



MEMORANDUM

To: District of Tofino Mayor and Council
From: Ian Scott, Interim Executive Director
Date: July 5th, 2019
Re: Tofino Housing Corporation – Spring 2019 Report

Since we last provided an update report in March, 2019 the Tofino Housing Corporation (THC) has continued to move towards the development of new affordable housing units in Tofino. We have achieved a number of important milestones and have also launched a process to determine what, if anything, the THC should be doing in the area of Seasonal Staff Accommodation. We can report on the following activities:

DL 114 – Tofino Bible Fellowship and Tofino Housing Corporation Partnership

Recently the THC recommended to Council that the partnership with the Tofino Bible Fellowship (TBF) be dissolved at this time. Council accepted the recommendation and the THC will now be pursuing the planned development of approximately 70 units of affordable housing in Phase 1 of DL 114 without the TBF.

Dissolving the partnership was a difficult decision for all parties. We shared a commitment and vision for the development of housing on DL 144 that will provide much needed affordable rental housing for both low and moderate income individuals and families. We worked together and with professional consultants to develop building and engineering plans. We were also successful, in partnership with the District of Tofino, in obtaining grants from the Rural Dividend Fund and CMHC, and a large loan from BC Housing.

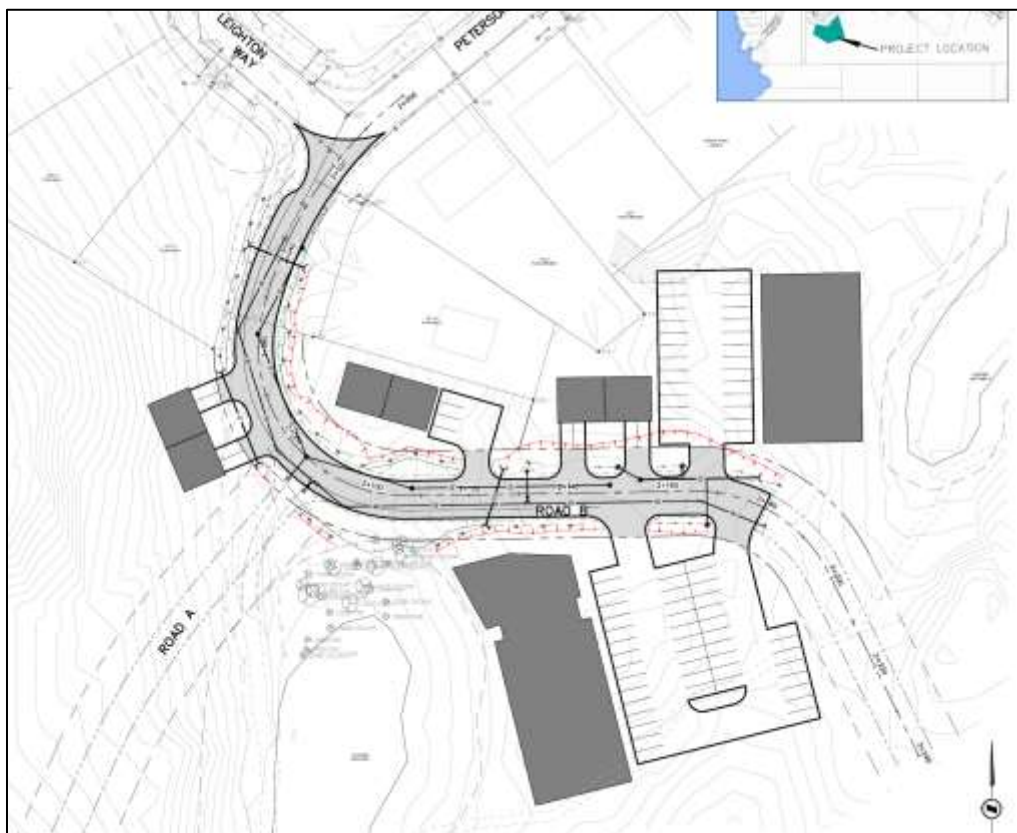
However, the topography and environmental features of DL 114 mean the building of public roads and servicing that was estimated to cost \$1.5 million for Phase 1. This cost would need to be integrated into the project costs of both the TBF and the THC. Developing affordable rental housing on DL 114 requires significant financial contribution from BC Housing and / or CMHC and the THC leadership was concerned that the combination of project costs, number of units and number of parties would become an impediment to developing Phase 1 in the most efficient and timely way.

