

Prior to the District and BC Housing committing to the project, a formal financial feasibility analysis will be completed confirming the feasibility of the project for the partners.

The project would result in joint ownership with the District owning the childcare facility and BC Housing owning the affordable housing units. The childcare facility would be operated by an experienced service provider under a contract with the District. The housing units will be operated by SCAHS.

BC Housing's financing is equity based, meaning that they require equity in the form of land ownership to achieve favourable financing for the project. For the project to move forward, staff require approval of:

- subdivision of the parcel,
- rezoning for the affordable housing use, and
- land transfer of the new parcel to BC Housing.

Subdivision and Rezoning

Currently, the parcel is occupied by Suncoast Racquet Club on the north portion of the site, requiring the childcare portion to be subdivided off, to facilitate a joint ownership parcel. Subdivision and rezoning can be initiated concurrently. Rezoning will address site-specific permitted uses and other regulations (height, setbacks, etc.) as needed for the project. As the proposed rezoning is deemed consistent with the OCP, a public hearing is not permitted for the rezoning portion of the project. The zoning amendment bylaw can receive three readings at one Council meeting and then be adopted at a second Council meeting. Subsequently the land transfer can be completed.

Land Transfer

A Development Permit application and Building Permit application are required at the time of construction. BC Housing's capital funds can only be introduced once the title has been transferred to BC Housing. Transferring the land title at project confirmation, rather than at project completion, helps avoid borrowing costs associated with developing the residential portion of the work. The land transfer process is contingent on the District and BC Housing committing to and initiating the project.

Upon completion of construction, ownership will be a strata between BC Housing and the District of Sechelt. Subject to confirmation through the formal financial feasibility study, the plan is for rent to cover maintenance, operations and long term asset renewal with no contributions required from tax revenue.

Background

In 2020, the Sunshine Coast Childcare Action Plan identified significant wait times for childcare spaces in Sechelt, prompting the need for this project. In October 2021, Council directed staff to apply for a grant to build a 77-space childcare facility, which was approved by the MECC in April 2022 with a grant of \$2.8 million. Recognizing the need for affordable housing to support childcare staff, BC Housing was approached to incorporate housing into the project.

By 2023, the District of Sechelt applied for an additional grant of \$2.69 million, bringing the total funding to \$5.46 million. In July 2023, a concept design for a 100-space childcare facility and 16 housing units was presented to Council, who endorsed the partnership with BC Housing. The Sunshine Coast Affordable Housing Society was approached to become the housing operator, and a working agreement was negotiated among the involved parties.

POLICY AND BYLAW IMPLICATIONS

Zoning Amendment Bylaw and any other relevant bylaws will be drafted and brought to Council for consideration of readings.

SUSTAINABILITY PLAN IMPLICATIONS

1. Social Sustainability and Community Well Being
2. Economic Sustainability
3. Sustainable Community Growth and Development

STRATEGIC PLAN IMPLICATIONS

1. Effective Growth
2. Housing
3. Community Safety and Wellbeing

FINANCIAL IMPLICATIONS

Funding Sources:

Ministry of Education and Child Care (MECC): The MECC has provided a fixed grant of \$5.46 million for the childcare facility, which includes 37 spaces for ages 0-5 and 40 spaces for before and after school care for school-age children. The New Spaces Fund is closed, and a new application to request additional funds is not possible. MECC will work with the District to update the project scope within the terms of the 2023 agreement.

Childcare Operational Revenue:

Operating costs for the childcare facility are anticipated to be covered by the tenant through rent payments. Child Care Operating Funding (CCOF) is available for eligible licensed providers through CCOF Base Funding, the Child Care Fee Reduction Initiative (CCFRI) and the Early Childhood Educator Wage Enhancement (ECE-WE).

This funding assists providers with the day-to-day costs of running a licensed child care facility. It also enhances early childhood educator wages and reduces fees for families.

Financial feasibility will be confirmed during the Financial Analysis stage of this project.

BC Housing (BCH): BCH will finance the residential development and corresponding site work. BCH's capital funds are equity-based and can only be accessed once the land title has been transferred to BC Housing. The residential units can service childcare facility staff and other essential workers on the Sunshine Coast.

Sunshine Coast Affordable Housing Society (SCAHS): SCAHS will be engaged as the non-profit residential operator, enabling BC Housing's participation.

Residential Operational Revenue: Rent will fund maintenance, operations, and long term asset renewal.

COMMUNICATIONS

The community engagement plan will be developed further in collaboration with the multiple stakeholders to ensure residents and members of the community are informed and engaged on the project. As lease holder tenants on the property, the Suncoast Racquet Club will be informed of the proposed development.

Respectfully submitted,

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Attachments:

1 – Childcare and Affordable Housing Project Presentation from Colliers Project Leaders