

# PROPOSED

## DENMAN ISLAND LOCAL TRUST COMMITTEE BYLAW NO. 254

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### A BYLAW TO AUTHORIZE A HOUSING AGREEMENT

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The Denman Island Local Trust Committee, being the Local Trust Committee having jurisdiction in respect of the Denman Island Local Trust Area under the *Islands Trust Act*;

AND WHEREAS Section 483 of the *Local Government Act* and Section 29 of the *Islands Trust Act* permit the Local Trust Committee to enter into a housing agreement;

AND WHEREAS the Denman Island Local Trust Committee wishes to enter into a Housing Agreement;

NOW THEREFORE the Denman Island Local Trust Committee enacts in open meeting assembled as follows:

1. Citation

This bylaw may be cited for all purposes as “Denman Island Housing Agreement Bylaw No. 254, 2025”.

2. Any two Trustees of the Denman Island Local Trust Committee are authorized to execute an agreement in the form attached to this Bylaw with Denman Community Land Trust Association.

READ A FIRST TIME THIS                    20                    DAY OF                    MAY                    , 2025

READ A SECOND TIME THIS                    16                    DAY OF                    DECEMBER                    , 2025

READ A THIRD TIME THIS                    --                    DAY OF                    --                    , 202x

APPROVED BY THE EXECUTIVE COMMITTEE OF THE ISLANDS TRUST THIS

\_\_\_\_\_ DAY OF \_\_\_\_\_ , 202X

ADOPTED THIS                    \_\_\_\_\_ DAY OF \_\_\_\_\_ , 202X

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**Chair**

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**Secretary**

## Housing Agreement

THIS AGREEMENT DATED FOR REFERENCE THE \_\_\_\_ DAY OF \_\_\_\_, 20\_\_ is BETWEEN:

**TRIPLE ROCK LAND COOPERATIVE**, a cooperative incorporated under the laws of the province of British Columbia and having its office at 5201 Denman Rd, Denman Island, B.C., V0R 1T0.

(the "Owner");

AND:

**DENMAN ISLAND LOCAL TRUST COMMITTEE**, a corporation under the *Islands Trust Act*, having an office at 2 Floor, 1627 Fort Street, Victoria, B.C., V8R 1H8

(the "Trust Committee")

WHEREAS:

- A. The Owner is the registered owner of those Lands situated on Denman Island and legally described as PID: 028-101-677, Lot A Section 17 Denman Island Nanaimo District Plan VIP87456 (the "Lands");
- B. The Owner is an association constituted under the Cooperative Association Act, SBC 1999, c. 28 and has as its sole object the creation of a co-operatively owned and managed affordable housing community on Denman Island;
- C. The Owner applied to the Denman Island Local Trust Committee for a rezoning of the Lands by means of Denman Island Land Use Bylaw, \_\_\_\_\_ to permit the development of 19 co-operative housing units with secondary suites, accessory buildings, and a common house on the area of the Lands that is zoned R3 pursuant to the Denman Island Land Use Bylaw (the "R3 Land") and, for certainty, this Agreement does not contemplate or authorize residential development on any other part of the Lands;
- D. The Trust Committee may, pursuant to Section 29 of the Islands Trust Act and Section 483 of the Local Government Act, enter into an agreement with an owner of land that includes terms and conditions regarding the occupancy, tenure and availability to specified classes of persons of dwelling units located on those lands;
- E. Section 219 of the Land Title Act permits the registration of a covenant of a negative or positive nature in favour of the Trust Committee in respect of the use of land or construction on land;
- F. The Owner and the Trust Committee wish to enter into this Agreement to ensure Cooperative Housing Units remain affordable according to the terms and conditions set out in this Agreement to have effect as both a covenant under section 219 of the Land Title Act and a housing agreement under section 483 of the Local Government Act; and
- G. The Trust Committee has, by bylaw, authorized the execution of this Agreement and the Owner

has duly authorized the execution of this Agreement.