The TBF remains committed to using its resources and energies to finding a location where it can achieve its vision of developing low-income housing and support services. The THC has agreed to reimburse the TBF for the financial contributions it made to the Phase 1 DL 114 project and is committed to working with TBF to look for other opportunities to achieve their vision,, whether in future phases of DL 114 or in other locations in Tofino.



DL 114 – Phase 1

Since our last report we have worked with Catalyst Community Developments Society and the project team to further develop the design of the buildings (shown as grey blocks in the engineering plan below) in Phase 1 of DL 144. Catalyst is also working on a Business Plan for DL 114 Phase, which will be presented to the THC Board for approval in late July. In early August we will hold a Public Open House to present the refined Phase 1 plans to the Tofino public for review and input. We will then make a Rezoning application and expect to have the rezoning process complete by late 2019/early 2020.



SHARP RD

The THC and Catalyst held a Public Open House on June 23rd at the Outer Break where the plans for 14 units of below-market rental housing were presented for comment and input. The event was well-attended and we fielded many good questions and received important input. We are currently preparing our Rezoning application and look forward to presenting those details to Council soon. The boards that were presented at the event can also be viewed at www.tofinohousingcorp.ca.



TOFINO HOUSING CORPORATION

Based on the Business Plan approved by the THC Board we have developed an MOU with Catalyst, which commits to the signing of a Land Lease whereby they build the below-market rental housing and own and operate it for a minimum of 60 years. The Lease will also provide an option for the THC to take on the project ownership and operations should the THC be in a position to do so in the future. The Lease will also provide various safeguards and options should Catalyst or the THC ever seek to divest themselves of the buildings or lands.

Catalyst and the THC have elected to pursue the development of the Sharp Rd site based on the 14 rental units being a minimum of at least 10% below market. This means rental rates of approximately \$1,050-1,100 for a one bedroom unit and \$1700-1750 for a 2 bedroom and den. This can be achieved with the District providing the lands at no cost and the THC / Catalyst providing approximately \$400,000 to \$500,000 in equity (depending on final construction costs). At the same time we are pursuing funding from CMHC and / or BC Housing to allow rental rates on some of units to be approximately 25-35% below market. Should we receive approximately a \$750,000-\$900,000 we can lower about 50% of the rents to these rent levels.

We are initiating the Rezoning and OCP Amendment process and are hopeful this process will be complete in October / November. This summer we will be installing the culvert and driveway across the tributary creek so that this work is complete within the appropriate fisheries and bird nesting construction window. Construction is anticipated to start in late 2019 or early 2020.





Seasonal Staff Accommodation

On May 29th we hosted a meeting with representatives from Tofino businesses to discuss the current situation with staff accommodation and what options exist to better provide housing for summer staff. At the meeting we discussed three key topic areas:

- What is currently working and what is not working with the provision of seasonal staff accommodation in Tofino; what could we be doing more of and what improvements could be made?
- Should we establish standards or codes of practice with regard to the provision and operations of staff accommodation in Tofino?
- Are there ways that businesses could co-invest in new beds of seasonal staff accommodation?

We have established an advisory committee of 11 representatives from different Tofino businesses who have volunteered to meet with us three times between now and November. The advisory committee will help the THC determine what initiatives on the staff accommodation front we should pursue over the coming years. We will also invite the broader business community back in the late fall to check back in and get their input on our action plan.

MRDT OAP Revenues

We have received our second installment of MRDT OAP funds from the District of Tofino. The revenues we have received are for the 4th quarter of 2018 and 1st quarter of 2019 and total \$139,029. Given that these are expected to be the two lowest revenue quarters we anticipate receiving significantly more than the \$187,500 we have budgeted. This will provide us a little more flexibility with respect to our pre-development planning activities and allow us to more flexibility to make equity contributions to the Sharp Rd and DL 114 projects.

Yours respectfully,

Ian Scott, MCIP, RPP
Interim Executive Director
Tofino Housing Corporation