SALT SPRING ISLAND LOCAL TRUST COMMITTEE

BYLAW NO. 447

A BYLAW TO AUTHORIZE A HOUSING AGREEMENT

WHEREAS the Salt Spring Island Local Trust Committee is the Local Trust Committee having jurisdiction on and in respect of the Salt Spring Island Local Trust Area, pursuant to the Islands Trust Act;

AND WHEREAS Section 905 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 Salt Spring Island Local Trust Committee wishes to enter into a Housing Agreement;

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

- 1. This Bylaw may be cited for all purposes as "Salt Spring Island Housing Agreement Bylaw No. 447, 2010".
- 2. Any one of the Trustees of the Salt Spring Island Local Trust Committee is authorized to execute an agreement in the form attached to this Bylaw with Salt Spring Island Land Bank Society and Capital Regional District.
- 3. If any provision of this Bylaw is for any reason held to be invalid by a decision of any Court of competent jurisdiction, the invalid provision must be severed from the Bylaw and the decision that such provision is invalid must not affect the validity of the remaining provisions of the Bylaw.

READ A FIRST TIME this	2 nd	day of	September	, 2010	
READ A SECOND TIME this	2 nd	day of	September	, 2010	
READ A THIRD TIME this	2 nd	day of	September	, 2010	
APPROVED BY THE EXECUTIVE COMMITTEE OF THE ISLANDS TRUST this 22 nd day of September , 2010					
ADOPTED this	22 nd	day of	September	, 2010	

SECRETARY

CHAIRPERSON

CERTIFICATE

Certified a true and correct copy of Bylaw No. 447

DIA

Deputy Secretary, Islands, Trust

September 30, 2010

SALT SPRING ISLAND LOCAL TRUST COMMITTEE

Housing Agreement

THIS AGREEMENT DATED FOR REFERENCE THE 22 DAY OF SET 2010 is AMONG:

SALT SPRING ISLAND LAND BANK SOCIETY

(Incorporation #S-0048461)
Box 12, Fulford Harbour
Salt Spring Island, BC V8K 2P2]
(the "Owner")

AND

SALT SPRING ISLAND LOCAL TRUST COMMITTEE

2nd Floor, 1627 Fort Street Victoria, B.C. V8R 1H8 (the "Trust Committee")

AND

CAPITAL REGIONAL DISTRICT

625 Fisgard Street Victoria, B.C. V8W 2S6 ("CRD")

WHEREAS:

- A. The Owner is the registered Owner of those Lands situated at 584 Rainbow Road on Salt Spring Island and legally described as Lot A Section 2, Range 1 East, North Salt Spring Island, Cowichan District, Plan 49990 (the "Lands");
- B. The Lands have been rezoned by the Salt Spring Island Local Trust Committee by means of Salt Spring Island Land Use Bylaw, 1999, Amendment No. 1, 2009 (Bylaw No. 441) to permit the development of ten (10) Affordable Dwelling Units on the Lands;
- C. The Owner has obtained funding from the B.C. Housing Management Commission ("BCHMC"), Canada Mortgage and Housing Corporation ("CMHC") and the Capital Regional District's Regional Housing Trust Fund ("RHTF") to assist in the development of the Affordable Dwelling Units, and it is a condition of funding that the use and occupancy of the units be restricted in the manner required by the terms of operating agreements between the Owner and BCHMC, the Owner and CMHC, and the Owner and RHTF (the "Operating Agreements") and the terms of a s.219 covenant (the "PRHC Covenant") granted by the Owner to the Provincial Rental Housing Corporation ("PRHC");

