



MEMORANDUM

To: District of Tofino Mayor and Council
From: Ian Scott, Interim Executive Director
Date: March 29th, 2019
Re: Tofino Housing Corporation – Winter 2019 Report

Since we last provided an update report in October 2018, the Tofino Housing Corporation (THC) has continued to move towards the development of new affordable housing units in Tofino. We can report on the following activities:

SHARP ROAD

We have worked with Catalyst Community Developments Society, our non-profit development partner, to confirm the feasibility of the developing 12-14 units on the District of Tofino’s Sharp Rd property. Catalyst is now developing more detailed designs in collaboration with Leith Anderson Architecture, McGill Engineering and Saywell Contracting. The THC Board has established that the focus for this development will be developing rental housing units targeted to 15-20% below market rental rates. The feasibility report estimated that with rents at this level, an equity gap of \$750,000 to \$1,250,000 will exist if the site is developed without any government contributions. An “equity gap” is the amount of money necessary to support the proposed rent levels, while still being able to operate the rental units and make mortgage payments without having losses year after year.

Catalyst and THC believe this project will be feasible and expect to close this equity gap in the following ways:

- A careful design process focusing on efficient design to keep development costs manageable;
- Additional contributions from the District of Tofino (approximately \$120,000 contributed already) through MRDT and revenues from the Affordable Housing Reserve;
- Funding from the CMHC Co-Investment Fund;
- Low interest financing from CMHC or BC Housing; and
- Social equity investments or loans.

The following page includes the current (March 2019) draft site plan. Key design drivers for the project are:

- A healthy mix of four types of units: 1 bdr, 1 bdr+den, 2 bdr, and 2 bdr+den units for a total of 14 units in two two-storey buildings.

