



## Notice of Meeting and Meeting Agenda Salt Spring Island Local Community Commission

Wednesday, May 22, 2024

9:00 AM

Meaden Hall  
120 Blain Road  
Salt Spring Island BC

### Special Meeting- Housing Workshop

E. Rook (Chair), G. Holman (Vice Chair), G. Baker, B. Corno, B. Webster

The Capital Regional District strives to be a place where inclusion is paramount and all people are treated with dignity. We pledge to make our meetings a place where all feel welcome and respected.

#### 1. Territorial Acknowledgement

#### 2. Approval of Agenda

#### 3. Special Meeting Matters

3.1. [24-518](#) Welcome and Introductions

**Recommendation:** Verbal Discussion

3.2. [24-519](#) Housing Workshop Discussion

**Recommendation:** Verbal Discussion

**Attachments:** [SSI Housing Projects Backgrounder](#)  
[Housing Group Engagement Summary](#)  
[Appendix 1: Gulf Island Seniors Residents Association – Kings Lane](#)

3.4. [24-521](#) Closing Remarks

**Recommendation:** Verbal Discussion

#### 4. Adjournment

#### Next Meeting:

-Thursday, May 27, 2024, at 12:00PM in the Salt Spring Island Multi Space (SIMS)  
Boardroom, 124 Rainbow Road, Salt Spring Island, BC V8K 2V5

## Summary of Current Housing Initiatives on Salt Spring Island

### Current Housing Properties and Projects

Up to 335 units could be developed on 10 properties already designated or zoned for affordable or market housing. This is not an exhaustive list. Most properties require development funding, and additional water and wastewater services and approvals. CRD has provided land (Drake Road), some *Community Works Funds* (federal 'gas tax') to help cover infrastructure costs for affordable housing servicing, and *Growing Community Funds* to increase the capacity of the Ganges sewer system.

**CRD Drake Road** – 5 acres leased by Capital Regional Housing Corporation for 60 years to BC Housing which is funding 28 units of supported housing, to be completed 2025. Potential for 50-80 units of additional affordable housing.

**Dragonfly** – On Drake Road, being rezoned for 30 units of affordable ownership employee housing. Working with CRD to establish required water utility.

**Seabreeze Inne** – Being renovated by Lady Minto Hospital Foundation for 18 units of affordable health worker housing.

**King's Lane** – Rezoned for 50 units of seniors' housing. Project design being redefined. Grant application submitted to latest round of BC Community Housing Fund program not successful, PDF funding still possible.

**Norton Road** – Rezoned for 26 affordable housing units in addition to existing SFD. An SSI NGO is exploring purchase and development possibilities with BC Housing.

**Brackett Springs** – Zoned for 11 units of affordable housing, being sold by Vancity.

**Brinkworthy** – SS Community Services proposing a housing and agriculture project including 35-40 units of affordable housing on 12 ALR acres. Requires Trust and Agricultural Land Commission approval.

**Swansons Pond** – Zoned for 30 units of market housing.

**Kangro Road** – Zoning allows for 20 additional market housing units.

### CRD Regional Housing Acquisition Fund and Rural Housing Program

The CRD Board is advancing Future Housing Priorities and Partnership (FHPP) initiatives to address unmet need related to housing affordability and homelessness through innovation, partnership, and cross-sectoral collaboration. The FHPP includes a focus on Rural Housing, an Acquisition Strategy for all of CRD and a program to support complex care in partnership with Island Health.

The CRD recently increased borrowing capacity to \$85 million to support its housing priorities. This debt capacity will support seed funding for a scaled-up housing supply program, aiming to use it to leverage contributions from senior governments like the successful partnerships that led to the creation of the previous Regional Housing First Program.

The CRD's Acquisition Strategy aims to increase and/or preserve the supply of affordable rental housing within the region. The Acquisition Strategy will help to guide investment decisions using set criteria intended to help inform the CRD Board on prospective acquisition and investment.

The CRD also endorsed a Rural Housing Program (RHP) as a pilot for the Salt Spring and Southern Gulf Island Electoral Areas. The approach recognizes the need to approach housing solutions in the CRD's rural remote communities with different expectations than those used for conventional housing projects in more densely populated urban regions. The RHP aims to support housing initiatives on the island through coordination, incentives, and pre-development funding for multi-family affordable housing projects. As a pilot, work in 2024 is focused on developing the program and community engagement to test the uptake of some initiatives, which, subject to CRD Board approval, could be implemented starting in 2025/2026.