- D. The Trust Committee and CRD have agreed that CRD will administer this Agreement on the Trust Committee's behalf;
- E. The Trust Committee may, pursuant to Section 29 of the *Islands Trust Act* and Section 905 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 the lands of the owner;
- F. The Owner and the Trust Committee wish to enter into this Agreement to provide for Affordable Dwelling Units on the terms and conditions set out in this Agreement, and the Owner has granted to the Trust Committee a covenant under s. 219 of the Land Title Act dealing with the use of the Lands; 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 \$2.00 paid by each of the parties to the other parties, the receipt and sufficiency of which are acknowledged by all parties, and in consideration of the promises exchanged below, the parties agree, as a housing agreement under s. 905 of the *Local Government Act*, as follows:

INTERPRETATION

1. In this Agreement "Affordable Dwelling Units" means ten (10) rent-controlled dwelling units on the Lands, the purpose of which dwelling units is to provide acceptable accommodation to qualified residents, the rent and the tenure of which dwelling units are restricted in accordance with sections 6 through 18 of this Agreement. "Acceptable accommodation", as used in this paragraph, means accommodation that is affordable, suitable and adequate according to family income, size and composition.

USE OF LAND FOR AFFORDABLE DWELLING UNITS

- 2. The Owner covenants and agrees with the Trust Committee that the Owner will use the Lands in accordance with the PRHC Covenant and the BCHMC, CMHC and RHTF Operating Agreements.
- 3. The Owner shall not demolish any Affordable Dwelling Unit on the Lands unless:
 - a. the Owner has obtained the written opinion of a professional engineer or architect who is at arm's length from the Owner that it is no longer reasonable or practical to maintain and repair the Affordable Dwelling Unit, and the Owner has delivered to the Trust Committee a copy of the engineer's or architect's report;
 - b. the Affordable Dwelling Unit is damaged or destroyed, to the extent of 40% or more of its value above its foundations, as determined by the Trust Committee in its sole discretion on the basis of advice from a building official of the Capital Regional District, or
 - c. a demolition order has been issued by the Capital Regional District.
- 4. In the event of such demolition the Owner must make reasonable efforts to replace the demolished Affordable Dwelling Unit, including obtaining funding and obtaining any required approval of the Trust Committee, the Capital Regional District and any other authority having jurisdiction, and upon reconstruction, the Owner must use and occupy any replacement Affordable Dwelling Unit only in compliance with this Agreement, and all conditions shall apply to the replacement unit to the same extent and manner as to the original unit.
- 5. The Owner covenants and agrees that it will maintain the Affordable Dwelling Units in a satisfactory state of repair, fit for habitation, commensurate with the condition in which a prudent owner would keep a similar property, and at a minimum to the standard prescribed by the Residential Tenancy Act.

OCCUPANCY OF AFFORDABLE DWELLING UNITS

- 6. In the event of any inconsistency between the terms of this Agreement and the terms of the PRHC Covenant or the BCHMC Operating Agreement, the latter agreements shall prevail, and for that purpose an inconsistency exists if the Owner cannot at the same time comply with this Agreement and the PRHC Covenant or the Operating Agreement.
- 7. The Affordable Dwelling Units shall be occupied only in accordance with the CMHC Operating Agreement, the PRHC Covenant and the BCHMC Operating Agreement from time to time, and the Owner agrees to provide to the Trust Committee a copy of any agreement of any kind whatsoever, including any funding or contribution agreement and any mortgage or other loan agreement, that contains terms, conditions or stipulations as to the use or occupancy of any unit.
- 8. In the event that there is no agreement in place between the Owner and PRHC or BCHMC restricting the tenure of the Affordable Dwelling Units to rental tenure, it is a condition of this Agreement that the occupancy of the Affordable Dwelling Units be restricted to rental tenure. For certainty, "rental tenure" does not include any time share ownership plan or time share use plan as those terms are defined in the Real Estate Development Marketing Act, or any corporate or fractional ownership scheme.
- 9. In the event that there is no agreement in place between the Owner and PRHC or BCHMC restricting the rental rates that apply to the Affordable Dwelling Units, it is a condition of this Agreement that the rental rates be limited to the lowest of:
 - the rates as set out in Schedule A, adjusted annually on the basis of the All Items
 Consumer Price Index for Victoria;
 - b. 30% of the Core Needs Income Threshold for Victoria, published from time to time by CMHC, or as otherwise stipulated by CMHC; and
 - 30% of the median household income for Salt Spring Island published by Statistics Canada,

