

**NOTES OF THE GALIANO ISLAND
LOCAL TRUST COMMITTEE COMMUNITY INFORMATION MEETING
HELD ON SATURDAY NOVEMBER 16, 2013, AT 1:00 P.M.
AT THE GALIANO SOUTH COMMUNITY HALL
141 STURDIES BAY ROAD, GALIANO ISLAND**

<u>PRESENT:</u>	Ken Hancock	Chair
	Louise Decario	Local Trustee
	Sandy Pottle	Local Trustee
	Robert Kojima	Regional Planning Manager
	Kris Nichols	Island Planner
	Lori Foster	Planning Secretary

There were approximately (40) forty members of the public present.

See the Galiano Island Local Trust Committee Special Meeting Minutes of November 16, 2013.

4. COMMUNITY INFORMATION MEETING

Galiano Land & Community Housing Trust - Affordable Housing Application

4.1 Proposed Overview

Island Planner Nichols stated that the purpose of this community information meeting was for the public to ask questions about the proposed application. He reported the following facts concerning the application: first readings have been given to proposed Bylaws 233 (OCP) and 234(LUB); a covenant has been drafted as part of an ALC requirement; a draft housing agreement created; and (8) eight staff reports have been produced over a span of (2) two years since the application was first made in 2011.

For the application to move forward, Planner Nichols commented on the next steps including the following: further readings of the bylaws; finalizing the housing agreement; and further consultation with the community. He encouraged the public to ask questions of himself and the applicants.

4.1.1 Capital Regional District (CRD)

Director David Howe, the Southern Gulf Islands CRD Board member, spoke on the following: the set-up of an economic development commission; the Regional Housing Trust Fund (RHTF) and the CRD finance committee. Director Howe suggested that the RHTF consider the GLCHT project, which makes sense; however, questions need to be answered regarding feasibility.

Acting General Manager (A/GM), Maurice Rachwalski, Planning and Protective Services, gave an overview of (2) two CRD functions: a) the development aspect of the CRD which coordinates with Islands Trust to issue permits, conduct building inspections, and other technical aspects and b) the function of the Regional Housing Trust Fund (RHTF) Commission which considers applications for funding for up to \$15,000 per unit that meet a number of criteria. A/GM Rachwalski stated that the feasibility of the project needs addressing.

A member of the public addressed A/GM Rachwalski asking how the \$15,000 per unit is spent.

A/GM Rachwalski answered that funds are dispersed based on ownership. With GLCHT, it appears the proposed ownership of the land is offered as a form of leasehold to the tenant but this structure needs clarity.

Director Howe concurred that the ownership structure of the project needs clarity for funding purposes.

4.2 Project Proposal - Galiano Land & Community Housing Trust

Robert Barrs, consultant with Rob Barrs & Associates and retained by GLCHT, presented an overview of the project. Mr. Barrs used a PowerPoint presentation to review the report circulated by GLCHT, "Galiano Green, Affordable Home Ownership – Feasibility Plan Draft Nov 13, 2013", the materials posted on the walls of the community centre, and highlighted the following points: GLCHT is a non-profit society whose sole purpose is to provide affordable housing on Galiano Island; the site is centrally located to amenities; need for affordable housing; 99-year lease; small home footprint; shared utilities; most of the site to remain natural; draft house plans; rain water collection/well usage and septic/wetland treatment plans; and relaxing parking requirements.

Robert Brown, consultant with Chesterman Properties, reviewed the financial component of the project, grant funding, and the bottom line to owners. Mr. Brown spoke on the following items: site development hard/soft costs and revenues; housing costs for one, two and three bedroom homes; mortgage potential and financing through Van City and chattle mortgages insured by Canada Mortgage and Housing Corporation (CMHC). He mentioned that heating costs were not included in the cost projections as the type of home heating could be determined on an individual basis.

A member of the public spoke out saying wood burning heating would create belching smoke.

Mr. Brown concluded his presentation further addressing the operations plan of the project stating that GLCHT would remain the landowner, the homeowner would pay house tax, a connection fee would be levied for septic connection, and that common areas would have an operating budget.

4.3 Q & A

Chair Hancock opened the meeting to the public for a question and answer period.

Geoff Gaylor asked how long do lease payments occur.

Mr. Brown said lease payments are to be determined on house size and that grants received would lower lease costs.

Dick Chase asked about mortgages and minimum income required.

Mr. Brown responded that eligibility would be determined under affordable housing criteria, and that potential owners would need to be prudent about the type of mortgage entered into and interest rates over a 5-year term.

Jean Krebs stated that water treatment is an expensive proposition.

Avis Seads asked about the proposed community water system, that it does not take into account the draw from the Rod and Gun Club or other neighbouring wells. She asked about the water catchment needed to service a home and about using the existing well.

Chair Hancock commented that the Kohut report did not appraise some neighbouring wells.

Rob Barrs spoke about the hydro flow-rate report which is low, to minimize draw on surrounding well owners. Storage of personal water would use a 5000-gallon tank.

