 24 Dwelling Units reaching Substantial Completion on or before December 31, 1997, and with the remaining 8 Dwelling Units being constructed when sufficient sewage disposal services for the 8 Dwelling Units are available.
- (c) the Affordable Housing Development must be used, occupied and administered in accordance with the BCHMC Agreements, and

- (d) if any or all of the BCHMC Agreements are terminated, the Owner agrees that the Affordable Housing Parcel may be used only for Affordable Rental Housing until the date that is 60 years from and after the date on which the Rezoning comes into force.

3.2 Determination Of Affordable Rental Housing

For the purposes of section 3.1(d), the Trust Committee may, acting reasonably, determine whether the Affordable Housing Parcel is being used for Affordable Rental Housing, and the Trust Committee's determination is conclusive for the purposes of this Agreement, provided that if the use of the Affordable Housing Parcel is in accordance with the then requirements of BCHMC, it is deemed to be used for Affordable Rental Housing.

Article 4

BUILDING SITES, HIGHWAY AND PARK DEDICATION AND CONSTRUCTION

4.1 Designation of Building Sites

The Owner agrees that, despite any enactment, Dwelling Units may be constructed on the Market Housing Parcels only in the locations identified in the Site Plans.

4.2 Dedication of Park

As part of the Subdivision, the Owner must dedicate as park, under s. 107 of the *Land Title Act*, that part of the Land shown as park on the Subdivision Plan.

4.3 Construction of Trails on Affordable Housing Parcel

The Society must clear trails within the part of the Affordable Housing Parcel dedicated as park under section 4.2 in the locations shown on the sketch plan attached as Schedule "A" to this Agreement. The trails must be completely cleared on or before Substantial Completion of the Affordable Housing Development. The Society agrees that trail clearing requires the removal of underbrush and all other vegetation, but not Trees, to create a single-file pedestrian trail one metre in width along the entire course of the trail.

4.4 Construction of Trails on Market Housing Parcels

The Owner must clear trails within the part of the Market Housing Parcels dedicated as park under section 4.2 in the locations shown on the sketch plan attached as Schedule "A" to this Agreement. The trails must be completely cleared on or before the date on which the Subdivision Plan creating the Market Housing Parcels is deposited in the LTO. The Owner agrees that trail clearing requires the removal of underbrush and all other vegetation,

but not Trees, to create a single-file pedestrian trail one metre in width along the entire course of the trail.

4.5 Dedication of Highway

As part of the Subdivision, the Owner must dedicate as highway, under s. 107 of the *Land Title Act*, that part of the Land shown as highway on the Subdivision Plan.

4.6 Construction of Highway

The Owner must, at its risk and expense, construct the highway dedicated under section 4.5 in accordance with the Road Standards and to the satisfaction of the MOTH. The Owner must complete construction of the highway dedicated under section 4.5 before any Dwelling Unit on the Market Housing Parcels described as Lots 5 through 11 and 15 through 20 on the Subdivision Plan may be occupied or used.

4.7 Other Roads on the Market Housing Parcels

Without affecting sections 4.5 or 4.6, the Owner must dedicate as highway, under s. 107 of the *Land Title Act*, any highways that the Approving Officer considers are required under the *Land Title Act* for necessary and reasonable access to any parcels of land created by the Subdivision and the Owner must, at its risk and expense, construct those highways in accordance with the Road Standards, or such other relevant standards as are applicable under any enactment, to the satisfaction of the MOTH before any Dwelling Unit on the Market Housing Parcels may be occupied or used.

Article 5

REGULATION OF TREE CUTTING

5.1 Tree Cutting Regulations

The Owner agrees that no Tree on any part of the Land may be trimmed, pruned, cut down, damaged, destroyed, moved, harvested, or removed from the Land except, subject to all applicable enactments,

(a) to clear

- (i) any building site shown on the Site Plans and access to any such building site, or
- (ii) the building site for the Affordable Housing Development, as shown on the site plans for the Affordable Housing Development,

- (b) to provide viewsapes from any building sites described in section 5.1(a), and then only with the prior written consent of the Trust Committee,
- (c) to prune any Tree to the extent necessary to eliminate any interference by that Tree with any electric power line or any telecommunications line or pole, or
- (d) to construct any highway or trail under Article 4.

5.2 Emergency Tree Cutting

Despite section 5.1, if any living or dead Tree on the Land poses a threat to the safety of those on or immediately adjacent to the Land by its falling or through fire, that Tree may be cut down or trimmed so as to remove the risk. The Owner may act under this section only in an emergency involving an imminent threat of personal injury or property damage and then only to the extent necessary to remove the threat. If the Owner acts under this section in an emergency, the Owner must at once advise the Trust Committee of the action taken.

5.3 Society's Rights

For clarity, the Trust Committee agrees that sections 5.1 and 5.2 also apply to the Society and that the Society may act under those sections.

Article 6

GENERAL

6.1 Term of this Agreement

The Trust Committee agrees that within a reasonable time after a demand by the Owner, the Trust Committee must execute and deliver to the Owner a discharge of this Agreement, executed in registrable form, discharging this Agreement from the Land if

- (a) the Rezoning has not come into force on or before December 31, 1996, or
- (b) both
 - (i) the application for the Subdivision has been finally rejected by the Approving Officer, and
 - (ii) a bylaw of the Trust Committee has come into force repealing the Rezoning and restoring the zoning of the Land to that existing under the Zoning Bylaw on the reference date of this Agreement,

and the applicable appeal periods under the *Land Title Act* and the *Municipal Act* in respect of both those matters have expired.

6.2 Public Interest Issues

The Society and the Owner agree that given the public interest

- (a) in effective protection against breaches of this Agreement, the public interest strongly favours an order for specific performance or a prohibitory or mandatory injunction in favour of the Trust Committee in respect of any breach by the Society or the Owner of this Agreement, and
- (b) in ongoing use of the Affordable Housing Parcel for the Affordable Housing Development and Affordable Rental Housing, and given that the Rezoning is intended to permit use of the Affordable Housing Parcel for the Affordable Housing Development and Affordable Rental Housing because of the need for affordable housing on Salt Spring Island, the public interest weighs strongly against any modification, cancellation or discharge of this Agreement under s. 31 of the *Property Law Act*.

6.3 No Effect On Laws or Powers

This Agreement does not

- (a) affect or limit the discretion, rights, duties or powers of the Trust Committee under any enactment or at common law, including in relation to the use or subdivision of the Land or in relation to the Rezoning,
- (b) impose on the Trust Committee any legal duty or obligation, including any duty of care or contractual or other legal duty or obligation, to enforce this Agreement,
- (c) affect or limit any enactment relating to the use or subdivision of the Land, or
- (d) relieve the Owner or the Society from complying with any enactment, including in relation to the use or subdivision of the Land.

6.4 Waiver

An alleged waiver of any breach of this Agreement is effective only if it is an express waiver in writing of the breach. A waiver of a breach of this Agreement does not operate as a waiver of any other breach of this Agreement.

6.5 Severance

If any part of this Agreement is held to be invalid, illegal or unenforceable by a court having the jurisdiction to do so, that part is to be considered to have been severed from the rest of this Agreement and the rest of this Agreement remains in force unaffected by that holding or by the severance of that part.

6.6 Binding Effect

This Agreement binds the parties to it and their respective successors, assigns, lessees, sub-lessees, heirs, executors and administrators.

6.7 Deed and Contract

By executing and delivering this Agreement each of the parties intends to create both a contract and a deed executed and delivered under seal.

6.8 Society's Obligations

The Society agrees that it is bound by this Agreement by virtue of its execution and delivery by the Society, and also by virtue of the fact that this Agreement constitutes a covenant under s. 215 of the *Land Title Act* and a housing agreement under s. 963.2 of the *Municipal Act* registered in priority to any interest of the Society, in any part of the Land, under the Lease or any other instrument.

6.9 Liability During Ownership

The Owner is only liable for breaches of this Agreement that occur while the Owner is the registered owner of the Land. The Society is only liable for breaches of this Agreement that occur while the Society is the lessee of the Land.

6.10 Priority

The Owner must do everything necessary at its expense to secure priority of registration and interest for this Agreement over all registered and pending liens, charges and encumbrances of a financial nature against the Land.

Page 13

This Agreement was entered into as authorized by bylaw of the Trust Committee, being Salt Spring Island Local Trust Committee Affordable Housing Agreement Bylaw No. 339, 1995, finally adopted on June 1, 1995.