so long as the option chosen provides revenues that are sufficient to cover reasonable operating costs and servicing of debt, and in that regard the Owner may charge rental rates that exceed the maximum permitted by this paragraph only if it provides information satisfactory to the Trust Committee demonstrating that such rental rates are required. The Owner must not require any occupant of an Affordable Dwelling Unit to pay any extra charges or fees for use of any common area, or for sanitary sewer, storm sewer, or property taxes. For clarity, this limitation does not apply to water utilities, cablevision, telephone or other telecommunications, or gas or electricity utility fees or charges.

- 10. In the event that there is no agreement in place between the Owner and PRHC or BCHMC restricting the occupancy of the Affordable Dwelling Units to low income persons, it is a condition of this Agreement that the occupancy of the Affordable Dwelling Units be restricted to persons deemed by the Trust Committee to be eligible to occupy the units on the basis of having limited incomes. For that purpose having a limited income means having an income less than the lower of the incomes referred to in paragraphs 9(b) and (c).
- 11. The parties agree that the Qualification Criteria attached as Schedule B shall be used to assess eligibility for occupancy.
- 12. The Owner must deliver to the Trust Committee once each year, a completed statutory declaration, substantially in the form attached as Schedule C, sworn by the Owner. Additionally, the Trust Committee may request this statutory declaration up to four times in any calendar year, and the Owner must complete and supply the completed statutory declaration within 14 calendar days of receiving a request from the Trust Committee. The Owner irrevocably authorizes the Trust Committee to make reasonable inquiries it considers necessary in order to confirm compliance with this Agreement.
- 13. The Owner covenants and agrees to furnish good and efficient management of the Affordable Dwelling Units and will permit representatives of the Trust Committee to inspect the units at any reasonable time, on 48 hours' notice to the Owner and otherwise subject to the notice provisions in the Residential Tenancy Act.

14. If for reasons of hardship, the Owner cannot comply with the requirements of this Agreement in relation to any Affordable Dwelling Unit, the Owner may request a temporary waiver or alteration of the terms in this Agreement in respect of that unit. This request must be delivered to the Trust Committee in writing, explain the nature and circumstances of the hardship involved, the reasons why the Owner cannot comply, and the hardship that compliance would cause. The Owner agrees that the Trust Committee is under no obligation to grant any relief, and may proceed with all remedies available under this Agreement, and at law and in equity, despite the Owner's request or the hardship involved, and the relief, if any, is to be determined by the Trust Committee, acting reasonably in its sole discretion.

RENTAL OF AFFORDABLE DWELLING UNITS

- 15. The Owner agrees that the Affordable Dwelling Units shall be occupied only pursuant to tenancy agreements complying with the *Residential Tenancy Act*, and that every such tenancy agreement must state that subletting and assignment are prohibited without the Owner's written consent, which will only be permitted for persons who are qualified under the terms of this Agreement to occupy the units, and must entitle the Owner to terminate the tenancy agreement in the event of any breach of that prohibition.
- 16. The Owner must include in every tenancy agreement in respect of an Affordable Dwelling Unit a clause disclosing the existence of this Housing Agreement.
- 17. The Owner must make available to the Trust Committee for inspection at the Owner's premises upon five days' notice a true copy of any tenancy agreement in respect of any Affordable Dwelling Unit.
- 18. In the event that the Owner has not, by its own best efforts, rented any Affordable Dwelling Unit to persons who are qualified under the terms of this Agreement to occupy the units, the Owner must identify to the Trust Committee which Affordable Dwelling Units are, or are becoming, vacant and must make best efforts to rent the units to qualified applicants that meet the Qualification Criteria in Schedule B from any waitlist maintained by the Trust Committee. The Trust Committee agrees that the Owner is under no obligation to select any applicant from the waitlist maintained by the Trust Committee that the Owner deems in its sole discretion to be not suitable for residency on the Lands.