### **Southern Gulf Island Tourism Partnership (Municipal Regional District Tax)**

The Southern Gulf Islands Tourism Partnership (SGITP) is seeking renewal of its designation as the Destination Marketing Organization (DMO) for collection of a 2% Municipal Regional District Tax (MRDT) applied to visitor accommodation in the SSI and SGI electoral areas. Provincial legislation allows MRDT funding to support affordable housing. SGITP has used a portion of the MRDT to support *Housing Now*, a landlord-tenant matching service offered by the SGI Community Resource Centre in the SGI electoral area, soon to be delivered by a newly hired coordinator on SSI. SGITP has also agreed to help fund the CRD Rural Housing Program (RHP), and has established a housing reserve fund.

As local government for electoral areas, the CRD Board has endorsed the SGITP as DMO for SSI and SGI for the next 5 years. The CRD Board has also directed staff to finalize an agreement with SGITP regarding RHP funding. Subject to approval by tourism accommodation providers in the two electoral areas, SGITP has indicated support for allocating all of the MRDT collected from online accommodation platforms (OAPs such as AirBnB, Vrbo) to housing programs, with a focus on workforce housing. OAP MRDT revenue in 2023 is slightly over \$300,000, but recent federal and provincial legislation makes future predictions difficult.

### **Salt Spring Solutions**

In 2023, Salt Spring Solutions, and island based non-profit society concerned with developing solutions to the interconnected issues of ecosystem protection, social equity, and climate action, published "[Homes for Islanders: An Integrated Housing Solutions Framework for Salt Spring Island](#)," which identifies five strategies for our addressing Salt Spring's immediate housing problems:

1. Coordinated and Properly Resourced Local Approach to Housing
2. Effective Public Education, Engagement, and Dialogue on Housing
3. Preservation of Rural Areas and Nature Space through Clustered Housing
4. Readying Ganges Village for More Housing
5. Accessory Dwellings for Housing, in the Right Places

### Islands Trust Land Use Changes

The Salt Spring Island Local Trust Committee (SSI LTC) has several ongoing initiatives to address the housing equity and workforce shortage crisis on the island. These include:

- Bylaw No. 537, which will amend the *Salt Spring Island Land Use Bylaw* to allow for the construction of detached accessory dwelling units on approximately 370 lots where they are not currently permitted;
- A Complete Communities Assessment that will propose alternative scenarios for locating additional housing options on the island; and
- A housing-focused official community plan and land use bylaw amendment project; and
- Ongoing communications with the BC Ministry of Housing for Salt Spring Island to be included in Bill 44 provisions concerning secondary suites and accessory dwelling units.

Other recent housing initiatives undertaken by the SSI LTC include:

- Bylaw No. 526 (2022) which amended the Salt Spring Island Land Use Bylaw to:
  - Allow for the construction of detached farmworker dwelling units in addition to secondary suites on working farms that are in Agricultural zones;
  - Allow for the construction of multiple farmworker dwelling units on working farms that are not in Agricultural zones in exchange for the reduced subdivision potential of those lots; and
  - Implemented a maximum floor area for residential dwelling units on Salt Spring Island of 500 m<sup>2</sup>.
- Bylaw No. 512 (2020) which amended the *Salt Spring Island Land Use Bylaw* to allow the full-time rental use of what were previously seasonal cottages on approximately 400 lots
- Bylaw No. 515 (2020) which amended the *Salt Spring Island Land Use Bylaw* to allow for the construction of a new 50-unit seniors supportive housing complex
- Bylaw No. 507 (2019 ) which amended the *Salt Spring Island Land Use Bylaw* to allow an additional 74 multifamily dwelling units, of which 34 must be affordable housing dwelling units

### Provincial Funding and Legislation

**BC Housing's Community Housing Fund** – Grant funding to support affordable rental housing. 20% of the units must be at 'deep subsidy' rates, 50% rent geared to income (30% of median income), and 30% average market. (e.g., SSI Commons, Croftonbrook)

**BC Housing's Affordable Home Ownership Program (AHOP)** – aims to increase affordable housing for middle-income households across BC. The program helps home purchasers to target a minimum down payment of 10% on the home's value.

**BC Builds** – Loans and grants just announced to support rental housing on surplus lands held by local governments and non-profits. At least 20% of the units must be rented at 20% below average market rates.

**BC Rural Economic Diversification and Infrastructure Program (REDIP)** - Eligible activities include planning activities related to workforce housing,

**Women's Transition Housing** – Grant funding for non-profit organizations providing emergency or transition housing for women fleeing abuse (e.g., Cedars).