As evidence of its agreement to be bound by the above terms, the Society has executed and delivered this Agreement under seal by its duly authorized signatory or signatories:

~~The Corporate Seal of~~ SALT SPRING
ISLAND COMMUNITY SOCIETY was by
~~hereto affixed in the presence of its~~
authorized signatory(ies):

Andrew D. Peat
Name: Andrew Peat

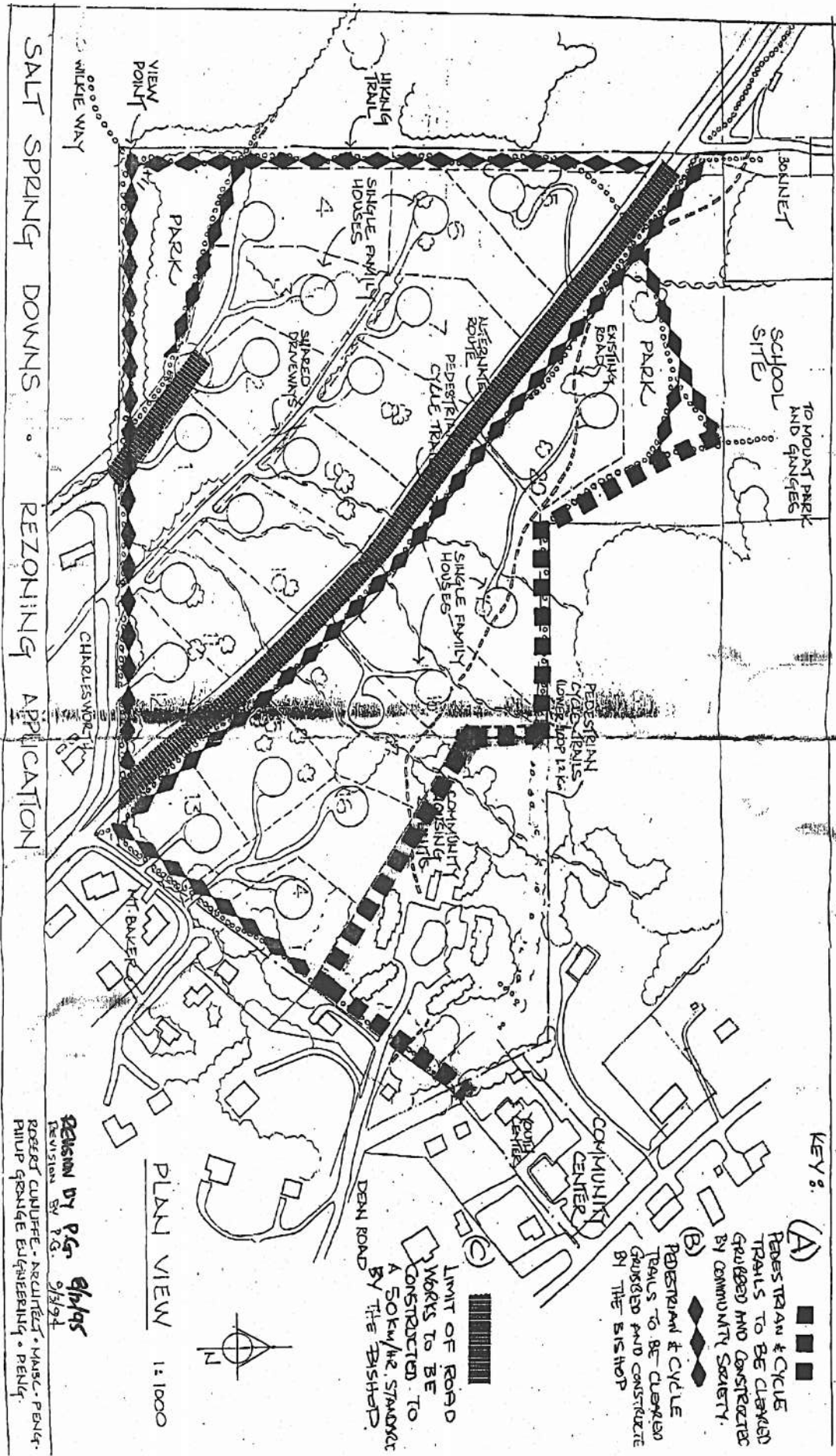
Jane Parlee
Name: Jane Parlee

G/S

Date of execution by Salt Spring Island Community Society: Nov 20, 1995

As evidence of their agreement to be bound by the above terms, the Owner and the Trust Committee each have executed and delivered this Agreement under seal by executing Part 1 of the *Land Title Act* Form C to which this Agreement is attached and which forms part of this Agreement.

Schedule "A" - Sketch Plan of Trails on Affordable Housing Parcel and Market Housing Parcel



* Plan inserted for legibility.



SALT SPRING ISLAND COMMUNITY SERVICES

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March 17, 2016

Salt Spring Local Trust Council
Islands Trust, Salt Spring Office
1 500 Lower Ganges Road
Salt Spring Island, BC V8K 2N8

Dear Members of the Salt Spring Island Local Trust Committee,

RE: Request for Amendments to Housing Agreement (Section 215 Covenant EK1317)

I am writing on behalf of Salt Spring and Southern Gulf Islands Community Services (SSICS) to request a review of the 1995 Section 215 Covenant EK1317 ("Housing Agreement") held by the Salt Spring Island Local Trust Committee (LTC) on the 5-acre property owned by SSICS on Bishop's Walk (Lot 3, Plan VIP87215, District Lot 24, Section 19, Land District 16).

The purpose of the requested review is to correct inaccuracies and out-of-date information contained in the agreement, and to replace specific terms that limit SSICS's ability to develop affordable homeownership units on this property. Specifically, SSICS is requesting to replace the agreement's rental-focused definitions for affordable housing with affordability thresholds that can be applied to both rental and ownership units.

SSICS is NOT requesting any amendments that would increase the density allowed on the property, or conflict with development standards prescribed through the zoning bylaw and development permit area guidelines. Instead, if approved by the LTC, the requested amendments will correct inaccuracies, clarify the definition of affordable housing, and allow mixed tenure options without any impacts to the uses and development forms allowed under current land use policy and regulations.

SSICS conducted in-depth consultation and research over the past 2 years to better understand local housing needs, trends in affordable housing, and success stories from other communities. This effort included a focus group with local families, a detailed housing survey, interviews with development professionals and housing experts, a comparative analysis of affordable housing models, site visits to completed projects, and legal, demographic and market research. Our findings describe a substantial undersupply of affordable rental and affordable homeownership family housing units on Salt Spring Island. Our findings also demonstrate the success of affordable homeownership in attracting and retaining young families in communities that have struggled to stabilize their workforce and schools, and maintain a multigenerational population.

Entry-level homeownership and alternative, affordable ownership structures are encouraged and supported by the 2011 Salt Spring Community Affordable Housing Strategy. Affordable home



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ownership is now a standard component of virtually all strategic planning frameworks of CMHC, BC Housing, the Capital Regional District and Housing Secretariat.

If approved by the LTC, the requested amendments to the Housing Agreement will allow SSICS to move forward with plans to develop *Salt Spring Commons* – a mixed tenure neighbourhood that will provide long term, affordable housing for up to two dozen families. The current plan calls for a mix of 20-24 affordable rental and homeownership units built in fourplexes within a pedestrian-focused neighborhood. The rental units will be affordable to households earning less than \$45,000 gross annual income (for a rent of approx. \$1,000 per month). The homeownership units will be affordable to households with gross annual incomes between \$47,000 - \$57,000 (for total monthly housing costs of approx. \$1,400, including mortgage payments, utilities, taxes and other fees). These prices are approximately 25% below 2015 market value and meet Canada Mortgage and Housing Corporation's (CMHC) affordability criteria of housing costs equaling 30% or less of gross household income.

Salt Spring Commons uses an innovative suite of tools to provide ownership units guaranteed to remain well below market rate in perpetuity while allowing owners modest equity gains. SSICS's business plan for this project was developed with input from Canada's leading affordable homeownership experts, Vancity's Community Investment group, and with financial support from CMHC. SSICS recently received a \$500,000 donation towards the project and a \$19,000 grant from the Vancity Community Foundation to begin design and engineering work.