DEFAULT AND REMEDIES

- 19. 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, which except as otherwise provided in this Agreement shall be 30 days.
- 20. 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 for any breach of this Agreement, in view of the public interest in restricting the use and occupancy of the Affordable Dwelling Units.
- 21. The Owner agrees that in addition to any other remedies available under this Agreement or at law or in equity, if a Affordable Dwelling Unit is used or occupied in breach of this Agreement, or rented by the Owner for an amount in excess of the rent permitted under this Agreement, the Owner will pay to the Trust Committee as liquidated damages \$300 for each day on which the breach continues, provided that the Trust Committee has given the Owner 30 days' written notice of the breach. The foregoing amount shall be increased on January 1 of each year by the CPI-based percentage increase referred to in section 9. The amount shall be due and payable immediately upon receipt by the Owner of an account from the Trust Committee and shall bear interest at the rate applicable to taxes in arrear under the Taxation (Rural Area) Act.
- 22. The Owner further acknowledges that a breach of this Agreement may constitute a breach of the Trust Committee's zoning bylaw.
- 23. The parties will endeavour to resolve any disputes with regard to default by negotiations; however, if a dispute is not resolved by negotiation within 10 days of commencing negotiations, the Trust

- Committee and the Owner will forthwith submit the dispute to a mediator who is acceptable to both parties and whose expenses will be shared equally by them. If they cannot agree on a mediator, a mediator will be appointed by the British Columbia International Arbitration Centre.
- 24. If mediation pursuant to paragraph 23 does not result in a resolution of the dispute within 10 days of the commencement of mediation, the parties will forthwith submit the dispute to arbitration by a single arbitrator who is acceptable to both parties and whose expenses will be shared equally by them. If they cannot agree on an arbitrator, an arbitrator will be appointed by the British Columbia International Arbitration Centre. The determination of the arbitrator will be conclusive and binding on the parties. The Commercial Arbitration Act of British Columbia or successor legislation will apply to the arbitration.

GENERAL PROVISIONS

- 25. **Notice of Housing Agreement**. The Owner acknowledges and agrees that this Agreement constitutes a housing agreement under s.905 of the *Local Government Act* and that the Trust Committee will register a notice of housing agreement against title to the Lands.
- 26. **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. The Owner further acknowledges that as of the effective date of this Agreement the Trust Committee has assigned the administration and management of this Agreement to CRD. The Owner may not assign this Agreement without the consent in writing of the Trust Committee, which the Trust Committee agrees shall not be unreasonably withheld, and acknowledges that such consent may require a bylaw of the Trust Committee and a public hearing.
- 27. Administration of Agreement. CRD agrees to administer and manage this Agreement on behalf of the Trust Committee. In the event that either CRD or the Trust Committee wish to terminate that arrangement, the party wishing to terminate shall give not less than four months' written notice to the other party and to the Owner, specifying the effective date of termination, and after such date of termination CRD shall have not powers, duties or obligations under this Agreement.
- 28. Indemnity. In the event of the Owner's breach of this Agreement, the Owner must indemnify and save harmless the Trust Committee and CRDand each of its elected officials, officers, directors, employees and agents from and against all resulting 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.
- 29. Release. The Owner releases and forever discharges the Trust Committee and CRD 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.
- Survival. The obligations of the Owner set out in sections 28 and 29 shall survive any termination of this Agreement.
- 31. 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 Land, or relieve the Owner from complying with any enactment.
- 32. **No Public Law Duty.** Where the Trust Committee is required or permitted by this Agreement to form an opinion, exercise a discretion, express satisfaction, make a determination or give its consent, the Trust Committee is under no public law duty of fairness or natural justice in that regard and the Owner agrees that the Trust Committee may do any of those things in the same manner as if it were a

private party and not a public body.