Tom Hennessy responded saying the Burgess report indicated that 30-gallons per day, per person is calculated.

Kathy Stevenson asked what the impact on the financial model would look like if targets were not met and lots are not fully leased from the beginning. How many homes are currently approved and what happens if building is not finished.

Robert Brown spoke about carrying costs and when lots are leased, these commitments would meet financial needs.

Acting General Manager Rachwalski (CRD) asked about financing and land tenure. How would a loan and deal be structured for all parties, tenants, financing, and GLCHT?

Robert Brown replied that the land is owned by GLCHT and the 99-year lease which he likened to renting a pad in a mobile home park.

A/GM Rachwalski wanted to know who takes on the risk with the bank.

Mr. Brown stated that infrastructure would be mortgaged with GLCHT and covered with the lease payments. The homeowner would obtain a loan secured through a leasehold/chattel.

Mr. Hennessy commented that to keep the home affordable, the bank would not take it back in default. The society would buy back the building and put it back on the market.

Mr. Brown said the trust would have the right of first refusal.

A/GM Rachwalski asked how the society would take back a home and where that money comes from.

Mr. Hennessy replied that people in the community have guaranteed land and will put up assets.

A/GM Rachwalski said that this personal guarantee is not shown in the study.

Mr. Brown spoke, that to be prudent; the trust would have reserves and excess monies coming in.

Chair Hancock asked, how would risk be managed?

Anita Braha introduced herself as a lawyer and stated she was being transparent because of her potential conflict of interest as a Director with Van City and a member on the Galiano Loan Fund. She spoke in favor of the project and GLCHT. She said it is possible to structure and manage the risk the project is presenting through agreements. She encouraged the community to ask questions and complimented the work that the society is doing.

Ron Taylor asked if CMHC has approved construction loans, and inquired about costs for rainwater catchment, as roof size does not seem adequate.

Mr. Brown said CMHC has not at this time but they do approve mobile home loans similar to this type of proposition.

Mr. Barrs responded that the roof area does need to be bigger and that temporary awnings would meet the requirement.

Avis Seeds spoke saying Kathy's question about applicants had not been answered.

Chair Hancock reiterated Kathy Stevenson's question asking who has signed on.

Tom Hennessy responded saying no one has signed on; however, there were twenty people with interest, that seven people were in flux and twelve people were committed.

Dave Ages commented that he appreciated Anita's words and the island is supportive and wants to see the project's success. He asked about the rainwater figures saying a 10,000-gallon tank was frugal with these kinds of numbers. He questioned the heating of the homes suggesting shared propane. Mr. Ages also asked about ownership and if community members as contributors could work to create a credit with the society.

Mr. Brown replied saying the ownership is the home. Other assets would be common property and that unique lease agreements could be created.

Judy Parrack spoke in favor of the model; the land is held by the society and leased in a shareholder type agreement.

Stewart Brands commented that he didn't see this as affordable housing and asked what the difference was between this, and buying a house.

Mr. Barrs said the land cost is kept lower through leasehold rather than freehold land.

Virginia Monk asked about organizational structure and governance decisions.

Mr. Hennessy said there would be a Homeowners Council; two members would liaise with GLCHT.

Trustee Pottle asked about sewage costs and the EcoFlo system.

Mr. Hennessy responded stating that the fixed EcoFlo system was not sized, that it is set up to accommodate two people and the full system will accommodate forty people with its large tank system.

Chair Hancock invited Ian Ralston to speak about the septic system.

Ian Ralston, septic designer for the project, spoke on the following points: a traditional septic system versus the EcoFlo system; the number of units the project will be accommodating and the economy of scale. The site location is conducive to wetland disposal and other benefits of the system. Mr. Ralston mentioned the maintenance aspect of the system and the cost would be less to do so although there would be connection fee of \$4000- \$5000.

Trustee Decario asked Mr. Ralston if he had built large volume systems and would you build the whole system at once or as needed.

Mr. Ralston replied that the wetlands are built all at once and the rest is phased. Maintenance could include replacing sand and gravel when needed.

Doris Recinos commented that young people are forgotten with regards to home ownership. She spoke in favor of the project saying she felt it was a low-risk and represented good quality.

Note - Chair Hancock called for a ten-minute break.

Island Planner Nichols addressed the meeting and spoke about the process moving forward for the GLCHT application which would include the following: the LTC to review the final feasibility study; the bylaw process including further readings, and adoption; a public hearing; the draft housing agreement to be finalized and adopted by bylaw; another community information meeting; and the Official Community Plan amendment requiring provincial approval. He stated that there was no set time frame for this process.

Trustee Decario questioned why a 99-year lease.

Mr. Brown responded that the lease needs to be defined by a time frame.

Mr. Hennessey noted that applicants would need to qualify for low-income housing.

Andrew Loveridge, GLCHT board member, commented that the project is located in the center of town and fits with the community density.

Chair Hancock noted there were no further comments from the public.

By consensus, the meeting was adjourned at 3:40 pm.

See the Galiano Island Local Trust Committee Special Meeting Minutes of November 16, 2013.

RECORDER

DATE