**Supportive Housing** – Fully funded, permanent housing and ongoing supports for those with mental health and addiction issues (e.g., Drake Rd supported housing).

**Rental Protection Fund** – Grant fund administered by BC community housing organizations, to help non-profits purchase existing residential apartments.

**BC Secondary Suite Incentive Program** – Provides 50% of costs, up to \$40,000, in forgivable loans for construction of new accessory dwelling units if rented at affordable rates for at least 5 years. Province recently announced inclusion of electoral areas, which were previously excluded.

**Speculation and Vacancy Tax** – Incremental property tax applied to assessed value of second dwellings rented for less than 6 months per year, or if a suite or ADU on the property is rented. Applies to 59 BC communities and revenue (\$239 million generated to date) is earmarked for affordable housing. All municipalities within CRD in SVT area. CRD Board has requested inclusion of SSI in the SVT.

**House Flipping Tax** – Residential properties sold within 2 years after purchase subject to a 20% tax on profits, applies province-wide.

**Short Term Rentals (Bill 35)** – Establishment of a mandatory, province-wide registry for short term vacation rentals, advertising for which must display a registry number. In municipalities over 10,000, Bill 35 also requires all short-term rentals on residential property to be owner-occupied. Smaller municipalities and electoral areas (Islands Trust here) can opt into the owner-occupied component of the legislation, to be enforced by the Province. Non-conforming protection for STVRs eliminated. Regional Districts given authority to implement business licensing. A request for inclusion in Bill 35 must come from the local land use authority, Islands Trust.

**Mandatory Density (Bill 44)** – Legalizes suites province-wide except for the Islands Trust area. In designated municipalities, single family lots allowed 4-6 densities as of right, with higher densities on transit routes. The Islands Trust Salt Spring Island Local Trust Committee has requested inclusion.

## Federal Housing Programs

**CMHC's National Housing Co-Investment Fund** - 30% of units rented at less than 80% of Median Market Rents for Victoria BC (per CMHC Housing Information Portal, 2021 data) to meet minimum program requirements, with 70% of units rented at market rents.

**CMHC Affordable Housing Innovation Fund** - supports new ideas that will drive change and disrupt the industry – ideas and approaches that will evolve the affordable housing sector and create the next generation of housing in Canada. Includes rent-to-own funding stream.

**CMHC Funding for Indigenous Housing** – Funding opportunities for housing construction and renovation on and off reserve.

**CMHC Apartment Construction Loan Program** - Low-cost loans encouraging the construction of sustainable rental apartment projects across Canada. (Formerly the Rental Construction Financing Initiative Program.)

**CMHC Federal Lands Initiative** - Surplus federal lands and buildings available for development into affordable housing units and communities.

**CMHC Canada Greener Affordable Housing program** - Canada Greener Affordable Housing helps affordable housing providers complete deep energy retrofits on existing multi-unit residential buildings.

**CMHC Community Housing** – Funding to increase capacity and support in the community housing sector.

**Sprout Properties** - Operates across Canada using lending partners. This program is between two and four years in length and requires a downpayment which is the greater of 3% or \$10,000. This program also requires a \$1000 commitment fee. This fee is also counted towards the purchase price.

Guest List: SSI Housing Workshop – May 22, 2024

Sarah Smith	BC Housing
Justine Starke + Emma Davis	CRD Rural Housing Program
Melody Pender	SGI Community Resource Centre (CRC)
Janey Rowland	Housing Now
Randy Cunningham	Southern Gulf Islands Tourism Partnership (SGITP)
Harry Barnes	Gulf Islands Seniors Association (GISRA)
Michael Smith, Annika Lund + Rob Grant	SSI Community Services
Alicia Herbert	Island Women Against Violence (IWAV)
Eric Jacobsen	Lady Minto Hospital Foundation
Shayne Williams	Lookout Society
Fernando De Santos	Dragonfly Commons
Robin Williams	Salt Spring Housing Council
Mairi Welman + Elizabeth FitzZaland	Salt Spring Solutions
Corey Burtini	Umbrella Society
Kajin Goh	Chuan Society
Cherie Geauvreau	Copper Kettle
Karla Campbell	CRD Salt Spring
Earl Rook, Brian Webster, Gail Baker + Ben Corno	Salt Spring Local Community Commission
Gary Holman	SSI EA Director
Alexander Fischer-Jean + Robert Steinback	SSI Chamber of Commerce
Darlene Gage	Transition Salt Spring – Enterprise Co-op
Brian Piper, Mark Boyson	North Salt Spring Waterworks District
Laura Patrick, Jason Youmans + Chris Hutton	Islands Trust
Shannon Cowan	Salt Spring Foundation
Janis Gauthier	JG Consulting