33. **Notice.** Any notice required or contemplated by any provision of this Agreement shall be given in writing enclosed in a sealed envelope addressed, in the case of a notice to the Owner, to:

Box 12, Fulford Harbour Salt Spring Island, BC V8K 2P2

and in the case of a notice to the Trust Committee, to:
1-500 Lower Ganges Road,
Salt Spring Island, BC V8K 2N8

and in the case of a notice to CRD, to: 625 Fisgard Street Victoria, BC V8W 2S6

and mailed, registered and postage prepaid. The time of giving of such notice shall be conclusively deemed to be the third business day after the date of such mailing. Such notice may also be given by delivery or electronic means and shall be conclusively deemed to have been given and received at the time of such delivery. PROVIDED that either party may, by notice to the other, from time to time, designate another address in Canada for such notices.

- 34. **Enuring Effect.** This Agreement is binding upon, and enures to the benefit of parties and their respective successors and permitted assigns.
- 35. **Severability.** If any provision of this Agreement is found to be invalid or unenforceable it shall be severed from this Agreement and the remainder shall remain in full force and effect.
- 36. Remedies and Waiver. All remedies of the Trust Committee under this Agreement are cumulative, and may be exercised in any order or concurrently, any number of times. Waiver of or delay by the Trust Committee in exercising any remedy shall not prevent the later exercise of any remedy for the same or any similar breach.
- 37. **Further Assurance.** The Owner must forthwith do all acts and execute such instruments as may be reasonably necessary in the opinion of the Trust Committee to give effect to this Agreement.
- 38. **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.
- 39. **No Joint Venture.** Nothing in this Agreement will constitute the Trust Committee or CRD as the joint venturer, agent or partner of the Owner or give the Owner any authority to bind the Trust Committee or CRD in any way.
- 40. **Deed and Contract**. By executing and delivering this Agreement the Owner intends to create both a contract and a deed executed and delivered under seal.
- 41. Time of Essence. Time shall be of the essence of this Agreement.
- 42. **Interpretation of Words.** Wherever the singular or the masculine is used in this Agreement, the same shall be deemed to include the plural or the feminine or the body politic or corporation, where the context or the Parties so require.
- 43. Foreclosure. This Agreement shall not be binding on Canada Mortgage and Housing Corporation or any mortgagee of the Lands that is an "approved lender" holding a mortgage insured pursuant to the National Housing Act R.S.C. 1985 c. N-11. If, during foreclosure by such an approved lender, the court approves a sale of the Lands to Canada Mortgage and Housing Corporation or an arm's length bona fide purchaser, then the Trust Committee will abandon this Agreement and cancel the notice of agreement in the records of the Land Title Office.
- 44. This Agreement may be executed in counterparts with the same effect as if all parties had signed the same document. Each counterpart shall be deemed to be an original and all counterparts shall be construed together and shall constitute one and the same Agreement.

Signed at Ganges, British Columbia this 10 day of 2010
SALT SPRING ISLAND LAND BANK SOCIETY
Padricia Harris
SALT SPRING ISLAND LOCAL TRUST COMMITTEE
CAPITAL REGIONAL DISTRICT
ON THE REGIONAL DIOTHIOT

Signed at Ganges, British Columbia this 22 day of 501.
SALT SPRING ISLAND LAND BANK SOCIETY
SALT SPRING ISLAND LOCAL TRUST COMMITTEE
Chiethe Immson
Christine Torgrimson
CAPITAL REGIONAL DISTRICT
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Signed at Ganges, British Columbia this 20 day of Aveos, 2010
SALT SPRING ISLAND LAND BANK SOCIETY
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SALT SPRING ISLAND LOCAL TRUST COMMITTEE
CAPITAL REGIONAL DISTRICT
KKTPA

SCHEDULE A INITIAL RENTAL RATES *

Unit Type	Maximum Monthly Rental (2010)	
single room	\$465	
bachelor unit	\$775	
1 bedroom	\$775	
2 bedroom	\$968	
3 bedroom	\$1,322	

^{*}as prescribed by the funding agreement entered into with Canada Mortgage and Housing Corporation, Conversion RRAP program requirements.