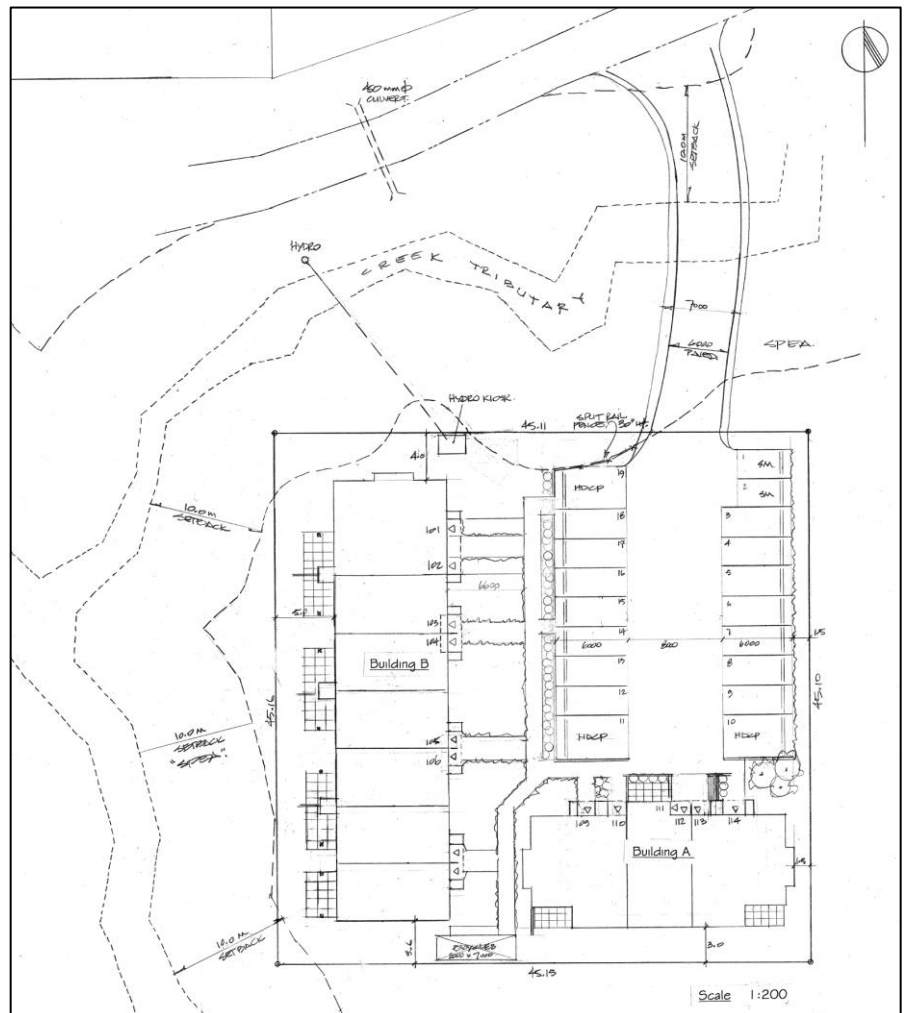


TOFINO HOUSING CORPORATION

- Inclusion of accessible units to allow for a diversity of tenants and to meet CMHC funding criteria.
- A need to cross a tributary creek of the fish-bearing MacKenzie Creek with a fish-passable culvert and a driveway through the Streamside and Protection Enhancement Area (SPEA) with as little impact as possible.
- Required 10m SPEAs of both the tributary creek and MacKenzie Creek.
- Efficient unit designs with access to some storage and bicycle parking.
- Vehicle parking of approximately 1.3+ stalls per unit.
- A sandy site with possible liquefaction risks that can be mitigated with the installation of a rock-mat below the building.

Key next steps include:

- Completion of more detailed updated architectural and engineering designs and Class B cost estimates by Saywell Contracting.
- Business Plan produced by Catalyst Community Developments Society.
- Establishment of MOU leading to a Partnering Agreement with Catalyst.
- Rezoning / OCP Amendment application submitted to the District of Tofino in June 2019.
- Public Open House in June 2019.
- Funding formula established with the District of Tofino to allow CMHC Co-Investment Fund application in summer / fall.
- Spring 2020 Construction.

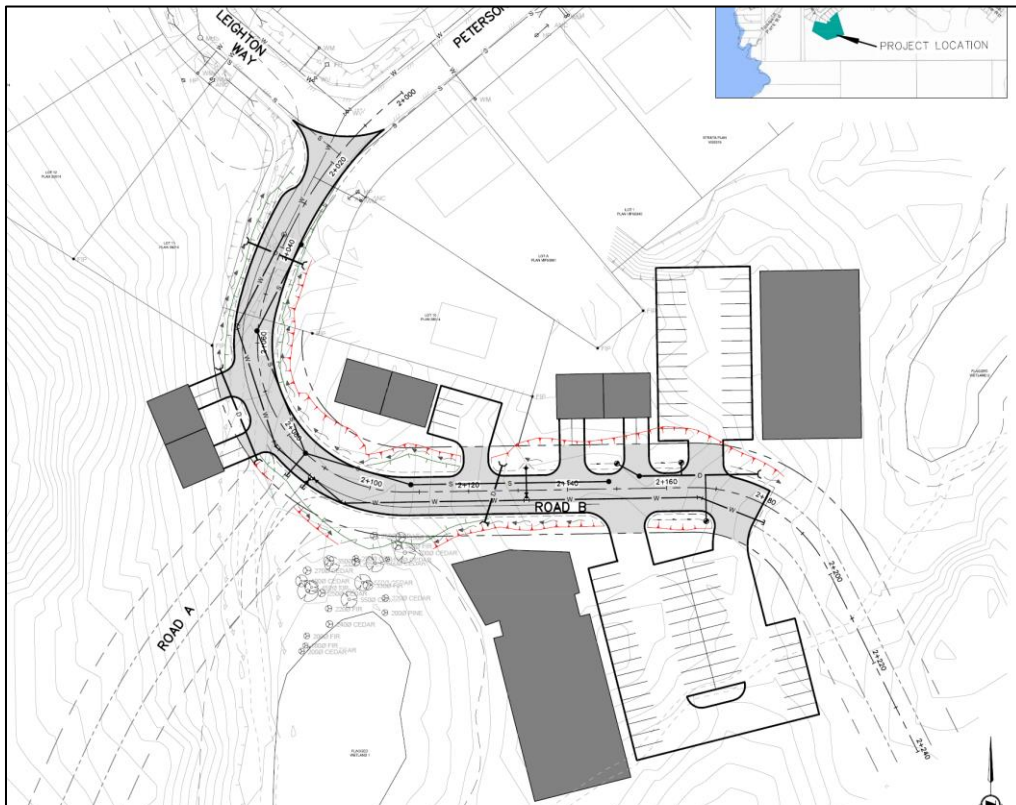




DISTRICT LOT 114

Through the fall and early period of 2019 we can report on the following:

- A Phase II Geotechnical Assessment was completed with the digging of series of test pits, which indicated the site consists of a shallow layer of organic soil overlaying bedrock. The rock on this site should be re-usable on site and our focus will be on developing plans with balanced cut –fill plans to limit the amount of material removed and imported onto the site. To the extent possible the soils will be processed to be used for landscaping, but are not expected to be appropriate for fill.
- We confirmed the appropriate road and subdivision design criteria with the District of Tofino and completed a schematic civil design (below). The civil design accommodates possible future road access up onto the bench east of the Cedar Rd right-of-way and to the lands further south and east of the Phase 1 development sites. Key features of the schematic civil design include an 18m right-of-way, on-street parking on one side, clustering of utilities on one side of road for cost efficiency, reconfiguration of the Leighton Way / Peterson Road intersection to be “T-ed,” open ditches except where there are a lot of driveway crossings, and directing the bulk of stormwater to natural infrastructure receiving areas. The construction of the road and servicing access was estimated by McElhanney Engineering and RB Engineering to be \$1.5 million, which we expect to be covered by the respective projects planned by the THC and the Tofino Bible Fellowship (TBF).





- The District of Tofino provided initial approval (First through Third reading) of a borrowing bylaw to provide a loan guarantee for a \$336,900 Proposal Development Funding (PDF) loan from BC Housing. The PDF loan is a five-year non-interest bearing loan that will be converted to project debt at later date. The PDF loan will be used by the THC and the TBF, along with funds received from the Rural Dividend Fund, to complete building and engineering designs to the Design Development level, complete class B cost estimates and complete the rezoning of the site by the end of 2019.
- We received preliminary support from BC Housing through its response to our joint September 2018 application with the TBF to the Community Housing Fund. While the THC and the TBF did not receive a funding commitment through the 2018 Community Housing Fund funding call, BC Housing indicated that the Phase 1 DL 114 partnership project met their requirements for funding, but was not, compared to other applicants, close enough to construction. They committed to working with the THC and the TBF to allow us the best opportunity to receive funding through future funding calls.
- We submitted to District staff a draft report for review from Celerity Engineering that provided a recommended method for determining the required fire flows if all buildings in the Phase 1 development are sprinklered. This report demonstrates that the recommended method is an appropriate alternative method for determining fire flow requirements in new subdivisions with sprinklered buildings than the method specified by the District of Tofino's Subdivision and Development Bylaw. District staff has indicated they are seeking a qualified independent review of the draft report.
- Bunt and Associates completed a Traffic Impact Assessment assessing the potential impact of the Phase 1 project rezoning on the local road network. The report found that the increased vehicle traffic (over what would be expected if the Phase 1 lands were developed under existing zoning) would not warrant any changes to the existing road network other than installation of stop signs at the Leighton Way/Peterson Road. The report did identify some optional minor pedestrian improvements for Leighton Way.

Key next steps include:

- Completion of site and building schematic designs.
- Class C cost estimates for the building sites and buildings.
- Completion of feasibility study and development strategy.
- Initiation of the Rezoning.
- Addressing the results of the District's independent third party review of the draft Celerity Engineering Report.
- Completion of Design Development architectural and engineering designs, Class B cost estimates and business plan.



MRDT FUNDING

The District of Tofino has committed to providing to the THC the Municipal and Regional District Tax (MDRT) revenues received from Online Accommodation Platforms (OAP). Revenues for 2019 are estimated to be \$187,500. In 2019 the MRDT funds will support THC's work in four project areas: Sharp Rd, Phase 1 DL 114, Price Restricted Revenue Restricted Housing and Seasonal Staff Accommodation Action Plan.

SEASONAL STAFF ACCOMMODATION ACTION PLAN

THC's 2019 workplan and budget includes the facilitation of a series of dialogues with businesses and others with respect to developing a Community Action Plan for Seasonal Staff Accommodation. This process will review the current status of staff accommodation and what businesses, the District of Tofino and others can be doing to provide and manage seasonal staff accommodation more sustainably. This process will allow THC to establish what role, if any, it has in supporting the provision of seasonal staff accommodation. The first dialogue will be scheduled in May.

Yours respectfully,

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