THIS AGREEMENT is evidence that in consideration of \$1.00 paid by the Trust Committee to the Owner, the receipt of which is acknowledged by the Owner, and in consideration of the promises exchanged below, the Trust Committee and the Owner agree, as a housing agreement between the Owner and the Trust Committee under section 483 of the Local Government Act, and as a covenant under section 219 of the Land Title Act, as follows:

**a. Definitions – in this Agreement:**

- (1) “Co-operative Housing Unit” means a Primary Housing Unit and may include a Secondary Suite;
- (2) “Co-operative member” means a member of the Triple Rock Land Cooperative or another cooperative approved by the Denman Island Local Trust Committee;
- (3) “Co-operative Rules and policies” means the rules and policies of the Triple Rock Land Cooperative or another cooperative approved by the Denman Island Local Trust Committee;
- (4) “CPI” means the all-items consumer price index for Victoria, British Columbia published by Statistics Canada;
- (5) “Dwelling Unit” means one or more rooms in a building, containing a single set of cooking facilities, and used or intended to be used, as a residence by an individual or a group of individuals living together in common occupancy;
- (6) “Family Member” means a person who lives with and is related to the Co-operative member by blood, adoption, marriage (including a marriage-like relationship). It also includes a chosen family member, an individual with whom the member shares a close, long-standing, family-like relationship, regardless of legal or biological ties;
- (7) “Primary Housing Unit” means a single detached Dwelling Unit occupied as a residence by at least one Co-operative member; and
- (8) “Secondary Suite” means a Dwelling Unit located within the same building as, and having a lesser floor area than, a Primary Housing Unit.

**b. Agreement over the Lands:**

1. Pursuant to section 219 of the *Land Title Act* and Section 483 of the *Local Government Act*, the Owner covenants and agrees that:
  - a. The Lands must at all times be used and occupied in compliance with all statutes, laws, regulations, orders of any authority having jurisdiction, and this Agreement; and
  - b. If a building is demolished or is otherwise replaced, this Agreement shall continue to apply to the Lands and the construction on the Lands shall be subject to the requirements of this Agreement.
2. The Owner covenants and agrees with the Trust Committee that, in perpetuity:

- a. the R3 Land must not be used, and no building or structure may be constructed on the Lands, other than for 19 Co-operative Housing Units, a common house, and non-residential accessory buildings and structures as defined in this Agreement and the Denman Island Land Use Bylaw, and any home-based business permitted by the Denman Island Land Use Bylaw;
  - b. the Lands must not be used and no building or structure may be constructed on the Lands except in accordance with any Siting and Use Permit issued by the Denman Islands Local Trust Committee; and
  - c. the Lands shall not be subdivided by subdivision plan, strata plan or otherwise howsoever.
- c. Dissolution of the Co-operative** - If on the winding up or dissolution of the Owner, any property remains after the satisfaction of all its debts and liabilities and the costs, expenses and charges of the winding up, that property must not be paid to or distributed among the Co-operative members; and must be given or transferred to an institution:
  - a. that has as its object the co-operative ownership and management of affordable housing on Denman Island; and
  - b. that has been chosen by the Co-operative members and approved by the Trust Committee at or before the time of dissolution.
- d. Occupancy of Primary Housing Units**
  1. No Primary Housing Unit shall be occupied by any person who is not a Co-operative member, a family member of such a member, the guest of such a member, a tenant or roommate of a Co-operative member approved by the Owner pursuant to the Co-operative Rules and policies, a caregiver of the Co-operative member, or a person whose membership in the Owner is under consideration by the Owner pursuant to the Co-operative Rules and policies.
  2. Every Primary Housing Unit shall have a Co-operative member as its primary occupant, except when a Co-operative member is on a temporary leave-of-absence as permitted by the Co-operative Rules and policies.
  3. Co-operative members shall have the Primary Housing Unit as their principal residence.
  4. Primary Housing Units may not be used for any form of vacation rental, including short-term vacation rentals.
- e. Pricing of Co-operative membership shares and Housing Units**
  1. The purchase price of a membership share in the Owner may not exceed the acquisition price of the share, plus the lesser of: any increase in the annual average CPI from the year in which the share was acquired to the year in which it is transferred, and 2% annually.
  2. The purchase price of a Co-operative Housing Unit upon any sale of the Co-operative Housing Unit in connection with a transfer of shares in the Owner may not exceed the depreciated replacement cost of the Co-operative Housing Unit, as determined by a member of the Appraisal Institute of Canada who is at arm's length from each Co-operative

member and furthermore may be limited to a maximum value (a cap) as determined by policies set by the Owner.