The property is appropriately zoned (R4) and serviced, and is on North Salt Spring Waterworks Agreed to Serve list. It sits within the Official Community Plan's (Bylaw No. 434) Development Permit Area 1 (Island Villages). If the LTC approves the requested amendments to the Housing Agreement, SSICS will refine the project development plans and apply to the LTC for a Development Permit.

You can find further information on SSICS's research and the proposed project in attached excerpts from our business plan.

Requested Amendments – General Issues

The requests to correct specific inaccuracies and out-of-date information relate to these general issues with the Housing Agreement:

- a) The Housing Agreement references parcel(s) different from that owned by SSICS
- b) The Housing Agreement references a concept plan developed for a property different from that owned by SSICS
- c) The Housing Agreement identifies SSICS as the "Lessee" not as the "Owner"
- d) The Housing Agreement specifies participation from an uninvolved party ("BCHMC", now BC Housing)
- e) The Housing Agreement specifies lapsed deadlines



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In addition to correcting inaccuracies and out-of-date information, SSICS is requesting the LTC consider replacing the limiting references to **rental** housing with affordability thresholds and other terms that will permit the development of both affordable homeownership and rental units.

Requested Amendments – Specific Requests

Following are the corrections and updates SSICS is requesting to the Section 215 Covenant EK1317 ("Housing Agreement") filed in 1995 under the Land Title Act. We have listed each item with reference to the legal instrument page and section numbers along with SSICS's rationale for the request.

SSICS Requested Changes to Section 215 Covenant EK1317 (1995 Housing Agreement)

<i>PAGE/SECTION</i>	<i>REQUEST</i>	<i>RATIONALE</i>
Page 1, Part 1, Section 2	Replace PID and legal description with correct parcel information.	Provide accurate information.
Page 3, Part 2	Update information to show SSICS as owner.	Provide accurate information.
Page 4, Article 1, Section 1.1	<p>Replace Affordable Housing Definitions with definitions to the following effect:</p> <p>"Affordable" is housing that cost 30% or less of a household's gross annual income.</p> <p>"Affordable Rental Housing" is a dwelling unit owned by the Non-profit Housing Corporation and rented at a monthly price affordable to low to moderate income households or moderate income households earning up to 80% of the local median household income.</p> <p>"Affordable Homeownership Housing" is a dwelling unit privately owned within a building strata that is initially sold for a price at least 18% below local market value and with resale price escalation restricted to increases in the Victoria Price Index over the time the unit is owned.</p> <p>"Non-profit Housing Corporation" is the non-profit organization that owns and manages the Affordable Rental Housing units and the land; and manages the waitlist and sales of the Affordable Homeownership Housing units.</p>	<p>Provide clear affordability thresholds and terms.</p> <p>Allow rental and ownership tenure.</p>



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Page 4, Article 1, Section 1.1 (a)	Replace reference to 1992 site plan and drawings with references to applicable sections of Bylaw 355 and DPA design guidelines in Bylaw 434 (vol. 2)	The 1992 plan is an obsolete plan intended for a different parcel. Use, form and character of development on the SSICS-owned property is appropriately controlled by existing bylaws. Compliance with these regulations will be reviewed through the Development Permit and Building Permit application processes.
Page 4, Article 1, Section 1.1 (b)	Reference correct parcel.	Provide accurate information.
Page 4, Article 1, Section 1.1 (c)	Replace Affordable Housing Definitions with definitions proposed above.	Provide clear affordability thresholds and terms. Allow rental and ownership tenure.
Page 4, Article 1, Section 1.1 (f) AND (g)	Remove obsolete reference to uninvolved party "BCHMC"	Provide accurate information.
Page 5, Article 1, Section 1.1 (i)	Reference correct parcel.	Provide accurate information.
Page 5, Article 1, Section 1.1 (j)	Update information to show SSICS as owner.	Provide accurate information.
Page 5, Article 1, Section 1.1 (m)	Reference correct parcels	Provide accurate information.
Page 6, Article 1, Section 1.1 (q)	Replace reference to 1992 site plan and drawings with references to applicable sections of Bylaw 355 and design guidelines and Bylaw 434 (vol. 2)	The 1992 plan is an obsolete plan intended for a different parcel. Use, form and character of development on the SSICS-owned property is appropriately controlled by existing bylaws. Compliance with these regulations will be reviewed through the Development Permit and Building Permit application processes.
Page 7, Article 3, Section 3.1 (a)	Revise to support definitions proposed above.	Allowing rental and ownership tenure.



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Page 7, Article 3, Section 3.1 (b)	Remove lapsed phasing and substantial completion schedule.	<p>Provide accurate information.</p> <p>The schedule is lapsed.</p> <p>Construction scheduled will be driving by variables – including permitting, consumer demand and funding – that may change overtime. Establishing specific completion dates with the Housing Agreement is onerous and unrealistic.</p>
Page 7, Article 3, Section 3.1 (c)	Remove obsolete reference to uninvolved party "BCHMC"	Provide accurate information.
Page 8, Article 3, Section 3.1 (d)	Remove obsolete reference to uninvolved party "BCHMC"	Provide accurate information.
Page 8, Article 3, Section 3.2	<p>Include "Affordable Homeownership"</p> <p>Remove obsolete reference to uninvolved party "BCHMC"</p> <p>Reference Affordable Housing definitions proposed above.</p>	<p>Provide clear affordability thresholds and terms.</p> <p>Allow rental and ownership tenure.</p>
Page 11, Article 6, Section 6.2 (b)	Include "Affordable Homeownership"	<p>Allow rental and ownership tenure.</p> <p>This and related terms limits SSICS ability to reasonably respond to changes in local housing needs, affordable housing trends, community priorities, and policy changes made since 1995. The spirit and intend of the Housing Agreement (to support the development of below market housing to meet community needs) can be enshrined through affordability thresholds without limiting the potential for innovation and adaptation over time.</p>



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I look forward to working with Islands Trust staff and the LTC to move this project forward. Please do not hesitate in contacting me with any questions or to arrange a meeting.

Sincerely,

Rob Grant
Executive Director
Salt Spring and Southern Gulf Islands Community Services
rgrant@ssics.ca | 250-537-9971

Attachments:

Housing Agreement
Excerpts from 2015 Business Plan
Property History

Bishop's Walk Affordable Homeownership

Draft Business Plan | December 2015

Salt Spring Island Community Services Society

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Bishop's Walk Affordable Homeownership Business Plan is a project of the Salt Spring Island Community Services Society, funded in part by Canada Mortgage and Home Corporation (CMHC). The Business Plan was completed by Elizabeth FitzZaland of Green City Builders, Inc. in consultation with Ian Scott Planning Services.

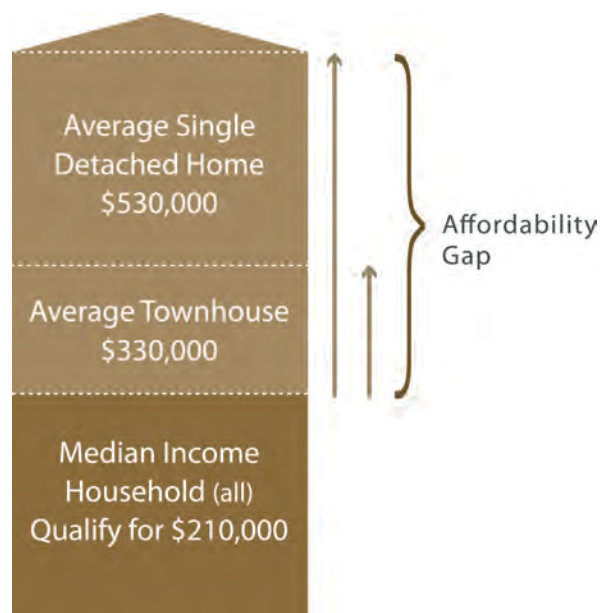
INTRODUCTION

Homeownership has long been a measure of security and affluence in Canada. It is a means to ensuring permanent, long-term shelter for your household, controlling decisions about your lifestyle, influencing how property taxes are spent, and generating personal wealth. For many, owning a home is a necessary component to achieving stability, and the affordability of homeownership a determining factor in choosing where to live.