*In preparation for the May 22, 2024 workshop hosted by the Salt Spring Island Capital Regional District's Local Community Commission, housing groups were asked to answer three questions. While not all groups were able to respond, the following responses were received and are provided as background to the discussion planned for May 22.*

## **1. Tell us about your organization and your role in housing.**



Making a difference...together

Salt Spring Island Local  
Community Commission

I am one of five members of the Local Community Commission for Salt spring Island, elected almost exactly one year ago. Our role in housing is partially clear: we are responsible for Salt Spring's Economic Development & Sustainability service and housing is most certainly a key aspect of economic sustainability for our island. And our role is partially unclear, as the focus of the LCC when it comes to this service is currently being reassessed by the commission. This workshop is one of the steps we are taking to clarify where we should be focusing our energy and resources in the future. (Commission Member)

I am currently trying to understand my role in making it easier for people to access housing on SSI. (Commissioner Member).

Salt Spring Solutions identifies key issues that need attention and works to open up closed or obscure decision-making processes to a wider audience, inviting people to use their stories, their voices and their actions to get involved and make a real difference. We build alliances and organize collaborations among diverse groups to find equitable solutions to our community's biggest challenges. To find a path forward to a more resilient, ecologically sustainable community, we published the professionally written and peer-reviewed Homes for Islanders: An Integrated Housing Solutions Framework for Salt Spring Island in 2023, which identifies five strategies for our addressing our island's immediate housing problems.



Lady Minto  
Hospital Foundation

LMHF has acquired and is renovating the Seabreeze property to be housing for hospital workers. The project has a dedicated manager (owner's representative) and has completed decommissioning from its prior use as a hotel.





IWAV owns and operates on Salt Spring a Transition House, Second Stage Housing and 72 Units of mixed affordable housing at Croftonbrook. We have BC Housing operating agreements regarding the Transition House and Croftonbrook. IWAV also operates support programs for those affected by violence including sexual assault. We run a social enterprise thrift store called, "Transitions", in Ganges.

The Chamber represents businesses on Salt Spring across a variety of sectors. In our work supporting businesses we focus on a variety of economic conditions where businesses are facing challenges and opportunities, housing being a major theme. In our case specifically around affordable workforce housing and the regulatory environment surrounding short term rental accommodations.



# Transition Salt Spring

**Responding to climate change. Re-imagining community.**

Transition Salt Spring is an advocate for increasing the quantity of diversified, affordable and low-impact housing on Salt Spring, to ensure that our community can remain diverse and healthy as we collectively face the challenges of climate change. A resilient community is one that includes all types of people working together, and the current housing crisis negatively impacts all of us every day by forcing families, workers and low-income people off the island. We believe that the current approach to housing promotes unsustainable and destructive building practices that damage local ecosystems and make room only for those who can afford large homes on large acreages. Our community needs to make room for lower-impact homes which are densely built near transit and town centres.

SSIF is potential co-funder in housing initiatives as housing is one of the United Nations Sustainable Development Goals that guide our organization's mission for inspiring philanthropy in support of charitable activities for the enduring benefit of a healthy community on Salt Spring Island.



# salt spring island foundation

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[saltspringcommunityservices.ca](http://saltspringcommunityservices.ca)

Salt Spring and Southern Gulf Islands Community Services is a charitable organization dedicated to strengthening and supporting individuals, families and communities.

Umbrella Society is a non for profit organization that has been operating since the year 2000. We help individuals and families who are struggling with their substance use. We offer Outreach, Groups, Counselling, and Recovery Housing. We also operate the housing site, Kings Lane, on salt Spring Island. Kings Lane was developed in response to COVID and the Seabreeze closing down to provide housing for some of the homeless population on Salt Spring Island. We support these residents with life skills and offer substance use and mental health supports for those seeking them.



GISRA's Kings Lane site is a 3.43-acre property located at 154-164 Kings Lane. It currently houses a 3,177 sq. ft. Health Clinic which will remain and possibly expand, as well as a temporary supportive housing facility under lease to BC Housing.

The Salt Spring Island Local Trust Committee (SS LTC) is the land use planning authority for Salt Spring Island. The LTC is enabled and entrusted with the responsibility, through the Local Government Act, to direct the location, density, and form of all housing, and to offer land use incentives for the development of housing on private, non-profit and public lands. Zoning, subdivision, and other land use bylaws are powerful and foundational tools our community can use to proactively to achieve a diverse and sustainable



Islands Trust

supply of housing and to curtail residential development that is out-of-step with our community's climate action and equity needs. The LTC is enabled through the Local Government Act to maintain an Official Community Plan that describes the long-term vision of Salt Spring Island through a set of objectives and policies that guide decisions of the LTC, the Regional District and improvement districts. The LTC is required under the Local Government Act to undertake a housing needs assessment (every five years) that collects 50 distinct kinds of data about: the current and projected population; household incomes; significant economic sectors; and currently available and anticipated housing units. The LTC is part of a federation, and this means that we can learn from, share with, and work collaboratively with other LTCs. The LTC cooperates with all levels of government, First Nations, regional districts, improvement districts, non-profits, and community groups. The LTC can provide more certainty to housing providers and developers, property owners and residents by providing clear detailed polices and guidelines.

## 2. *What are your most pressing short term, medium term, and long-term needs?*

IF YOUR PRIMARY NEED IS FUNDING, PLEASE PROVIDE DETAIL ABOUT WHAT STAGE YOUR DEVELOPMENT IS AT AND WHETHER YOUR IMMEDIATE FUNDING NEEDS ARE SOFT COSTS, INFRASTRUCTURE COSTS, OR CAPITAL COSTS TO REDUCE THE EQUITY GAP.

### **Local Community Commission** (Commission member)

**Short term need** – Hear from our community about what role we can best play in helping address pressing local housing needs and then translate that into specific actions.

**Medium term need** – Take tangible steps to support increased affordable housing options on Salt Spring, particularly focused on housing for working people and their families.

**Long term need** – Achieve ongoing success in working with other agencies and non-profits to enhance the availability of affordable housing.

### **Salt Spring Solutions**

Our most pressing and immediate need is coordination between governments, government agencies, and utilities which are currently operating in silos. This perpetuates the gaps in policy and service that exist. In the past 25 years, countless reports have been written on housing needs and housing strategies, however none of them sufficiently stepped out of their organizational silos to consider the big picture, or to examine the complexities of inter-agency cooperation and problem-solving. Our 2023 framework pulls together and articulates the various threads of responsibility, and advocates for housing solutions that have been implemented with success in other rural communities. We have provided recommendations for a housing framework that increases long-term housing options through a combination of local strategic actions. Instead of being an exhaustive list of all possible solutions, we have focused on areas where local leadership is necessary and possible.

### **Lady Minto Hospital Foundation**

Our most pressing need is funding to complete the Seabreeze project. The project is fully deconstructed and shovel ready, at this point it requires capital to support the re-construction phase to bring it to occupancy.

## Islanders Working Against Violence

Our most pressing short term (1-2 years) need is to relocate our existing Transition House. BC Housing is working with IWAV on this project.

## Salt Spring Island Chamber of Commerce

Our short term needs are focused on staffing and funding the gathering of research data. We are aiming to conduct a survey of businesses across the island to determine what the specific volume of needs for workforce housing today, what specific challenges businesses are facing and what solutions they are currently employing. This includes things like seasonal fluctuations in staffing needs, and leasing or purchasing housing for staff, for example. On the STR side, we are aiming to uncover more specific data on the volume of rental suits that may exist in STR market, and what response owners may be taking in response to impending legislative changes and current bylaw conditions that support the anecdotal evidence we have been collecting with measurable data.

In the mid term, our needs focus around staffing and funding the development of a deeper understanding of systemic conditions and solutions from the broader market, including: building partnerships with other groups working on housing, such as HousingNow and others; researching solutions employed in other jurisdictions; summarizing the current regulatory landscape and researching comparative legislative approaches; and identifying and cataloguing existing and potential solutions in more detail; and summarizing problem/solution sets for both STR and workforce project opportunities.

In the long term, our focus is on staffing and funding a stakeholder engagement process to introduce the outcomes of our research and development work to regulators, with specific proposals for regulatory shifts that would induce conditions for actionable projects, and the ongoing facilitation of market-based, actionable solutions to businesses, supported by systemic knowledge and resources such as private capital and funding partners and transactional experts. Ultimately we view our role as a market facilitator assisting in closing regulatory and market gaps between supply and demand through knowledge, resources and capital.

## Salt Spring Foundation

N/A for SSIF needs in relation to housing. (SSIF sets a 3-year strategic plan according to the community's Vital Signs priorities and in alignment with local government's priorities that is much more broad than housing).

## Salt Spring and Southern Gulf Islands Community Services

How do we position ourself as a region, and as communities within the region, to have a more productive relationship with the Ministry of Housing and BC Housing ? What is the role of the CRD and how is it oriented to be involved in that, given that our communities do not have the typical structure for that connection (municipal governments) ?