**f. Occupancy and Affordability of Secondary Suites**

1. Occupancy of Secondary Suites is limited to caregivers and family members of the Co-operative member who is the main occupant of the Primary Housing Unit to which the Suite is attached, Co-operative members, people applying for Co-operative membership, and people volunteering for or otherwise actively involved with and committed to the Co-operative. Occupants of Secondary Suites must be approved by the Owner.
2. The amount of rent charged for Secondary Suites must be at least 20% less than the average comparable market rent charged for a similar unit or rental arrangement on Denman Island, or, in the absence of Denman Island data, in the Comox Valley in which case any comparables should be adjusted to reflect the likely discount or increase for Denman as compared to the Comox Valley.
3. Secondary Suites may not be used for any form of vacation rental, including short-term vacation rentals.

**g. Monitoring and Reporting to the Local Trust Committee** - The Owner must deliver to the Trust Committee within six weeks of the transfer of any shares in the Owner and the closing of any sale of a Co-operative Housing Unit a completed statutory declaration, substantially in the form attached as Schedule A, sworn by a director of the Owner and the Co-operative member transferring shares and attaching a copy of the share transfer agreement, the agreement of purchase and sale for the Co-operative Housing Unit, and the certification of a member of the Appraisal Institute of Canada who is at arm's length from each Co-operative member, as to the depreciated replacement cost of the Co-operative Housing Unit, assessed no more than 15 months prior to the date of the purchase and sale of the Co-operative Housing Unit.

**h. Order to Comply** - If the Owner is in default of the performance or observation of this Agreement, the Trust Committee may give the Owner a notice of default requiring the Owner to comply with the Agreement within the time stated in the notice. The Owner agrees that any breach or default in the performance of this Agreement on its part must be corrected, to the satisfaction of the Trust Committee, within the time stated in any Notice of Default provided to the Owner by the Trust Committee.

**i. Management** – The Owner covenants and agrees to furnish good and efficient management of the Lands and shared infrastructure on the Lands. If and when the Trust Committee has reasonable grounds to believe that a continuing breach of this Agreement exists, the Trust Committee may authorize its representatives to inspect the Lands at any reasonable time with reasonable notice to the Owner, subject to the notice provisions of the *Residential Tenancy Act*.

**j. No Transfer** - The Owner must not transfer the Lands, other than to an association constituted under the *Cooperative Association Act* or other non-profit association incorporated under the *Societies Act*, having as its object the co-operative ownership and management of affordable housing on Denman Island.

**k. Cooperative Standing** – The Owner must maintain its standing as a co-operative under the

*Cooperative Act* or as a society under the *Societies Act*, as applicable, to ensure the ongoing occupancy and affordability objectives set out in this Agreement, and must not amend its memorandum of association, co-operative rules of association, constitution, or bylaws, as applicable, in any manner that would prevent, or adversely affect, the ability of the Owner to perform its obligations under this Agreement.

- l. Specific Performance of Agreement** - The Owner agrees that the Trust Committee is entitled to obtain an order for specific performance of this Agreement and a prohibitory or mandatory injunction in respect of any breach by the Owner of this Agreement, in view of the public interest in restricting the occupancy of the Co-operative Housing Units. The Owner further acknowledges that a breach of this Agreement may constitute a breach of the Denman Island Land Use Bylaw, as amended from time to time.
- m. Assignment** - The Owner acknowledges that the Trust Committee may delegate or assign the administration and management of this Agreement to a third party, and in that event, any reference in this Agreement to the Trust Committee shall be interpreted as a reference to that party provided that the Trust Committee has so advised the Owner.
- n. Indemnity** - The Owner shall indemnify and save harmless the Trust Committee and each of its elected officials, officers, directors, employees, and agents from and against all claims, demands, actions, loss, damage, costs, and liabilities for which any of them may be liable by reason of any act or omission of the Owner or its officers, directors, employees, agents or contractors or any other person for whom the Owner is at law responsible, including breaches of this Agreement.

This clause will survive the termination of this Agreement.

- o. Release** - The Owner releases and forever discharges the Trust Committee and each of its elected officials, officers, directors, employees, and agents and each of their heirs, executors, administrators, personal representatives, successors and assigns from all claims, demands, damages, actions, or causes of action arising out of the performance by the Owner of its obligations under this Agreement, or the enforcement of this Agreement.

This clause will survive the termination of this Agreement.

- p. Trust Committee Powers Unaffected** - This Agreement does not limit the discretion, rights, duties or powers of the Trust Committee under any enactment or the common law, impose on the Trust Committee any duty or obligation, affect or limit any enactment relating to the use or subdivision of the Lands, or relieve the Owner from complying with any enactment.
- q. No Public Law Duty** - Wherever in this Agreement an act, determination, consent, approval or agreement of the Trust Committee is provided for, such act, determination, consent, approval or agreement may be done or made in accordance with the terms of this Agreement and no public law duty, whether arising from the principles of procedural fairness or the rules of natural justice shall have any application.
- r. No Waiver** - No condoning, excusing or overlooking by the Trust Committee of any default under this Agreement, nor any consent, approval, or agreement whether written or otherwise shall be taken to operate as a waiver by the Trust Committee of any subsequent default or of

the necessity for further consent, approval or agreement in respect of a subsequent matter requiring it under this Agreement, or in any way to defeat or affect the rights or remedies of the Trust Committee.

- s. **Notice on Title** - The Owner acknowledges and agrees that this Agreement constitutes both a covenant under Section 219 of the *Land Title Act* and a housing agreement under Section 483 of the *Local Government Act* and agrees that the Owner will register a notice of this Agreement against title to the Lands.
- t. **Covenant Runs with the Land** - Every obligation and covenant of the Owner in this Agreement constitutes both a contractual obligation and a covenant granted by the Owner to the Trust Committee in accordance with section 219 of the Land Title Act in respect of the Lands and this Agreement burdens the Lands and runs with it and binds the Owner's successors in title and binds every parcel into which it is consolidated or subdivided by any means, including, by subdivision or by strata plan.
- u. **Limitation on Owner's Obligations** - The Owner is only liable for breaches of this Agreement that occur while the Owner is the registered owner of the Lands.
- v. **Amendment** - This Agreement may not be modified or amended except by bylaw of the Trust Committee, upon an agreement in writing between the Trust Committee and the Owner.
- w. **Notices** - Any notice required to be given pursuant to this Agreement shall be in writing and shall be given to the Owner or the Trust Committee, as the case may be, at the address first above written, or to any other address of which either the Owner or the Trust Committee may advise the others in writing in accordance with this paragraph. Notice to the Trust Committee must be addressed to the Secretary of the Islands Trust. If given in person or by facsimile transmission, such notice will be deemed to be received when delivered and, if mailed, such notice will be deemed to be received only when actually received by the party to whom it is addressed.
- x. **Enurement** - This Agreement is binding upon and enures to the benefit of the parties and their respective successors and permitted assigns.
- y. **Remedies Cumulative** - The remedies of the Trust Committee specified in this Agreement are cumulative and are in addition to any remedies of the Trust Committee at law or in equity. No remedy shall be deemed to be exclusive, and the Trust Committee may from time to time have recourse to one or more or all of the available remedies specified herein or at law or in equity.
- z. **Severability** - Each covenant and agreement contained in this Agreement is, and shall be construed to be, a separate and independent covenant or agreement and the breach of any such covenant or agreement by the Owner shall not discharge or relieve the Owner from its obligations to perform. If any term or provision of this Agreement, or its application to any person or circumstance shall to any extent be found to be invalid and unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected, and each term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by law.

- aa. Joint and Several** - In the case of more than one Owner, the grants, covenants, conditions, provisions, agreements, rights, powers, privileges and liabilities of the Owner shall be construed and held to be several as well as joint.
- bb. Included Words** - Wherever the singular or the masculine is used in this Agreement, it shall be deemed to include the plural or the feminine, or the body politic or corporate, where the context or the parties so require.
- cc. Governing Law** - This Agreement shall be governed by and construed in accordance with the laws of the province of British Columbia.
- dd. Joint Venture** – Nothing in this Agreement shall constitute the Owner as an agent, joint venture or partner of the Trust Committee or give the Owner any authority or power to bind the Trust Committee in any way.
- ee. Time of Essence** -Time is of the essence in this Agreement.
- ff. Further Assurances** - The parties shall execute and do all such further deeds, acts, things and assurances as they reasonably require to carry out the intent of this Agreement.
- gg. Priority** - The Owner agrees to do everything necessary at the Owner's expense to ensure that this Agreement is registered against title to the Lands with priority over all financial charges, liens and encumbrances registered or pending at the time of application for registration of this Agreement.
- hh. 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.

As evidence of their agreement to be bound by the above terms, the parties 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"**

DENMAN ISLAND LOCAL TRUST COMMITTEE

FORM OF STATUTORY DECLARATION

CANADA	)	IN THE MATTER OF A HOUSING
	)	AGREEMENT with the Denman Island
PROVINCE OF BRITISH COLUMBIA	)	Local Trust Committee ("Housing
	)	Agreement")

I, \_\_\_\_\_, of \_\_\_\_\_, British Columbia, do solemnly declare:

1. That I am a member of the Triple Rock Land Co-operative or its successor in title to land legally described as PID: 028-101-677, Lot A Section 17 Denman Island Nanaimo District Plan VIP87456 (the "Lands"), and make this declaration to the best of my personal knowledge.
2. The terms in this declaration have the same meaning as those defined in the Housing Agreement registered against the Lands.
3. This declaration is made pursuant to the Housing Agreement in respect of the Co-operative Housing Unit with the address \_\_\_\_\_
4. On the \_\_\_\_\_ day of, 20\_\_\_\_ I entered into an agreement to transfer one or more shares in the owner of the Land's Co-operative Housing Unit, a true copy of which is attached to this declaration, to \_\_\_\_\_ for a total purchase price of \$\_\_\_\_\_ and no other consideration whatsoever.
5. Pursuant to an agreement of purchase and sale that will close on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ of which a true copy is attached to this declaration, I intend to transfer all of my right and title in the Co-operative Housing Unit to \_\_\_\_\_ for a total purchase price of \$\_\_\_\_\_ and no other consideration whatsoever.
6. I make this solemn declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and pursuant to the *Canada Evidence Act*.

SWORN BEFORE ME at _____, in	)
the Province of British Columbia, this _____	)
day of _____ 20_____.	)
	)
	)
	)
_____	) Signature of person making declaration
A Commissioner for Taking Affidavits for	)
British Columbia	)

I, \_\_\_\_\_, of \_\_\_\_\_, British Columbia do solemnly declare:

1. That I am a director of Triple Rock Land Co-operative or its successor in title to land legally described as the South West ¼ of Section 17, Denman Island, Nanaimo District, except that Part in Plan 14174 and Plan VIP77481, and make this declaration to the best of my personal knowledge.
2. That Paragraphs 5 and 6 of the Statutory Declaration of \_\_\_\_\_ set out above correctly disclose the amount of consideration in respect of the share transfer and ownership transfers described in those paragraphs.
3. I make this solemn declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and pursuant to the *Canada Evidence Act*.

SWORN BEFORE ME at \_\_\_\_\_, in \_\_\_\_\_ )  
The Province of British Columbia, this \_\_\_\_\_ )  
Day of \_\_\_\_\_, 20\_\_\_\_. )

\_\_\_\_\_  
A Commissioner for Taking Affidavits for  
British Columbia

)  
)  
)  
) \_\_\_\_\_  
) Signature of person making declaration

Attached:

- Share transfer agreement
- Agreement of purchase and sale for the Co-operative Housing Unit
- A certification of a member of the Appraisal Institute of Canada who is at arm's length from each Co-operative member as to the depreciated replacement cost of the Co-operative Housing Unit, assessed no more than one year prior to the date of the purchase and sale of the Unit