On Salt Spring Island there is a significant gap between what people can afford to spend on housing and actual housing costs. This is documented across the entire Housing Continuum¹, affecting very low-income households all the way through to moderate and above moderate income households. For families with children, this can mean spending more than 30% of their household income to rent housing, often in buildings in poor condition or with short-term leases. Many families see no opportunity to transition from renting to homeownership on Salt Spring Island, and reluctantly move to other communities where owning a home is attainable. The negative impacts this has on the local schools, workforce and diversity of the community are well known. The continuation of this trend is viewed as a threat to the long-term viability of Salt Spring Island's economy and its vibrant, multigenerational culture².

Salt Spring Island's Affordability Gap

Many individuals and families are priced out of the housing market on Salt Spring Island. Based on a median household income of \$53,523³ a household would qualify for a purchase price of \$210,000, with the average price of a townhouse being \$330,000⁴.



¹ Islands Trust Housing Needs Assessment, 2009; Capital Regional Housing Gap Analysis and Data Book, 2015

² SSICS market research, 2014 and 2015

³ Statistics Canada, Census, 2011

⁴ Capital Regional Housing Gap Analysis and Data Book, 2015

Salt Spring and Southern Gulf Islands Community Services Society (SSICS) has found an innovative way to provide affordable homeownership on Salt Spring Island and reverse the trend of losing our families. Using land owned by the organization and ideally suited for family housing, we have developed a plan to provide high quality ownership units below market rate. We have also developed a resale approach that will keep the units affordable in perpetuity, while still allowing owners to benefit from equity gains. This Community Land Trust style model is a highly successful strategy for creating affordable homes in other communities, including in the nearby American San Juan Islands.

KEY ELEMENTS OF OUR HOMEOWNERSHIP PLAN

- **20 compact, ground-oriented units** built on a 5-acre parcel currently owned by SSICS
- **Conventional strata** tenure model
- **Community Land Trust approach** removes land cost from purchase price
- **Affordable to households with yearly incomes of \$49,000 - \$60,000**, using Canadian Mortgage and Housing Corporation's (CMHC) affordability criteria⁵
- **Perpetual affordability** maintained by a covenant restricting sale prices
- **Property managed by new housing corporation** which owns at least one unit and the majority of the land
- **Phased development** based on community need and consumer demand

SSICS will create a new non-profit housing corporation to oversee the long-term management of up to 20 new strata units on its 5-acre Bishop's Walk property. This corporation will own at least one strata unit, with the majority of land also under its ownership. This will allow SSICS to be an active member of the strata council, to direct programming of common areas and to generate income to fund its operations. It also takes the value of the land out of the equation for the buyer, thus making the purchase price to affordable.

The other units will be sold at below-market prices to families meeting the eligibility requirements. The affordable sales price is achieved by removing the land cost, keeping construction expenses low and obtaining preferred lending terms. When owners choose to sell their units, the resale price will be restricted to no more than the Greater Victoria Consumer Price Index over the time the unit has been owned. This will allow the seller some equity gains while maintaining a below-market price for the purchaser.

⁵ CMHC criteria requires that combined mortgage, property tax, utilities and strata fees are no more than 30% of the household gross yearly outcome.

HOMEOWNER ELIGIBILITY

- Household includes at least one child under age 19
- Annual household income is \$60,000 or less
- Ability to contribute down payment
- Qualification for a mortgage
- The home will be the household's permanent sole residence
- Agreement to participate in a home education session

Our Vision

We see the transformation of a vacant road end into a lively family-focused neighbourhood with a strong and decidedly *Salt Spring sense-of-place*. The forest is preserved and enhanced to support a robust ecosystem. The trail system is extended to entice wandering.

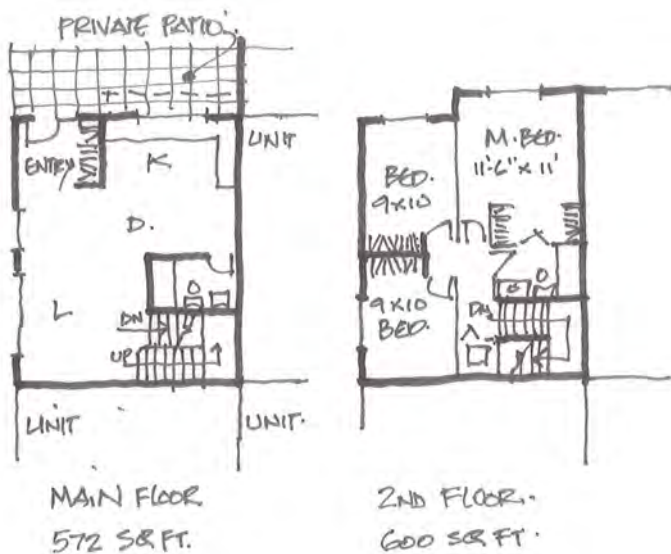
Thoughtfully planned homes are built around shared spaces where kids play, gardeners dirty their hands and impromptu play dates are commonplace. Shoppers walk within minutes to the grocery store down a forested path where they also pick berries in the summertime.

Bikes, tools, recipes and extra jars of preserves are shared. Residents find solace in their light-fill homes designed to reduce energy bills, maintenance costs and their impact on the earth. Families spend less money on their homes and more time enjoying island life.

Our Goals

- **Provide an opportunity** for families to move from renting into homeownership, increasing long-term stability for our schools, businesses and community life.
- **Introduce a compact housing form that locals will love** for its attractive design, shared amenities, financial accessibility and environmental stewardship.
- **Create an affordable homeownership model that is replicable** on the Gulf Islands and in other communities in British Columbia.





TOTAL UNIT
SIZE - 1172 SQ. FT.

4 PLEX DESIGN W/ UNFINISHED BASEMENT.



Salt Spring and Southern Gulf Islands Community Services Society was incorporated as a BC Society in 1975 and registered as a Canadian Charity in 1992. The organization provides a broad range of community-based social services. The roster of services has changed and evolved over the years based on community need. Today SSICS provides over 30 programs within the following service areas:

- Community Housing
- Early Childhood Resources
- Family Development
- Youth Drop In Centre
- Seniors Wellness
- Services for Developmentally Challenged
- Victim Services
- Resources and Referral
- Mental Health and Addictions
- Outreach Services
- Food Security
- Recycling

SSICS also provides support to other community projects and has been the catalyst and sponsor for many initiatives designed to make the community more livable for vulnerable community members.

The VISION of SSICS is to support an inclusive community where everyone lives in a healthy, caring and sustainable environment.

The MISSION of SSICS is to plan for and provide quality services to support and strengthen individuals, families and communities.

Community Housing

SSICS has been involved in developing and operating Community Housing services since 2006. Four years ago, SSICS formally designated a Community Housing service area and brought together housing and housing support activities under one manager and set of policies. This service area has proven to develop strong expertise in property management and tenancy support for low-income tenants, many of whom struggle with mental health and addictions issues. SSICS's largest housing initiative involved the construction of Murakami Gardens, a 27 unit apartment building for people with low income. The project, named after the donors of the land, was funded in part by CMHC and BC Housing and is operated by SSICS now with no housing subsidies or operating agreements. Other housing activities including Lautman Drive rooming house and a cold weather shelter are done in cooperation with BC Housing and did not involve any capital development. Over the past eight years, SSICS has undertaken large renovations at various sites including the Food Bank, Emergency Shelter, Core Inn Youth Centre

and Lautman Drive. SSICS is also leading the local Housing First initiative that is developing scattered housing units in the community for hard-to-house individuals.

Table 1: SSICS Housing Activities

<i>Name</i>	<i>Description</i>
Current	
Murakami Gardens Apartments	27 unit low income rental apartment
Lautman Drive Rooming House	7 unit rooming house offering low-barrier tenancy
Housing First	Scattered housing placements and connection to supports for hard-to house
In From the Cold Emergency Shelter	20 mat cold weather shelter
Hereford Ave. Apartment	3 bedroom family rental apartment
Community Living Housing Support	Support program for individuals with developmental disabilities
Mental Health Housing Support	Support program for healthy, safe and independent living
Mental Health Rent Subsidies	Financial assistance for individuals with mental health issues
Mental Health Outreach, Youth Outreach	Support program for homeless
Youth Housing Project	Pilot project for youth age 16 –24
Future	
Bishop's Walk Homeownership	20 - 24 units of affordable family housing
HomeFront	Resource centre and emergency shelter
Past	
Family Housing Survey	2015 survey of the housing needs and preferences of local families
SSI Homeless Count	2005 and 2007
Emergency Shelter Study	2011

Current Governance

A Board of Directors made up of at least nine community members governs SSICS. The staff team is made up of approximately 65 employees and 120 volunteers supervised by a management team made up of an Executive Director and three Senior Managers. The organization is accredited by CARF, an international social service accreditation body, and undergoes a rigorous external review every three years. SSICS receives funding from dozens of sources including all three levels of government, foundations, donations and self-earned income. The Ministry for Child and Family Development, Island Health and Community Living BC are the largest funders and make up just over 50 % of total revenue. Revenue related to Community Housing makes up 10 % of total revenue.