SCHEDULE B QUALIFICATION CRITERIA

1. Residency and/or employment / livelihood

Applicants must be a lawful resident of Canada and meet one of the following residency / employment categories:

- a. Salt Spring current resident for minimum of one year, or
- b. Commuter to Salt Spring for three-quarter to full-time employment for a minimum two years, or
- c. Salt Spring Essential Service worker

2. Incoming income limits

The incoming income limits will be the lesser of:

- a. the CMHC established CNIT (core need income threshold) or alternative as per Paragraph 9; and
- b. in the event that there is no agreement in place between the Owner and PRHC or BCHMC, the median household income for Salt Spring Island published by Statistics Canada.

3. Assets

Assets of applicant are not to exceed \$100,000, excluding RRSPs and tools of the trade. A reasonable return on assets will be included in income qualification calculations.

4. Restrictions on ownership of real estate

No real estate assets may be owned.

The Owner may consider exceptions on a case-by-case basis in situations where current housing is inadequate for health and safety reasons, or for the family size, composition, and/or income make current living conditions unsuitable. In such cases, applicants must enter into an agreement to sell within a specified time period as a condition of tenancy, and proceeds from such sale should not cause the family to exceed the income or asset limits.

5. Demonstrated Need

Owner's tenant selection process will clearly demonstrate need based on affordability (income limits), with weighted criteria to include such features as disability, inadequacy or safety of current housing situation and urgency.

6. Residency

Owner's selection process will clearly demonstrate priority for applicants meeting the residency and/or employment/livelihood criteria. Should best efforts result in no suitable applications for an available unit, the following categories of residency may then be applied:

- a. Family member of a Salt Spring current resident; or
- b. A community member who was formerly a permanent resident on Salt Spring.

7. Ongoing Eligibility for Residency

Owner's residency policy will provide for the ability to end a tenancy, within any limits imposed by the Residential Tenancy Act in the event a tenant's financial circumstances improve significantly so as they no longer meet the income or asset qualification criteria, and are not expected to meet the criteria in the foreseeable future. In such circumstances, tenants will be encouraged to find alternate housing. Any determination to end tenancy will be at the discretion of the Owner.

SCHEDULE C SALT SPRING ISLAND LOCAL TRUST COMMITTEE FORM OF STATUTORY DECLARATION

PROV	ADA /INCE OF BRITISH COLUMBIA)))	IN THE MATTER OF A HOUSING AGREEMENT with the Salt Spring Island Local Trust Committee ("Housing Agreement")
l,	, of		_, British Columbia, do solemnly declare:
1.	which is the registered owner of Lot A	Section 2	alt Spring Island Land Bank Society (the "Society") , Range 1 East, North Salt Spring Island, d make this declaration to the best of my personal
2.	This declaration is made pursuant to the		
3.	housing units on the Land and the month	thly rental by the Tr	0_ the Society created a current list of all the s being charged in respect of each of the housing rust Committee at the Society's offices in Agreement.
4.		usehold ir	fist meet the eligibility requirements of the Housing noomes and qualification criteria, or have been
5.	There is no agreement between the Soc Provincial Rental Housing Corporation, Housing Trust Fund concerning the use those agreements of which copies have additional agreements of which copies a	ciety and the Canada Note of occupate previous! Interesting the Cartest of the Ca	
6.	I make this solemn declaration, conscient same force and effect as if made under		elieving it to be true and knowing that it is of the pursuant to the <i>Canada Evidence Act</i> .
SWORI Province	N BEFORE ME at, in the e of British Columbia, this day of, 20	_) } }
Commo	nissioner for Taking Affidavits for British a	_	Signature of person making declaration)