



**REPORT TO THE ELECTORAL AREA SERVICES COMMITTEE  
MEETING OF WEDNESDAY, JANUARY 18, 2017**

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**SUBJECT**      **Community Works Fund Request – Water Alternative Feasibility Study– Drake Road Housing Development**

**ISSUE**

Community Works Funding (CWF) is requested to conduct a feasibility assessment for a Water Alternative Feasibility Study for the Drake Road Housing Development on Salt Spring Island (SSI).

**BACKGROUND**

On November 15, 2011 the Capital Regional District (CRD) and School District #64 entered into a memorandum of understanding (MoU) to consider the joint development of an approximate five acre site for affordable housing purposes. The School District approached the CRD to assume ownership and leadership of the affordable rental housing development activities because of Provincial regulatory requirements for use and disposition of education property and existing CRD housing development expertise. The transfer of the land to the CRD was completed on June 11, 2012 on terms and conditions as agreed upon in the MoU.

As part of the MoU, the CRD and School District agreed to form a joint Steering Committee (Drake Road Steering Committee) to oversee and guide the design and development of affordable housing projects on the Drake Road site. Under the Steering Committee’s Terms of Reference, consideration of any affordable housing project proposals at this site must consider funding availability from senior governments. As such, any affordable housing proposed for this site will require a detailed project viability analysis (pro forma) to ensure proposed projects can operate sustainably while accommodating the targeted households as per the needs assessment.

**Water Connection**

In May 2013, the North Salt Spring Waterworks District (NSSWD) provided preliminary approval for water allocation for up to 80 units. In September 2014, the NSSWD issued a district-wide moratorium on new connections due to concerns over long-term demand at full build-out. In November 2014, NSSWD advised no new demands for services until the evaluation of a hydrology study was completed. In April 2015, Island Trust gave first reading of the Drake Road zoning bylaw but advised the Steering Committee that a second and third reading would not be considered without either the NSSWD commitment of water connections or a reasonable alternative water supply.

The Drake Road Steering Committee recommended that it would be beneficial to complete a Water Feasibility Study for the Drake Road property to identify a technically and financially feasible alternative approach to water supply and to identify regulatory status, obstacles and potential solutions.

At the CRD Board Meeting on April 13, 2016, the Board resolved:

*“That the CRD requests to the Capital Region Housing Corporation (CRHC) Board of Directors that the CRHC review the feasibility of acting as developer and operator of the Drake Road Housing Development on Salt Spring Island, initiate a water alternative study as soon as possible, and report back to the CRD Board.”*

At the April 26, 2016 CRHC meeting, the Board agreed to assess the feasibility of the CRHC acting as operator but did not approve funding for the water alternative feasibility study and instead directed staff to work with NSSWD and the CRD to identify potential alternatives.

Staff approached the NSSWD to determine if the NSSWD would act as the water purveyor if the CRHC were to find a sustainable alternative water source. The NSSWD replied that they would not act as the purveyor if the CRHC identified an alternative source of water.

After receiving this response, the Drake Road Steering committee identified that the lack of available water is a challenge not only to the development of the Drake Road project but also to other potential affordable housing developments on SSI and have recommended that staff pursue the CWF to support the water feasibility assessment.

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**ALTERNATIVES**

That the Electoral Area Services Committee recommends to the Capital Regional District Board:

1. That a contribution of \$30,000 from the Salt Spring Island Community Works Fund for a Water Alternative Feasibility Study– Drake Road Housing Development on Salt Spring Island be authorized.
2. That an alternative source of funds be identified for the proposed project.

**IMPLICATIONS**

The proposed project fits within the CRD's and the SSI mandate. The project will be managed by CRD Housing staff and they will collaborate with the Drake Road Steering Committee, CRD SSI Administrative staff, NSSWD staff and CRD Integrated Water Services staff.

Currently there are unprecedented funding streams available for the development of affordable housing. The SSI community has identified through the SSI Housing Needs Assessment<sup>1</sup> and through the SSI Point in Time Count<sup>2</sup> that there is a significant requirement for affordable housing on SSI.

**CONCLUSION**

Community Works Funding is requested to conduct a Water Alternative Feasibility Study– Drake Road Housing Development on Salt Spring Island.

This project is eligible for funding under the CWF Agreement. The required funding is available in the SSI Electoral Area CWF. The project will result in incremental expenditures and the use of CWF will not replace other sources of funding.

The SSI Electoral Area Director supports the allocation of \$30,000 from the SGI's CWF for a Water Alternative Feasibility Study– Drake Road Housing Development on Salt Spring Island.

**RECOMMENDATION**

The Electoral Area Services Committee recommends to the Capital Regional District Board:

That a contribution of \$30,000 from the Salt Spring Island Community Works Fund for a Water Alternative Feasibility Study– Drake Road Housing Development on Salt Spring Island be authorized.

Submitted by:	Christine Culham, Acting General Manager, Planning and Protective Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer
Concurrence:	Robert Lapham, MCIP, RPP, Chief Administrative Officer

Attachment: Schedule A – Salt Spring Island Community Works Funds

<sup>1</sup> <http://www.islandstrust.bc.ca/media/340146/ssi-housing-needs-assessment-update-2015.pdf>

<sup>2</sup> <http://saltspringcommunityservices.ca/point-in-time-homeless-count-report/>