Relationship to New Housing Corporation

The new housing entity, which will oversee the construction and long-term management of the homeownership development, will be a separate non-profit organization. The organization will

be affiliated with SSICS both through service agreements, and common staff and board members.

Table 2: SSICS Real Estate Holdings

<i>Address</i>	<i>Type/Purpose</i>	<i>SSICS Investment</i>
Owned		
167 Rainbow Road	Two story 27 unit affordable rental apartment complex (Murikami Gardens)	New Construction and Mortgage
129 Hereford Ave.	Offices and apartment	Renovations and Mortgage
134 McPhillips Ave.	Three story heritage building used for Core Inn Youth Centre	Renovations
268 Fulford Ganges Rd. (Office)	Three story heritage building used for SSICS central offices	Renovations
268 Fulford Ganges Rd. (Food Bank)	One story Food Bank storage and distribution centre	Renovations
268 Fulford Ganges Rd. (Climbing Wall)	Indoor climbing wall structure	New Construction
268 Fulford Ganges Rd. (Shelter)	One story cold weather shelter	Renovations
Leased		
349 Rainbow Rd.	Small one story buildings used for Recycling Depot administration.	Tenant Improvements
120 Park Drive	Three story building used for Family Place drop-in, family development and related programs	Tenant Improvements
111 Lautman Rd.	7 unit building used for transitional housing for low income individuals	Tenant Improvements

OUR LAND

SSICS owns a 5 acre property in the Bishop's Walk neighbourhood, on the northeast slope of Mount Belcher. Roughly half of the land supports a second growth fir forest. A seasonal stream and streambed cross the western portion of the land. The remainder of the land was used for staging construction of the subdivision and is now characterized by mixed fill and brambles.

The property is within the Ganges Village area as well as the community sewer, water and fire service districts. An adjacent trail connects pedestrians to schools, parks, transit and all village services.

The property is zoned for 24 attached or detached homes. The Islands Trust holds an affordable housing covenant which supports the development of compact, non-market units within a clustered neighbourhood design.



WATER

Although the property is within the North Salt Spring Water District service area, a recent moratorium prohibits new connections at this time. In 2015, SSICS began exploring groundwater and rainwater catchment as alternative sources. Use of these sources will require a zoning variance and other applicable permits.

OUR COMMUNITY

Salt Spring Island is an unincorporated community in the Southern Gulf Islands archipelago of British Columbia. The island is within the jurisdictions of both the Capital Regional District (CRD), which is responsible for many services, and the Islands Trust, a unique regional body that oversees land use policies and planning.

The island is home to many local and regional facilities and services including a hospital, high school, middle school, several elementary schools and three ferry terminals. Ganges is the largest village on the Island, and is the social, cultural and economic hub of the community.

Salt Spring Island is renowned for its arts community, small farms, social activism and abundant natural beauty. Visitors flock to the island in the warmer months to enjoy the setting and soak up the local culture. Tourism is one of the largest economic sectors on the island, along with the school district, health care, and personal and professional services.

Our People

Salt Spring Island has 10,601 residents living in 4,665 households. This accounts for over two thirds of the total Gulf Islands' population. While the other islands have experienced population decreases in recent years, Salt Spring Island's population grew by about 10% between 2006 and 2014 – a greater increase than projected and higher than the 8.5% average growth experienced across the CRD⁶.

At the time of the 2011 Census, nearly 55% of the population was age 50 or older with a medium age of 53.2. Children under the age of 20 represented 17% of the population while households with children represented 24% of all households. The average household size was 2.6 persons.

The median household income on Salt Spring Island is \$53,523, 11% lower than the regional average household income of \$60,796. Salt Spring Island's two parent families with children have a higher average income (\$71,332) and single parent families much lower (\$32,210)⁷.

Our Homes

Much of Salt Spring Island's housing stock can be characterized as detached, low-density homes on large rural lots or generously sized suburban lots. Although some townhouse and low-rise apartment developments exist in the community, 84% of residents live in single detached homes⁸.

According the 2011 National Household Survey, 83% of fulltime households live in a home they own. While this allows many households to enjoy the stability and equity gains associated with

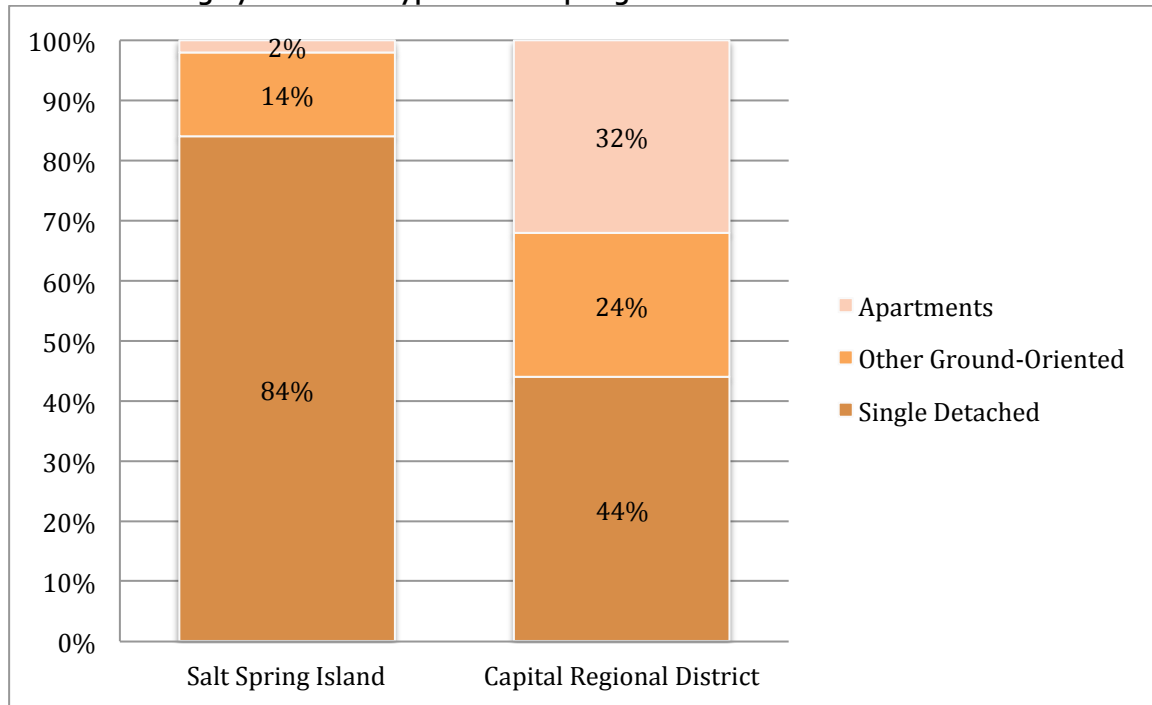
⁶ Capital Regional District, Salt Spring Island Population Estimates, 2014

⁷ Capital Regional Housing Gap Analysis and Data Book, 2015

⁸ Statistic Canada, National Household Survey, 2011

homeownership, it clearly separates households that rent into a minority population without these benefits.

Chart 1: Housing by Structure Type on Salt Spring Island and in CRD



All the qualities that make Salt Spring Island a wonderful place to call home year-round also attract many visitors and second homeowners. 17% (985 units) of all housing is occupied on a part-time or occasional basis. The remaining 83% (4,665 units) is occupied fulltime⁹.

From 2011 to 2013, the average cost of a single detached home on Salt Spring Island was \$531,118; for a townhouse, it was \$329,590. This compares with CRD averages of \$600,994 and \$419,878 respectively for the same time period¹⁰.

Our Housing Crisis

The 2009 Islands Trust Housing Needs Assessment (HNA) describes a housing crisis on Salt Spring Island in which the housing needs of a large percentage of the population are unmet. While the lowest income groups are the most challenged, the HNA identifies unmet housing needs across the entire housing continuum. More recent data confirms that a major affordability gap persists between what Salt Spring Island households can affordably spend on housing costs and the actual costs of renting or owning a home¹¹.

