



Mayne Island Housing Society  
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June 24, 2022

To: Chair Dan Rogers, Trustees Jeanine Dodds and David Maude  
Cc: Planner Narissa Chadwick

Dear Trustees Rogers, Dodds and Maude,

The Mayne Island Housing Society (MIHS) is writing with a few updates about our proposed affordable housing project on Mayne Island (the Project). As you know, the Project has been championed by local resident Dr. Sean McHugh, who has agreed to donate a portion of his land (Lot 3) to facilitate the construction of affordable housing, and through this process has proposed the creation of a lot that he would retain (Lot 2).

Following a productive May meeting of the Local Trust Committee (LTC), we have successfully resolved the mechanism and timing issues related to the execution of the Housing Agreement and the Section 219 Covenant for the Project. We can confirm that Dr. McHugh's representatives are comfortable with acting as signatory to both agreements. As such, the housing agreement is in a final draft form and ready for Islands Trust legal review. We expect to proceed to legal review once we have resolved the outstanding matters with the Section 219 Covenant.

With respect to the Section 219 Covenant, both Dr. McHugh's representatives and the LTC have provided some clear parameters. MIHS now seeks a suitable path forward for all involved.

As noted in our letter of May 6, 2022, Dr. McHugh's representatives seek a reasonable time limit on the Lot 2 Building Restriction to provide them with certainty about the value of Lot 2. This is a vital interest given their circumstances and their obligation to manage Dr. McHugh's assets and affairs in his best interests. Dr. McHugh's representatives propose that the Lot 2 Building Restriction should expire after 5 years so that the benefit and value of Lot 2 is not in limbo for an undefined period.

At the May LTC meeting, you considered this request and indicated that you want assurance of a community amenity on Lot 3, before Lot 2 can be developed. It was further stated that you do not consider the provision of land for affordable rental housing to be a community amenity.

Two paths forward were discussed:

1. The Lot 2 Building Restriction must remain as is (without expiry); **OR**
2. The Lot 2 Building Restriction can expire after 5 years, provided there is provision of a community amenity on Lot 3 (the "Lot 3 Mirror Clause")
  - a. Our understanding from the May LTC Meeting is that 5 years after subdivision the Lot 2 Building Restriction would expire AND if construction of the Project is not completed and an occupancy permit is not obtained, Lot 3 could be converted to a different community amenity (such as a conservation area or park).

MIHS has followed-up with Planner Chadwick and Dr. McHugh's representatives to discuss these options. It is our understanding that any uncertainty about the title to Lot 3 will reduce our chances of successful funding. We have reached out to BC Housing and are awaiting a meeting to discuss.

Dr. McHugh's representatives have confirmed that they will not proceed with the Lot 2 Building Restriction as is (without expiry). We have also confirmed that Dr. McHugh's representatives cannot switch to a two-parcel approach (whereby Dr. McHugh retains 7-acres and MIHS obtains the 3-acre parcel for the Project), because this would turn the arrangement into a pure gift of land, which is beyond the representatives' legal capacity.

As such, MIHS is considering options for a Lot 3 Mirror Clause which do not jeopardize the viability of the Project. At this time, we do not have specific language to put forward, but we are investigating several options that we hope could meet both the LTC/Islands Trust's needs and Dr. McHugh and his representatives' needs. We hope to provide a letter in the coming weeks that outline these proposals and will seek feedback from the LTC and planning staff on which option may be most appropriate.

Because of the progress made since the last LTC meeting, and because of MIHS' efforts to resolve the outstanding issue of sunset clauses on both Lot 2 and Lot 3, we hope that the LTC has enough information to provide the bylaws with first reading at the June 27<sup>th</sup> meeting. MIHS is confident that the outstanding issues can be resolved to the satisfaction of all parties in the coming weeks.

MIHS' priority is to keep moving this Project forward. There is a housing crisis in our community. The sooner we can proceed through rezoning and requirements of subdivision, the more likely we can get this Project fully funded. Further, we note that with the upcoming summer break, and Fall election, time is of the essence. We expect that BC Housing will be putting out a call for proposals in early 2023 and we want this Project to be as advanced as possible to maximize our competitiveness in that and other funding calls.

Thank you for your consideration.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Deborah Goldman', with a long horizontal flourish extending to the right.

Deborah Goldman, Pres.

Submitted on behalf Mayne Island Housing Society