



The Corporation of the District of Central Saanich

REGULAR COUNCIL REPORT

For the Regular Council meeting on Monday, July 14, 2025

Re: 1183 Verdier – Letter of Indemnification in lieu of Landscape Security

RECOMMENDATION(S):

That, for the project at 1183 Verdier Avenue, a Letter of Indemnification for landscaping works be accepted in lieu of a landscape security.

PURPOSE:

The Capital Region Housing Corporation (CRHC) has submitted a request for Council to consider a Letter of Indemnification to be provided for landscape works in lieu of the traditional Letter of Credit or cash. This report presents the request, describes the applicable legislation and the process.

BACKGROUND:

The project at 1183 Verdier Avenue went through a development permit and District-initiated rezoning process, both of which received approval on March 10th, 2025. The project involves 110 units of affordable housing, including 22 deep subsidy units. The proponent has applied for a building permit and one of the requirements is for landscape security. The development permit that was issued includes a requirement for landscape security in the amount of 125% of the estimated costs of the landscaping. A preliminary cost estimate that was submitted as part of the development permit application totalled \$283,901.89, which results in the total landscape security that is required being \$354,877.36.

DISCUSSION:

Section 502 of the *Local Government Act* and Section 19 of the *Community Charter* allow a local government to require security as a condition of a land use permit, such as a development permit. The options provided are an irrevocable letter of credit and cash, or, “another form of security satisfactory to the council or the person who imposed the requirement for the security”. The proponent for the project at 1183 Verdier is proposing to provide a letter of indemnification for the landscape security under the third category of “another form of security satisfactory to the council”.

The proponent has provided a sample letter that was used for a project in a different municipality (Appendix A). The letter outlines the terms and provides a rationale for the request that has been made. The purpose is to save on costs associated with providing the security, such as the actual security amount as well as the interest to be paid, to better fund the project.

for the project at 1183 Verdier Avenue, a Letter of Indemnification for landscaping works be accepted in lieu of a landscape security. If endorsed by Council, staff would revise the list of outstanding items required for a building permit by removing the condition for a landscape security and adding a requirement for the letter of indemnification for the landscape works.

IMPLICATIONS:

Strategic

A priority of the District's 2024-2027 Strategic Plan is to *Expand the Supply of Affordable, Attainable, and Rental Housing*, with the goal of "pursuing partnerships with housing providers and government agencies to deliver affordable housing and amenities. A second priority is to *Invest in Infrastructure and Active Transportation*, with the goal of "facilitating increased public amenities by leveraging resources and seeking partnerships, including childcare, recreation, healthcare, and social services." This project will have 110 units of affordable housing with 70% of units rent geared to income, and there are plans to include a daycare in the ground floor commercial space.

Governance

As the proponent is the Capital Region Housing Corporation, a wholly owned subsidiary of the Capital Regional District and the largest non-profit housing provider on Vancouver Island, staff have no concerns regarding the viability of the project. In addition, the terms of the letter of indemnification would mitigate risk for the District should any unforeseen circumstances occur. Council has also indicated support for the project in the past by requesting staff to initiate the rezoning application. Therefore, staff have no concerns and are supportive of the request.

Legal

A motion by Council is required for the proponent to provide the letter of indemnification in lieu of a landscape security. Staff would ensure that the terms of the letter mitigate any risk for the District and will obtain legal input as required.

Financial/ Resource

A letter of indemnity differs from a letter of credit or cash in that the District would not have the money on hand. In case of a claim, the District would need to obtain the money from the indemnifying party. Furthermore, the terms of the letter could differ from a regular security and would have to be reviewed considering the amount that should be covered and what works are covered.

OPTIONS:

Option 1 (recommended):

That, for the project at 1183 Verdier Avenue, a Letter of Indemnification for landscaping works be accepted in lieu of a landscape security.

Option 2:

That Council deny the request to provide a Letter of Indemnification for landscaping works in lieu of a landscape security for the project at 1183 Verdier Avenue.

CONCLUSION:

The Capital Region Housing Corporation has submitted a request for Council to consider a Letter of Indemnification to be provided for landscape works in lieu of the traditional Letter of Credit or cash. The

proponent is a large non-profit housing provider and a subsidiary of the Capital Regional District. Council has indicated support for this project in the past and staff would work with the proponent to set the terms of the letter. Therefore, staff have no concerns and are supportive of the request.

Report written by:	Ivo van der Kamp, Senior Planner
Respectfully submitted by:	Kerri Clark, Manager of Development Services
Concurrence by:	Jarret Matanowitsch, Director of Planning and Building Services
Concurrence by:	Christine Culham, Chief Administrative Officer

ATTACHMENTS:

Appendix A: Sample Letter of Indemnification