⁹ Statistics Canada, Census, 2011

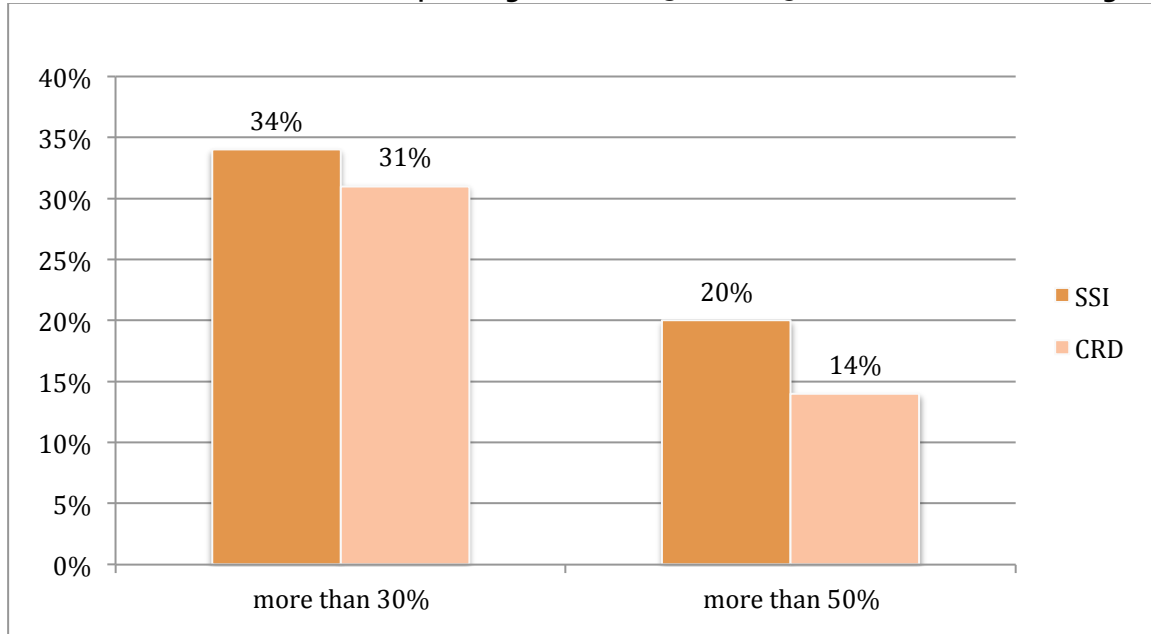
¹⁰ Capital Regional Housing Gap Analysis and Data Book, 2015

¹¹ Capital Regional Housing Gap Analysis and Data Book, 2015; SSICS market research, 2014 and 2015

Major factors contributing to Salt Spring Island's affordability gap include:

- Low average incomes
- High costs for land, servicing and taxes
- Limited housing stock with very few multifamily and compact housing options
- Scarce non-market and/or subsidized housing units
- Seasonal spike in demand for rental properties
- Non-resident home purchases

Chart 2: **Percent of Households Spending More than 30% and 50% of Income on Housing**¹²



SSICS identified this gap and the project potential on the Bishop's Walk property as far back as 1995. In the subsequent 20 years, very little has been done to address the affordability gap or construct new affordable housing units. The community has grown, housing costs have steadily risen, and the situation has escalated to its current crisis state.

¹² Capital Regional Housing Gap Analysis and Data Book, 2015

FOCUSING ON FAMILIES

Both quantitative and anecdotal data shows that the number of families on Salt Spring Island has decreased over recent decades, resulting in lower school enrolment, lower participation in child-focused activities and services, a smaller pool of mid-career professionals and working adults, and less generational diversity. Many other Gulf Island communities have also experienced this trend, with consequences ranging from school and business closures to the loss of critical services, or even to a full transition from a dynamic economy into a predominantly vacation or retirement-focused residential enclave¹³. Recent interviews with residents, employers and realtors support the commonly-held assumption that families continue to move off-island in pursuit of high quality rental housing or entry-level homeownership that is not available on Salt Spring Island¹⁴.

Our Research

As a provider of many social services and family programs, SSICS understands the essential need to retain families of all incomes in our community. Several years ago, SSICS also recognized in its Bishop's Walk property an appropriateness for family housing, and therefore began researching this opportunity. The research included meetings and interviews with other housing providers, development professionals and lending agencies, site visits to current projects both completed and in-progress, reviews of pertinent documents and literature, and an analysis of relevant non-market housing models in Canada and the U.S.

From all of the research, a success story on Orcas Island in Washington State stood out. Of People and Land (OPAL) has been helping families move from renting to homeownership through a Community Land Trust model since 1989. OPAL's initial demographics, issues and challenges parallel the current situation on Salt Spring Island. OPAL has now built over 100 houses and 30 apartments, housing 5% of all fulltime residents and 10% of the island's children. It continues to build more homeownership opportunities, further increasing stability for families and supporting a vibrant community¹⁵.

Inspired by the accomplishments of this nearby island community, SSICS focused its efforts on better understanding the needs and preferences of local families with the goal of creating a housing model that could keep more families on-island. In 2014, SSICS facilitated a focus group to discuss family housing tenure and design preferences, and to receive feedback on example developments. In 2015, SSICS conducted a detailed family housing survey, targeting local families with children. Both efforts confirmed the need for increased affordable homeownership opportunities and an interest in new housing forms and tenure models to achieve homeownership.

¹³ Statistics Canada, Census Information, 1991 – 2011; Islands Trust Housing Needs Assessment, 2009; SSICS market research, 2014 and 2015

¹⁴ SSICS market research, 2014 and 2015

¹⁵ OPAL, 25 Years of Affordable Housing, 2014

Of the 124 families with children who responded to the Family Housing Survey, 80% chose ownership as their preferred tenure, although only 39% were actually living in a home they owned. This contrasts sharply to statistics reported for the entire population, where 83% of people indicated they were living in a home they owned¹⁶. Many respondents noted that their rented accommodations were in poor condition, too small for their family, and/or r limited by a short-term lease or eventual sale. Respondents selected a range of barriers to purchasing a home, including qualifying for a mortgage, making a down payment and finding suitable housing.

Chart 3: Income Distribution of All Families with Children, 2015 Family Housing Survey

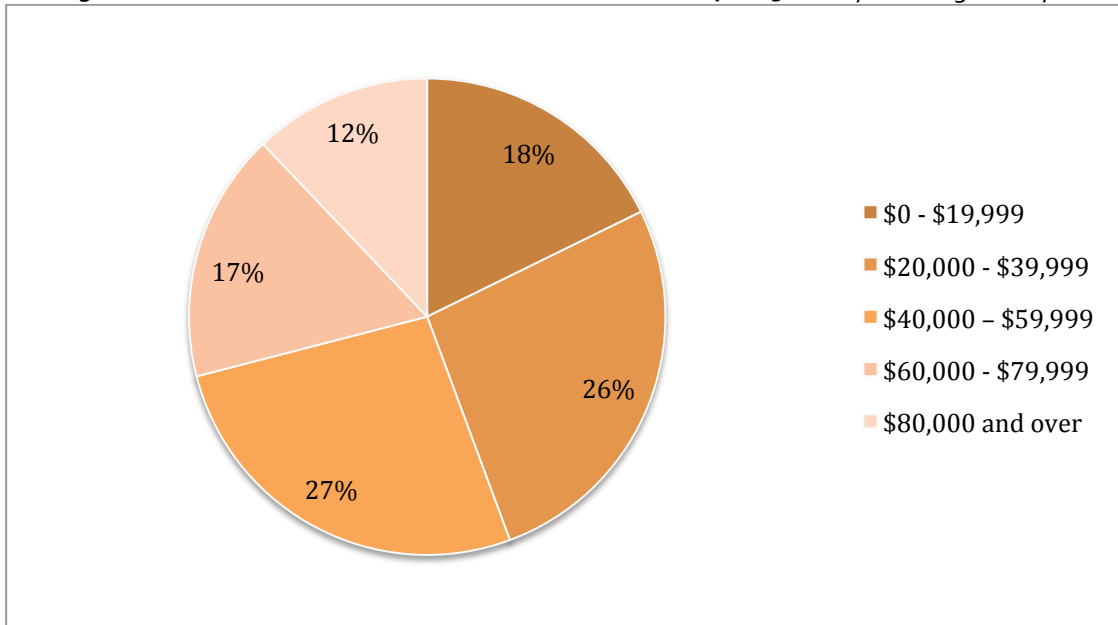
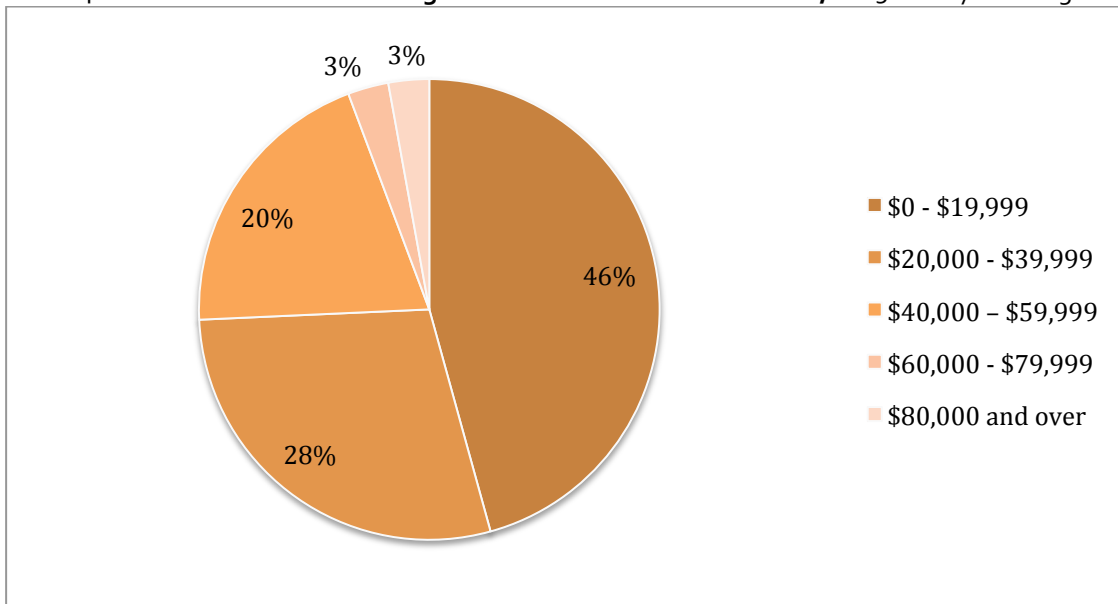


Chart 4: Income Distribution of Single Parent Families with Children, 2015 Family Housing Survey



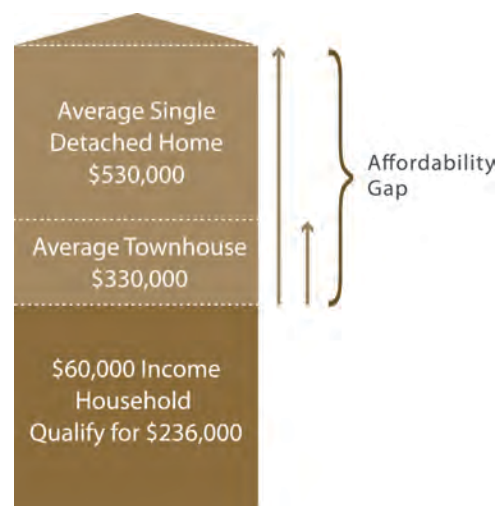
¹⁶ Statistic Canada, National Household Survey, 2011

OUR MARKET

There are very few suitable rental or ownership options for working families earning \$60,000 or less. The bottom line is that there is a substantial undersupply of appropriate housing stock at prices affordable to these households. Until the market eases or new products are introduced, working Salt Spring Island's working families with children will struggle both to find secure, long-term housing and to move from rental to ownership.

Ownership Out of Reach

Based on a household income of \$60,000, a family would qualify for a purchase price of \$236,000. The only homes typically available for that price do not permit children or are in need of major capital investment.



Renting

83% of the families who responded to the Family Housing Survey earned more than \$40,000 and wanted to own a home, but were instead either living with their parents or renting. The average cost of long-term rental housing¹⁷ with 2 or more bedrooms on Salt Spring Island was \$1,375/month in 2015¹⁸. This means that a family earning \$40,000 is spending approximately 40% of their income on rent and a family earning \$60,000 is spending just under 30%. Many family tenants complain of unhealthy living conditions, inadequately-sized space, high rents and long-term uncertainty¹⁹.

Homeownership

While an initial review of the Multiple Listing Service (MLS) at any given time can provide a sparkle of hope for families wishing to move into homeownership, a deeper review reveals a very limited housing stock under \$300,000. The majority of Salt Spring Island's housing units offered at the lower end of the market are within developments that prohibit residents under 55 years old. Most of the remaining properties under \$300,000 are in major disrepair and/or are illegally constructed. These

¹⁷ Refers to listings that are assumed to be available for long-term rental. Listings that included terms less than one year were excluded from the analysis.

¹⁸ Based on periodic reviews of all rental listings on the Salt Spring Exchange in March, August and October 2015. Samplings were consistent with anecdotal information obtained by SSICS in 2014 and 2015

¹⁹ Islands Trust Housing Needs Assessment, 2009; SSICS market research, 2014 and 2015, SSICS Family Housing Survey

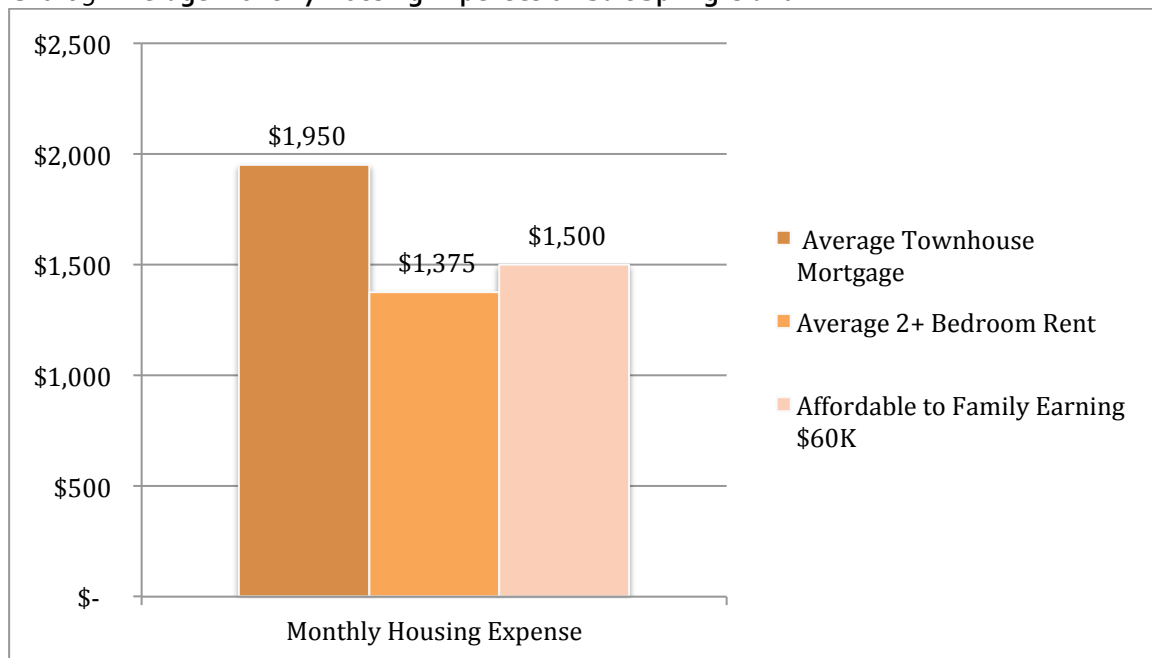
units typically require critical renovations and infrastructure upgrades over \$50,000²⁰. Without financial assistance from relatives, most families earning between \$40,000 - \$60,000 would not qualify for financing for these homes and their related improvements.

While a few market developments targeted to these income groups have been planned, none of the projects are built and most are permanently shelved.

