

DCLTA Board Meeting

Thursday, January 13th, 2022

Introductions of all in attendance: Doug Olstead, Stephanie Slater, Sue Hammell, Debbie Frketch, Paul Beauchemin, Brad Hornick, Daryl McLoughlin, Chris Wardman, Nancy Hoyano, Pam Willis (guest) and Walter Hoogland (4 - 5 pm), Development Consultant.

Discussion with Walter Hoogland re: questions about BC Housing funding.

Background info for context.

At a virtual meeting on Feb. 11, 2021 Doug, and Sue met with Malcolm McNaughton, Kirsten Baillie, and Anna Brayko, BCH. A second meeting followed with Malcolm and Anna Brayko on March 17th, 2021 with the full board.

Malcolm indicated he could fund our project with money he had available (“slippage”) because our project was relatively small and didn’t fit the CHF model. Malcolm McNaughton is now leaving his current position as Director, Regional Development - Vancouver Island and is being replaced by John McKeown.

Recent emails from Walter indicated that BC Housing (BCH) “considers our projects isolation, building costs and Island demographics and see our only option for funding at this time is through the anticipated Community Housing Fund (CHF) “Request for Proposals””. Walter advised BCH that he would be preparing for the RFP and as such, asked that the submitted Pre Development Funds (PDF) be prioritized so a complete and comprehensive proposal can be submitted. He also suggested to BCH that another housing project is being planned and they would also be submitting a proposal for CHF funding which may be an opportunity for viability for both groups to meet and discuss a community based housing initiative.

BCH replied that at this time they are unable to advance PDF dollars to projects that did not receive a CHF allocation during the last round of CHF and that we should reconnect in the spring and revisit this topic.

BCH also said that “Ana completed a review of the drawings that were provided with our application for PDF. She commented that given the early design stage the project is in, she was only able to provide feedback on unit layout.”

A few notes from the lengthy discussion -

- Walter continues to have discussions with BCH most recently with Malcolm, John and Anna. He has regular contact with them.
- There is currently no commitment to DCLTA for funding.
- John McKeown indicated that he would like to meet with us. Pursue this, it is promising.
- DCLTA needs to maintain our own relationship with BCH in addition to Walter.
- Be patient, be positive, keep moving ahead with what we can do - work toward subdivision.
- What about initiating talks with Denman Green? Don’t worry about that unless we have to.
- Look at who else we need to be in touch with - Minister of Housing and AG, David Eby; MLA Josie Osborne.
- A “community based initiative” with DHA was suggested by BCH as a way to make our project more regionally competitive in the eyes of BCH—perhaps a staged arrangement would be possible with us building first—but would waiting for DHA to be ready hold us up

- Walter has been asked to provide a cost estimate for all the consultants work needed to get to subdivision plus the cost of re-applying to BCH and starting to work through the CHF process.

Actions:

1. **Sue** to reach out to people she knows in the AG's office to see what she can learn, as endorsed by the board.
2. **Sue** to contact Malcolm McNaughton to learn what changed with regard to the funding of Pepper Lane and see what he suggests for us going forward.
3. **Nancy** to request a meeting with John McKeown to introduce our project and board.
4. **Doug/Stephanie** to set up a meeting with MLA Josie Osborne to update re our project and ask for her support.
5. **Paul and Walter** (and anyone else who wishes) will meet with Patrick Ryan, civil engineer, Herold Engineering; Steve Caballeira, H2O Environmental; and Chris Ilife, building designer January 14th at 10 am. To continue on with work required for subdivision (plans for the waste water, storm water, etc.). We will wait on property purchase until we have a better idea about funding.

Regular Board meeting

1. Agenda approved.
2. Motion to approve the minutes of the DCLTA Board meeting of December 2, 2021. Moved by Sue Hammell, passed.
3. Financial report
 - Motion to accept the financial statement for December 2021. Moved by Daryl McLoughlin, passed.
4. Board business
 - Property tax assessment - Ridge property/Chickadee Road
 - Doug explained that DCLTA received a letter from BC Assessment office, dated Dec.2.2021, indicating that the Chickadee Road (the Ridge) property would no longer be tax exempt. The senior tax appraiser indicated that following a policy review this past year, our region is being harmonized with other regions in the province resulting in no further tax exemption, this applies to all affordable housing.
 - The relevant portion (Taxation (Rural Area) Act, Sec 15(1)(q).) that affects the property says that "land and improvements have to be owned or occupied, and used exclusively by a nonprofit organization for **activities that are of demonstrable benefit to all members fo the community where the land is located**".
 - Doug is initiating an appeal as this is our only recourse. He will try and make the case that a needs assessment showed a strong need for affordable housing for the Denman community.
 - Another avenue is related to the valuation. The tax assessment notice values the land and improvements at \$436,000 (\$292,000 Land; \$144,000 Improvements). Because there is a 219 covenant related to the affordable housing status restricting the rent to 30% of the tenants income, the rent received pays for insurance and an emergency fund for repairs. If we have to now pay taxes, it will put DCLTA in a deficit each year.

The tax assessor proposed a reduction of the valuation to \$351,000 based on the fact there is a covenant.

- If this land was still part of the mother property which is zoned agricultural, it would add \$69,000 to the taxable value of the mother property.
 - Doug has reviewed some of the related case law which argues that exemptions off load taxes on to the rest of the population. But here, taxes are being off-loaded onto affordable housing. He has also been in contact with Daniel Arbour, our CVRD rep and David Critchley, our Local Island trustee. He has written to Josie Osborne, MLA, and David Eby. Attorney General and minister of Housing.
 - **Actions:** **Doug** to continue with the appeal. **Nancy** to contact some of the other gulf island affordable housing organizations to see what their response is to this change of tax exemption status. **Pam** to contact the Comox Valley Affordable Housing society. **Paul** to contact the BC Non-profit society.
- Motion to appoint Pam Willis to the board. Moved by Sue Hammell, passed. The board welcomed Pam enthusiastically.
5. Next meeting date and location
Thursday February 3, 2021 at 4 pm. Via Zoom.