

To the Mayne Island Local Trust Committee and Islands Trust Staff

Overview

In the 10 months since the MIHS application for re-zoning to the Islands Trust was initiated, a tremendous amount of work has been done. The Mayne Island Housing Society (MIHS) has responded to all ten requests for expert study and reports. With little guidance or precedent, the process has been incremental, ad hoc and expensive.

The Mayne Island Housing Society is committed to pursuing this project, and ensuring that it is financially viable to build and to operate. We are capable and conscientious people acting in good faith. MIHS has met every requirement put forward by the staff and LTC.

When the project was initially presented, the local trust committee appeared to be supportive and all three trustees voiced positive opinions. Over the ensuing months, the MIHS has faced an increasingly disapproving response at LTC meetings that has slowed the process. We might ask why, then, this project has received such a disproportionate level of scrutiny and escalating requirements? Perhaps, those few committed opponents have been organized, vocal and unusually effective. However, they do not represent the majority of Mayne Islanders.

There is widespread community support for affordable housing on Mayne Island. MIHS has received letters of support from almost every community organization on the island and over 300 letters and positive social media responses from residents. Even the opponents of this project purport to be in favour of affordable housing. However, the tenor of discussion and, particularly, most of the letters received to date by the Islands Trust, have reflected only the concerns of a very small number of opponents.

This rezoning application is for a small increase in density and is anticipated in the official community plan. All reasonable concerns from neighbours have been addressed.

MIHS activities and the proposed project on Village Bay Road are completely consistent with Islands Trust policy. The following are excerpts (our highlights in bold) from ISLANDS TRUST POLICY STATEMENT DRAFT 1.0 - April 27, 2021:

Rural Island Planning: Islands within the Trust Area are rural and contrast markedly with surrounding urban areas, as do their respective resident communities. Traditional land use planning approaches are often ill-suited or insufficient in addressing the limited carrying capacities of Trust Area ecosystems or the higher standards of environmental integrity mandated by the Islands Trust Object. In the face of the climate emergency and **housing crisis throughout the Province**, business as usual is no longer viable. The climate and biodiversity crises are compromising the sustainability and resilience of communities and the ecosystems they depend on in unprecedented ways. It is also **increasingly difficult for people from differing age groups and income levels to find safe, secure, and affordable housing in the region**. In order to respond to these crises and safeguard the sustainability and resilience of Trust Area communities, **Trust Council**

needs to advance integrated approaches that address the vulnerabilities of rural island communities while also safeguarding the environmental integrity and cultural heritage that make the Trust Area so special.

6.2.6 Local trust committees and island municipalities shall, in their official community plans and regulatory bylaws, identify appropriate floor area and lot coverage limits for new residential development in their planning area, in order to effectively minimize greenhouse gas emissions, cumulative effects, biodiversity loss, climate vulnerability, and destruction of Indigenous cultural heritage. (new)

Coordination Policies for Trust Council

6.2.7 Trust Council shall coordinate and advocate to other government agencies, non-governmental organizations, and property owners, to **foster safe, secure, and affordable housing** in the Trust Area, in alignment within the Islands Trust Object, and respectful of protected area networks, Indigenous cultural heritage, and the carrying capacity of groundwater regions. (new)

Previous attempts to find land for affordable housing

MIHS has worked for several years and worked on the possible development of nine different parcels of land on Mayne Island. In most cases, there were objections from immediate neighbors. It is unlikely on a small island or in any neighbourhood for a development to have unanimity for the provision of affordable housing. We now have the donation of an ideally located parcel of land. This opportunity should not be lost.

MHS has worked with multiple levels of government. The local MLA Adam Olson has worked extremely hard to find both available land and funding to purchase land suitable for an affordable housing project on Mayne Island. Over two years, our MLA spoke with Min of Transportation and Infrastructure who moved the project to staff at MoTI, who were then engaged to option the unused Campbell Bay roadway. We created a project for that land, which received considerable opposition from all three direct neighbours, including the MI Community Centre.