Non-Market and Below Market Housing

Salt Spring Island has very little non-market housing. Of the 253 social or subsidized housing units in the community, none are available to families with moderate incomes, and most do not accommodate families, regardless of income²¹. The only other non-market developments being contemplated at this time include a multifamily project planned on a nearby site on Drake Road and a multiuse low-income rental project on Rainbow Road. The Drake Road project requires rezoning of the property to allow up to 80 units in 3 or more phases, with the first phase to be 20 – 30 rental units for very low and low-income households. Rental and potential homeownership units targeted for moderate-income families are proposed for phase 2 or 3, with units being predominantly high-density apartments. The Rainbow Road project, which is already zoned and currently in development, includes moving existing buildings onto the Brackett Springs site and creating 16 units of housing for very low income individuals and small families.

Chart 5: Average Monthly Housing Expenses on Salt Spring Island²²



²⁰ SSICS market research, 2014 and 2015

²¹ Capital Regional Housing Gap Analysis and Data Book, 2015

²² Statistics Canada, National Household Survey, 2011; SSICS market research, 2014 and 2015

Our Solution

The homeownership opportunity at Bishop's Walk is unparalleled. It responds to a significant need on Salt Spring Island, one which has been tracked for many years and which is being confirmed again and again by the families who want to raise their children here. By removing the land cost, designing for efficiency, creating a strong *sense-of-place* and partnering with like-minded organizations and businesses, SSICS has a solution to allow families to enter homeownership:

- **Ground-oriented homes in an ideal natural setting**, within walking distance to village services
- **Affordable to families earning \$49,000 - \$60,000**, with a mortgage similar to typical rent
- **Families gaining long-term security** and the ability to build equity
- Housing stock remaining **affordable in perpetuity**
- **The community retaining families** with long-term interests in seeing Salt Spring Island thrive



OUR FINANCIAL PLAN

The Financial plan is based on a goal of achieving affordability for Salt Spring Island households with yearly gross incomes of 60,000 or less. CMHC affordability criteria have been used such that combined mortgage, property tax, utilities and strata fees are no more than 30% of the household gross yearly outcome. This is the most conservative approach to determining affordability. Sometimes smaller bundle of elements are used to determine affordability.²³

Tenure Model and Housing Corporation

The tenure model is a conventional strata whereby the community becomes self-governing. Perpetual affordability will be maintained by a covenant restricting future sale prices to no more than the Greater Victoria Consumer Price Index over the time period the unit is owned for. A new non profit housing corporation – affiliated with, but legally separate from SSICS – would hold the covenant. The housing corporation will own at least one unit in the strata with most or all of the land under its ownership. Consideration will be given in setting up the strata, such that it will allow for additional housing to be built on those lands in the future.

STRATA TENURE ADVANTAGES

- Effectively a Community Land Trust with housing corporation control over housing sales and a role in the management of the property
- Avoids a more novel land tenure model – such as leasehold units – where the housing corporation owns all the land, but unit owners can struggle to obtain a high mortgage financing.
- It is more likely to preserve the value of the units for existing homeowners.
- It will allow the Housing Society to be endowed (with at least a unit) to cover the yearly costs of the Housing Society. This includes managing a waitlist, supporting homeowners and approving sales.

²³ Other calculations only account for mortgage payments, property tax and heat and / or a higher percentage of monthly income allowed (e.g. 35%).

Operations

The housing corporation will be incorporated as a non-profit organization with a volunteer Board of Directors. It will be affiliated with SSICS with regard to governance – at least some board members will serve on both boards – and staff – any paid staff functions are likely to be contracted to SSICS. The SSICS Board has delegated the current governance of the Bishop's Walk Affordable Homeownership Project to a housing committee. With incorporation of the housing corporation this function will be transferred to the housing corporation board.

SSICS will be responsible for the development of the project, including hiring a project management and development team. This has been budgeted for in the soft costs.

Once the project is built the housing corporation will be responsible for occupancy of the rental unit(s) it owns, overseeing the use of common spaces, participation in the strata governance, managing a housing waitlist and approving unit sales. It may or may not develop additional units at Bishop's Walk or other locations.

The net yearly rental revenue - \$12,000 – will be used as required by the housing corporation to contract SSICS to manage any of the housing corporation's responsibilities (e.g. waitlist, sales approvals, administration of the Affordable Housing Fund). To the degree the housing corporation uses Board members or other volunteers to complete its functions the housing society's revenues can be used as contributions to the Housing Fund, offer subsidized rent, build additional units at Bishop's Walk or fund future projects.

Fundraising and Increasing Affordability

Based on the current assumptions informing the pro forma, the project requires a \$230,000 contribution from SSICS. This contribution will be secured through fundraising and/or donated material and labour. Additionally, another \$235,000 will be required for the housing corporation to "purchase" one strata unit.²⁴

SSICS is currently planning a major fundraising campaign to secure these amounts and deepen the affordability of the entire project. Additional fundraising will be used to reduced sale prices to households with incomes less than \$60,000 and/or provide down payment gifts to households unable to provide traditional down payments.

²⁴ The figures are likely to change as the project design and budget are refined.

Pro forma Assumptions

The pro forma demonstrates two scenarios - a full 20-unit build or a build split into two phases, with a first 8 unit phase and a second 12 unit phase. The phased scenario is designed to reduce the risk in phase one and demonstrate the demand on Salt Spring for this type of affordable housing. With a strong uptake the second phase could be started quickly. With slower absorption the second phase could be also be reduced in scope.

The pro forma is based on a project budget developed in June 2015 by Green City Builders, Inc and other inputs researched by Ian Scott Planning Services.

Table 3: Pro forma Assumptions

<i>Assumptions</i>	<i>Comments</i>
20 3-bedroom units built as five four-plexes	Costing was estimated for a 20 unit project with an 18 month build. The costing estimate is at a high level. Costs will be refined when detailed building and servicing designs are complete.
Soft costs and contingency are estimated at 10%	The costing estimate is at a high level. Costs will be refined with final scope.
Sale price to equal project costs	SSICS is covering all costs and not making a profit.
Preference is for a "land trust" model	The primary objective is affordable units in perpetuity, with price control mechanisms.
CRD provides \$15,000 a door funding	CRD Housing Staff have indicated this is a reasonable assumption.
Construction financing is based on 30 month period at 4.10% – 18 month build and 12 month post-completion sales period	Assumes 30-50% pre-sales
SSICS can provide additional equity and / or 0% interest loan to the project.	This may be necessary to achieve loan to cost ratio
Buyers are putting 5% down with a 3% interest rate mortgage with a 25 yr amortization	This could be reduced with a lower mortgage interest rate, increased amortization period, down payment help or increased fundraising
Costs of setting up the housing corporation are not included in the pro formas	



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April 28, 2016

Salt Spring Local Trust Council
Islands Trust, Salt Spring Office
1 500 Lower Ganges Road
Salt Spring Island, BC V8K 2N8

Dear Members of the Salt Spring Island Local Trust Committee,

RE: Request for Cost Recovery Exemption

I am writing on behalf of Salt Spring and Southern Gulf Islands Community Services (SSICS) to request an exemption from the Islands Trust cost recovery policy for the Salt Spring Commons affordable housing project and any related amendments to the 1995 Section 215 Covenant EK1317 ("Housing Agreement") held by the Salt Spring Island Local Trust Committee (LTC) on our 5-acre on Bishop's Walk (Lot 3, Plan VIP87215, District Lot 24, Section 19, Land District 16).

Salt Spring Commons is an innovative, mixed tenure, affordable housing development planned to provide long-term housing to up to two dozen local families. To realize this vision, SSICS is providing the land and expending considerable resources to plan and develop these much needed homes. The cost related to a residential development of this scale are significant, especially for a non-profit organization. During the predevelopment phase of the project, we are dependent on fundraising and grant writing to cover essential project costs. We are also reliant on partnerships with other individuals, businesses and organizations who share our goals of providing affordable housing and support us through pro-bono contributions and fee exemptions. By minimizing our predevelopment costs, we will be able to reduce the cost of the units and commence construction sooner. SSICS is asking the LTC to support these outcomes by exempting SSICS from entering a Cost Recovery Agreement for Salt Spring Commons.

I look forward to the LTC discussion of Salt Spring Commons on May 5. I hope this request is considered alongside our application for amendments to the Housing Agreement.

Please do not hesitate in contacting me with any questions or comments.

Sincerely,

Rob Grant
Executive Director
Salt Spring and Southern Gulf Islands Community Services
rgrant@ssics.ca | 250-537-9971