### Umbrella Society

In terms of long term, we are just waiting for Drake Road to finish being built as some of the residents will be transferred over to that housing site once it is open and operating.

### Gulf Islands Seniors Association

See attachment.

### Islands Trust

**Short-Term Needs:** Expand Accessory Dwelling Unit permissions. Support for Bylaw 537, which establishes ADU regulations within a small, mapped area that already has permission to have a secondary suite. This bylaw enables 369 parcels to choose one form of ADU. Further support is required to create of a spot zoning pilot program to trial expansion. Participation in complete community and OCP/LUB projects by helping to understand/analyze growth and settlement patterns that have occurred since adoption of the OCP (bylaw 434 in 2008). Understand the divergence from the Islands Trust 'preserve and protect' mandate along with the divergencies from OCP objectives so that this gap can be closed in the update process. Participation in the analysis of setting a Ganges Village boundary and associated services to support a sustainable thriving village. Participation in developing a new approach for short term rentals – including home-based bed and breakfasts in cooperation with industry. Utilize LCC's economic development service function to determine number of units that should be considered for Salt Spring and consider a business license service. Coordinate the development of tools to reduce wildfire hazard risk to housing in cooperation with the CRD and SSFD. Participation in the mandatory updating of the Housing Needs assessment. Coordinate and improve watershed governance in cooperation with the CRD and NSSWD.

**Medium-Term Needs:** Determine water and sewer service levels to support a sustainable and thriving Ganges Village to a theoretical population level over time. Monitor growth and settlement patterns and adjust and adapt the OCP and LUB accordingly.

### *3. What upcoming projects does your organization have that would benefit from collaboration?*

#### **Local Community Commission**

The LCC can and must clarify its role and act expeditiously to start making a positive difference in our community!

#### **Salt Spring Solutions**

We collaborate often with other groups and organizations in our work. We are careful to ensure that our peers and collaborators are never surprised by our actions but rather have the opportunity for inclusion. Salt Spring Solutions hosts a quarterly housing roundtable conversation amongst organizations working to solve our housing crisis across the Southern Gulf Islands. This is a chance to share information and learn. Each roundtable features a guest speaker and a conversation amongst the members.

#### **Lady Minto Hospital Foundation**

We would deeply value additional support and collaboration to bring the Seabreeze online and we are eager to explore operating relationships to manage the building once it is completed.

#### **Salt Spring Island Chamber of Commerce**

Our goal to conduct a survey of business needs would benefit from partnerships with community partners in the development and promotion of a data gathering campaign that builds trust and engagement in the broader community.

#### **Transition Salt Spring**

TSS would like to collaborate with other organizations to build common messages that would feed into the SSI OCP review process. These common messages would spell out a collective desire for more diversified, densified and low-impact housing options that protect biodiversity, lower impacts on fragile ecosystems and water supplies and build deeper resilience around fire, drought, and extreme weather events.

## Salt Spring Foundation

Currently no housing-specific funding is available in our existing funding programs. However, upcoming growth/change in SSIF's funding initiatives are in development with input from community consultations underway.

## Salt Spring and Southern Gulf Islands Community Services

How do we learn from real life situations about what works and doesn't, and more specifically learn from failed projects at least make something out of all the work that went into them? Very specifically, we should do a specific dive into the Dragonfly Commons project, as I understand it has some aspects that are directly related to CRD. I know there are specific valuable lessons learned from the challenges we have faced in completing housing in our community, but we do not do that reflection and analysis in any capacity building way as a community.

## Umbrella Society

We have an Outreach Worker that goes over once per week to SSI to support individuals who are struggling with their substance use and want to make a change. We often get referrals from other community services on SSI. If there are folks who are struggling to find or maintain housing due to their substance and are thinking about wanting to make a change, our Outreach Worker is happy to meet with them and support them with their goals around their substance use, as well as fill out referrals for necessary services, such as detox, treatment etc.

## Gulf Islands Seniors Association

See attachment.

## Islands Trust

Projects already listed under the second question. Projects that are not underway, but require coordination and collaboration could include, for example: Develop a poverty reduction strategy. Develop a housing strategy. Develop a Ganges Harbour management strategy.

## DRAFT CONCEPT PLAN FOR GISRA'S KINGS LANE DEVELOPMENT April 2024

### BACKGROUND

GISRA's Kings Lane site is a 3.43-acre property located at 154-164 Kings Lane. It currently houses a 3,177 sq. ft. Health Clinic which will remain and possibly expand, as well as a temporary supportive housing facility under lease to BC Housing.

Previous plans for this site included construction of 'Meadowlane' a supportive seniors' residence. Islands Trust rezoning to Residential Zone Variation 12(a) was achieved in February 2020 allowing 50 units of seniors housing in a single 3-storey building (2 units may be for staff).

A Housing Agreement was registered. The agreement includes various administrative requirements, but importantly defined qualified renters as those who are 65 years of age or older, limited occupancy to two residents, and established maximum monthly rental charges. The agreement was silent on supportive service costs.

Detailed design and engineering drawings for a 78,598 sq. ft. building (32,809 sq. ft. footprint) were then produced, and a revised Development Permit was approved in 2021.

### CURRENT STATUS

The project has not proceeded, as GISRA is re-evaluating the need and demand for this type and scale of facility, because of community feedback and local seniors' responses about their personal moving plans and preferences including timing and affordability.

The financial feasibility of the proposal is also in question, given both the affordability for many local seniors, and the higher than anticipated construction and operating cost estimates. Consultations with other local seniors' and other housing providers, employers and stakeholders contributed to GISRA's consideration of other options.

In November 2023, GISRA applied to BC Housing (BCH) for funding under the Community Housing Fund (CHF) program under a revised concept. The application was not successful, and GISRA awaits BC Housing's decision on PDF funding to assist in refining the revised concept and updating design drawings accordingly.

### REVISED CONCEPT

Community consensus indicates that one of the greatest needs that this project could serve would be for staff housing for a wide range of incomes, with a focus on lower-middle incomes as much as is financially feasible. Younger and independent seniors, some of whom may still be



employed, could be included.

GISRA has initiated a process to refine the feasibility and need and demand according to this revised concept. This concept appears to be a good fit within the recently announced BC Housing BC Builds Program (BCB), and GISRA is planning to apply in the spring of 2024.

This revised concept would require revisions to the Islands Trust zoning bylaw and housing agreement to remove the 65+ age and occupancy restrictions; support for these changes has been secured from both staff and Trustees. GISRA's constitution specifies providing housing for seniors, and therefore may need to be revised.

In anticipation of a PDF loan commitment resulting from the CHF application, planning, design and consultation activities are expected to be completed in 2024 with the objective of initiating pre-construction activities in 2025.

## CONCEPT PLAN

The following concept is presented for discussion purposes and as the basis for the upcoming BCH BCB funding application. It is recognized to be preliminary in nature, and expected to be revised during the planning stages to ensure it is financially feasible and meets both GISRA's and the community's needs.

The assumption at this stage is that Kings Lane would be designed as a standard rental building, with a range of 1-2-3 bedroom units to accommodate a range of household sizes. Revision to include some studio units is under consideration. The building would include typical office and other amenity areas.

## Target Market – BCB requirements

The BCB funding model is quite broad as to target market, simply directed towards middle income households. The median household income for Salt Spring Island is \$77,500 according to the 2020 Census. For preliminary planning purposes, the following average incomes are targeted:

BCB Targets	% unit mix	# units	Income @30%
Market	80%	40	\$77,420
Below market	20%	10	\$61,200
<b>Total/average</b>	<b>100%</b>	<b>50</b>	<b>\$74,176</b>

# Need and Demand

Salt Spring is experiencing a serious affordable housing crisis. The 2020 Housing Needs Assessment continued to demonstrate very strong need for more affordable rental housing. Very low vacancy rates in existing stock are increasing rental rates and pushing renters off Salt Spring. Existing stock is unaffordable for most families, impacting lower income households and persons with disabilities especially hard.

Employers, including essential services, consistently report difficulty in recruiting and retaining employees due to the shortage of affordable housing. Over half of Salt Spring's population is over 55, with very high levels of core housing need; few housing options existing especially for lower income seniors. Salt Spring has the highest per capita rate of homelessness in the Province, including many who are working but unable to find housing. All other affordable housing providers report very few, if any, vacancies, and consistent requests for tenancy.

It is GISRA's plan to develop housing for the workforce, with a focus on those working in the health care and seniors care professions. The Kings Lane site is ideal for these healthcare workers, as it is within walking distance of Salt Spring's hospital, doctors' offices, and the long-term, assisted living and memory care facilities. Discussions are underway with these health care employers on how to best target their employees' housing needs.

## Unit Mix – preliminary only

The unit mix is not yet final, rather is being examined and refined based on need and demand in the community and GISRA preference as to household composition/size. Below is a preliminary mix used for preliminary planning and feasibility analysis.

Unit mix	# units	Estimated rent	Description
Studio	0	n/a	n/a
1-bedroom	5	\$1,458	Affordable (20% < mkt)
1-bedroom	20	\$1,823	Market
2-bedroom	5	\$1,602	Affordable (20% < mkt)
2-bedroom	15	\$2,003	Market
3-bedroom	5	\$2,183	Market
<b>Total/Average</b>	<b>50</b>	<b>\$1,854</b>	Weighted average

## Unit sizes – preliminary only

For preliminary planning purposes, BCH unit size guidelines have been utilized. The expectation is that these areas will be increased by 12% for the 3 units planned for wheelchair accessibility.

Average unit sizes	# units	Sq.ft.
Studio (n/a this concept)	0	350
1-bedroom	25	525

2-bedroom	20	725
3-bedroom	53	925
<b>Weighted Average</b>	<b>50</b>	<b>649</b>

## Site & Building Design

For preliminary planning purposes, the assumption is that there will be one 3-storey building, roughly located where the previous supportive housing facility was planned. There will be explorations as to what previous design or engineering work is transferrable, but this is not assumed at this point. No further details on building design have yet been considered, but GISRA is exploring the cost and timing implications of a prefabricated construction option, as well as the risk and cost implications of a 2-phase construction.

## Common Space

BCH guidelines on common and amenity space and circulation are used for preliminary planning and costing. The concept plan produces an overall building efficiency ratio is 82%, with 18% of the building dedicated to indoor amenity, common laundry, program and office spaces.

## PRELIMINARY FEASIBILITY

Preliminary capital and operating proformas have been developed for this concept plan to test financial feasibility and for discussion with the GISRA Board and BC Housing. Estimated rental rates will be used for market comparisons and to test demand in the community. Once refined, they will be used as the basis for an upcoming BCH BCB funding application.

## Preliminary Capital Budget

A preliminary capital budget was produced, based on a consolidation and extrapolation actual per sq.ft. capital cost of two recent BCH CHF buildings on Salt Spring (22+34 = 56 units) and a contractor Class C construction cost estimate for a similar design on this site.

Using the amount of mortgage supportable as per the Preliminary Operating Budget (below), the amount of the capital shortfall was then calculated to establish a rough estimate of the amount of BCB grant that may be required to ensure financial feasibility. A Quantity Surveyor estimate will be produced once the concept design is finalized.

<b>Preliminary Capital Budget</b>	<b>April 2024</b>
Appraisals/Studies	22,500
Acquisition and Servicing	4,350,000
Municipal Fees	284,000
Utility Fees	142,500
Design Consultants	1,297,000
Consultants	515,500

Miscellaneous Soft Cost	671,500
Borrowing Cost	257,600
Construction	15,740,100
Building Start-up/Commissioning	122,000
Contingency	2,100,000
<b>TOTAL COST</b>	<b>25,502,700</b>
less GISRA equity	(3,800,000)
<b>NET CAPITAL BUDGET</b>	<b>21,702,700</b>
less 35-yr. mortgage	(11,500,000)
<b>BCH BCB capital grant</b>	<b>10,202,700</b>
BCH grant per unit	204,000

## Preliminary Operating Budget

A preliminary operating budget was produced, based on GISRA's long experience of operating non-profit housing on Salt Spring Island. This indicates that the project could support a mortgage of up to \$11,500,000 (4.5%, 35-yr, 1.15x DCR).

<b>Preliminary Operating Budget</b>	<b>April 2024</b>
Gross rent potential	1,112,640
Other Revenue (laundry)	24,000
Less Vacancy @ 3.2%	(36,000)
<b>EFFECTIVE GROSS REVENUE</b>	<b>1,100,640</b>
Total operating expense	(315,620)
Replacement Reserve	(39,600)
<b>SUB-TOTAL EXPENSES</b>	<b>(355,220)</b>
<b>NET OPERATING INCOME</b>	<b>745,420</b>
Less Debt Service	(649,542)
<b>NET CASH FLOW</b>	<b>95,878</b>

### ⇒ NEXT STEPS

**GISRA discussion with BC Housing for agreement in principle or suggested revisions to the proposed concept for eligibility under the BCB program.**

For clarity, this proposal is a working concept for testing of feasibility and determination of suitability for application to the BCH BCB program. It is a starting point, not a final plan.

GISRA is open to revisions based on discussions with BCH and refined understanding of need and demand from discussions with stakeholders the community.

Discussions with stakeholders have begun and to-date have been very supportive of this revised concept. These discussions are ongoing and may proceed to a larger community consultation if current stakeholder consensus on need and demand is not sustained.