Mr. Olsen also advocated with Min of Housing and Municipal affairs, who introduced us to Malcolm McNaughton, BC Housing Director of Regional Development, Vancouver Island. MIHS has had a number of meetings with Mr. McNaughton and his staff.

He met on our behalf with the Bishop of the Anglican Diocese, to discuss the Diocese owned land beside the St. Mary Magdalene Church while in his last months in the position. This would have been the third series of meetings by or on behalf of MIHS regarding the property which is already zoned for increased housing density on Mayne Island. (The MIHS has been advised that the Diocese currently has a 4 year moratorium on building development on Diocese owned land.)

Adam Olsen has supported MIHS projects at public meetings on Mayne. He has been trying to find land for MIHS, or the money to buy land. So when we say there is no land and there is no public money to buy land — this is from experience beyond our efforts on Mayne Island with nine landowners.

MIHS has received four Grants-in-Aid from David Howe, CRD Director for the Southern Gulf Islands. David Howe has been advocating for more rental units on the Southern Gulf Islands with CRD executive. Through the SGI – Community Economic Sustainability Commission, David Howe, and the MIHS president, a current commissioner and past chair of the CESC, and commissioners from other islands have put housing in the strategic plan for the CESC. The MIHS has David Howe's support to apply for a Capital Works Fund grant — and MIHS needs title to the land to proceed.

MIHS has worked closely with John Reilly, manager with CRD housing. Options considered included access to CRD funding for the housing project, the CRD bringing a project to Mayne Island, or the CRD purchasing land for a joint project. As well, MIHS worked with the CRD on a possible acquisition of unused School District 64 land. This possibility was rejected by the SD board. We continue to be in discussions about housing with the CRD.

Elizabeth May is a strong supporter of MIHS, and spoke at the community meeting we held in September 2020. Our MP advocated on behalf of the MIHS and the Mayne Island community with CMHC for grant funding.

When the Society is making applications for funding to carry out our predevelopment projects, as well as for the larger capital grants, grant funders want to know if the project has the support of local decision making bodies. MIHS needs the support of the Local Trust to move the project forward.

MIHS continues to work with all levels of government; the local trust; the CRD; BC Housing; the CMHC; Canadian Federation of Municipalities; in addition to other housing societies across the Gulf Islands.

Work with other societies

In the course of researching the best possible method to provide relief to the many renters on Mayne Island who have insecure housing, MIHS board members visited many of the Gulf Islands and other housing developments, both affordable and specialized market, such a co-housing, and privately owned low cost seniors housing. We have continued relationships with the Gulf Islands housing societies exchanging information and providing supports. Denman Island provided MIHS with information and support to assist us in applying for charitable status. And MIHS has done the same for Gabriola and Galiano housing societies.

MIHS has applied for a \$150k joint project through the federally funded Sector Transformation Fund with a housing society from Galiano, GIGAHRs, to leverage the two projects and create economies of scale and benefits to each project, and to other islands as well. MIHS is the lead

agency in this initiative which will provide capacity building, project management, accounting software, engineering and architectural design. We each are combining this project with separate \$50k application to Canadian Federation of Municipalities for feasibility studies to design to net zero ready which will inform the building design of each project.

This inter-island collaboration will be a model and a precedent for how the Gulf Islands can work together to meet our housing needs. The initiative will provide useful skills and information for the other Gulf Island housing societies and affordable housing projects.

Reasonable concerns expressed to LTC and MIHS that have been addressed

Of course there are concerns about any project. These are reasonable questions and the MIHS dedicated extensive time and resources in answering these questions even before the application was submitted. The concerns include surface water run-off, potable water availability, wastewater treatment, noise and traffic, and the impact of the project on the environment. All of these concerns have been substantially addressed by highly qualified experts and detailed responses are in our submissions to the LTC. The Islands Trust Freshwater Expert, William Shulba, even went so far as to suggest the well is so prolific the Society could offer to donate water for community use in times of a water emergency.

Another concern that has been raised is the possible effect on adjacent agricultural land. It must be pointed out that the property to the west is not agricultural land, although most recently there has been some agriculture activity on it. It is not zoned agricultural, it is zoned rural, and has been substantially unchanged since it was almost completely logged more than a decade ago by previous owners. The setback issues that were raised in letters to the Trust Council confused setbacks appropriate to agricultural land reserve land with those for rural properties.

There have been other questions and concerns, while outside the scope of the LTC, that have also been addressed completely:

Is the project viable? Can the project be built? Likelihood of success?

It is not practical or reasonable for the Local Trust Committee to judge today whether or not an operation would be viable in the next 3, 5 or 60 years. There are other organizations, in particular funding agencies like BC Housing that are well equipped to make those kinds of judgments and decisions. Once accepted into the RFP process, BCH will work with the applicant to achieve a successful outcome.

At this point the duty of the Local Trust is to determine:

- whether or not this project and the forest restoration is a community amenity
- whether the creation of a protected cedar wetland is an additional amenity
- whether the provision of those amenities is a desirable course to take
- and to proceed with the rezoning and subdivision of the land.

Will the rent be truly affordable?

This is an affordable housing project within the model of the BC Housing Community Housing Fund. Tenancy, selection criteria and rent charges are guided by BC Housing policies and practices.

Concerns have been raised that the units will not be truly affordable. However, this will definitely be affordable housing. Seven of the units will be available at shelter or rent-geared-to-income (RGI) rates. The RGI designation means that maximum rent will be 30% of gross household income. That income must be below the Housing Income Limit (HIL) set by BC Housing, currently at \$44,500 for a one bedroom unit. In the case of deep subsidy, rent is a fixed rate, currently \$375 a month for a one bedroom unit. This is indeed affordable housing.

To make a project like this sustainable in the long term, some low-end-of-market housing is mixed in with the subsidized housing. In this case three units will be available at low-end-of-market rents. The rental income from those units is balanced with the lower rents for the other units and the package as a whole is intended to balance out. The goal is to create a viable continuing operation.

BC Housing's model will provide capital funding to build the development, a low interest take out mortgage for 35 years, and an operating subsidy. After the mortgage is paid out, the Society will be able to subsidize the lower rents on its own.

Does the island need affordable rental housing?

The need is clear and long standing.

Study after study has detailed the lack of affordable rental housing on the Gulf Islands and on Mayne Island in particular. This pressure is only going to increase. As older properties and cottages are purchased and re-developed, the stock of older and affordable dwellings will continue to decline.

Will the renters really need affordable housing? How will they be selected?

The application process involves:

- 1) getting on the waiting list by filling out an application and submitting documents (i.e. confirmation of income, references) to the BC Housing Registry for affordable rental units. The same process applies for low market rental unit applications, however the applicant will apply directly to the Housing Society,
- 2) applicant qualification
- 3) MIHS selection from the BC Housing Registry or from the prequalified low market rental list. Placement is offered in an available unit which meets the household needs.

Is there a means test for the BCH housing registry for the affordable housing units? Is eligibility based solely on declared income?

Yes, there is a means test. Household assets must be less than \$100k with some exemptions for work tools etc.

Are there other ways to provide affordable rental housing?

There are numerous ways to provide affordable housing. Many of them have been tried over the years, and so far have had little effect. MIHS is completely in favour of options such as secondary suites, tiny homes and renovation of existing stock. However, these patchwork efforts are very slow in coming, and not enough to meet the requirements. Additionally, they may not fill the need for affordable housing, as the costs to develop such options are high, and these alternatives are not guaranteed to be available over time. Mayne Island needs dedicated, purpose-built, affordable housing for all renters, particularly seniors who are looking to remain on this island as they age.

Isn't this development too expensive?

It's true that building today is expensive, and particularly expensive in the last months due to a spike of building activity and a shortage of building supplies. That cost jump may or may not continue into the future, but it's impossible for any of us to know.

In order to qualify for external funding and meet the goals of the Islands Trust, the construction must be highly efficient, and built to current and possibly advanced building codes. It is to be built in a site sensitive, low-rise style with multiple modules across the landscape. It would be simpler and less expensive to build a single monolithic structure with 10 apartments, as might be typical and suitable in a larger city; however, on Mayne Island, low-rise construction with smaller buildings will make for a better development, more suitable to the rural character of the island and more pleasant for the tenants.

Why ten units and not some other size of project? Can't it be smaller or done in stages?

This is a very small project in the world of external funding, both provincially and federally. It is the size of housing project contemplated under the OCP. Economies of scale are needed for utilities, especially water and waste, and for on-going management. Staging the development will cost more in the end, and doesn't fit with available funding models. Ten units will meet only a portion of the housing need on this island; other efforts will be required as well.

What happens if the project fails to get funding?

There are numerous constraints and conditions attached to all of the available funding. BC Housing and CMHC in particular, have well-developed processes to ensure that any project that they fund will be properly managed throughout building completion and operation. Funding agencies were created specifically to support community housing projects for municipalities and local housing societies, and while delays do happen, qualified projects are generally funded.

In the unlikely event that funding is delayed or not available, the covenants on the new lots, Lot 2 and Lot 3, will ensure that there will be no destruction or logging of a sensitive wetland area, and that nothing other than affordable housing can be built on Lot 3. Any development on Lot 2 will be restricted to one of two small potential building sites.

What is the financial risk to the Local Trust Committee and island residents?

Life is not free of risk, but this project will not be a burden on the community. There will be more fundraisers. But the vast majority of the funding for this project will come from those agencies and levels of government which are committed to providing affordable housing. It is only with demonstrated community and local government support that applications for funding will be successful.

Other (unreasonable) concerns

Friends and family members may benefit from construction contracts

Conflict of interest guidelines included in all external funding agreements strictly prohibit such dealings. The MIHS has robust conflict of interest policies and procedures and adheres to modern governance principles to eliminate such conflict.

The residents will not be good neighbours. The development will be a blight on the community

This is much-needed housing for residents of Mayne Island. The development will be a valuable asset that community members will be proud of.

This is not a good location

This is a great location. The location is situated within walking distance of the ferry, the Miner's Bay village and not too far from the Community Centre and school. It is hard to imagine a better place on the island relative to services and transportation.

The particular challenge on Mayne Island

BC Housing was created to support towns and municipalities in the province with the cost of affordable housing. There is an assumption of community ownership of a location to place the development. Municipalities also have the authority to arrogate private land; unincorporated rural areas do not have this authority. Incorporated towns and municipalities own land or have access to “crown land.” Most rural areas can also claim crown land.

By definition, the islands in the Islands Trust Area cannot own land; even parks are managed by regional districts. Mayne Island is the most privatized island in the IT area and the one with the smallest percentage of parks. The only crown land on Mayne Island is now called Mount Parke. It was acquired and rezoned in 1985.

For any community project, Mayne Island must obtain land by amenity donation or purchase. Mount Parke has been extended once by donation and once by amenity donation for the Felix Jack Road subdivision. Miners Bay Park was bought from the Bennett family and we are all familiar with the acquisition of St John Point, purchased through community donations and CRD funding. Campbell Point Park was bought by Parks Canada.

Major donor agencies including BCH and CMHC assume community land ownership with the appropriate zoning. To require proof of capital funding before land ownership and rezoning creates a Catch 22 dilemma that that will seriously reduce the likelihood of a successful development.

This unprecedented requirement would be specific to Mayne Island but would be viewed as a precedent for multiple affordable housing projects in the Islands Trust Area.

The need for affordable rental housing on Mayne Island is dire. The community needs it and the Mayne Island Local Trust Committee should help to move this application forward and facilitate the project completion in every way.