



**REPORT TO THE  
PLANNING, TRANSPORTATION AND PROTECTIVE SERVICES COMMITTEE  
MEETING OF WEDNESDAY, OCTOBER 26, 2011**

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**SUBJECT     ACQUISITION OF PORTION OF PHOENIX ALTERNATIVE ELEMENTARY  
SCHOOL SITE ON SALT SPRING ISLAND**

**PURPOSE**

To inform the Committee of the Gulf Islands School District #64 proposal to subdivide and transfer approximately five acres of surplus school property to the Capital Regional District (CRD) for a nominal amount to facilitate the development of affordable housing.

**HISTORY/BACKGROUND**

School District #64 owns a 12 acre parcel of land located next to Phoenix Alternative Elementary School on Drake Road. The School District had been in discussions with the Salt Spring Island community for almost a decade to assess the repurposing opportunities for this site and has determined that the creation of affordable housing at the site would meet a critical need in the community. The vision of the School Board and the local community is to foster housing development that will facilitate and encourage additional residency of families with children in the income demographic of \$40,000 - \$60,000 annually. This vision is intended to assist in maintaining or increasing the school population and provide housing accommodation for families earning modest incomes in the community services industry.

The School District does not have the authority or the expertise to develop the lands for affordable housing. It has obtained ministerial approval to dispose of the lands in order to convey a portion of the site to the CRD's Land Banking and Housing service to facilitate the development of affordable housing.

In addition, the transfer to the CRD will enable the School District to subdivide the site without the necessity of obtaining approving officer approval. Section 99(1)(h)(ii) of the *Land Title Act* enables a subdivision by reference plan if the parcel subdivided is transferred to a regional district. The lands will need to be rezoned to accommodate the proposed use and the rezoning process will follow the standard procedures through the Islands Trust land-use bylaws. A map of the neighborhood site plan is included as Appendix A.

Staff has prepared a draft Memorandum of Understanding (MOU) for consideration by both the CRD Planning, Transportation and Protective Services Committee and the School Board. A copy is attached as Appendix B. This document lays out the framework as to how the CRD will work with the School District and consult with the community to facilitate the development of affordable housing on the subject lands.

**ALTERNATIVES**

1. Enter into a Memorandum of Understanding between the School District #64 and the Capital Regional District involving the transfer of ownership and development of the surplus lands at the Phoenix Alternative School Site at 163 Drake Road, Salt Spring Island;
2. Direct staff to negotiate different terms with the School District for the transfer of the lands to the CRD;
3. Refuse to accept the transfer of the subject lands from the School District.

### **FINANCIAL IMPLICATIONS**

The School District will transfer the subject lands to the CRD for the nominal consideration of \$1.

The costs of subdivision, consultation and rezoning will be covered through funding grants obtained by School District #64 under the federal CMHC Seed and Project Development Funding Initiatives. To date approximately \$90,000 is available to undertake the completion of the community consultation process, soil testing, rezoning, project concept design and project financial viability analysis.

The MOU contemplates that prior to undertaking any proposed housing a full project financial viability analysis will be undertaken. This financial viability analysis will need to confirm that the proposed project can be built and operated successfully without ongoing government subsidies. The MOU also provides that if the CRD is of the opinion that sufficient funding is not available for any project proposed for the site under the MOU, the CRD may, at its option, terminate the MOU.

### **SUMMARY/CONCLUSIONS**

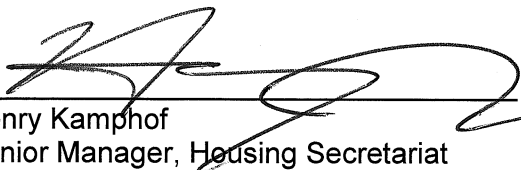
The Salt Spring Island community sees the completion of the school site ownership transfer to the CRD as a significant step in launching their Community Affordable Housing Strategy.

The proposed land ownership transfer comes at a nominal cost to the CRD. To date the community has secured the necessary initial project development funding to carry out all of the preliminary development stages. This funding will include the ability to complete a financial viability analysis in order to determine whether the proposed project will be self-sustaining without any ongoing government operating subsidies. This will confirm if there will be any financial risk to the CRD.

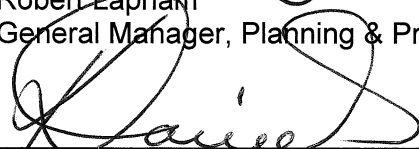
### **RECOMMENDATION**

That the Planning, Transportation and Protective Services Committee recommends to the Capital Regional District Board:

1. That staff be authorized to enter into a Memorandum of Understanding between the School District #64 and the Capital Regional District involving the transfer of ownership and development of the surplus lands at the Phoenix Alternative School Site at 163 Drake Road, Salt Spring Island.

  
Henry Kamphof  
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Robert Lapham  
General Manager, Planning & Protective Services

  
Kelly Daniels  
Chief Administrative Officer  
Concurrence

Attachments: 2

COMMENTS: