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## MEMORANDUM

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**TO:** CHIEF ADMINISTRATIVE OFFICER  
**FROM:** BRIGID REYNOLDS, CONSULTING TOWN PLANNER  
**SUBJECT:** DEVELOPMENT COST CHARGE (DCC) SUPPORT  
**MEETING DATE:** JULY 22, 2025

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### PURPOSE

The purpose of this report is to request Council's approval to establish a Development Cost Charge Affordable Housing Support Program using CMHC's Housing Accelerator Fund

### BACKGROUND

As Council is aware, the Town entered into a Contribution Agreement with CMHC as part of the Housing Accelerator Fund in January 2024. In this agreement the Town established six initiatives with the goal to increase the number of residential dwellings. In 2024, three initiatives were completed:

- Zoning Amendment Bylaw 1110 was approved 2024-11-26 to increase density on single family lots
- Zoning Amendment Bylaw 1106 was approved 2024-10-22 to establish rental only zoning.
- Zoning Amendment Bylaw 1104 was approved 2024-06-25 to permit Accessory dwelling unit in all residential zone districts.

This memo presents one of the agreed upon initiatives to establish a program to provide development cost charge support for affordable multi-unit rental projects using the HAF funds.

The total amount of HAF funds granted to the Town is \$885,750.00 which is received from CMHC each year over the four-year program period. The Town has now received \$442,875.00 and approximately \$45,000.00 has been spent. The grant amount is based on the specific target of 95 (net) new building permits over the four-year period. The break down is for 65 single

family units, 20 missing middle units and 10 multi-unit units. Of the 95 units, 14 shall be affordable units. Final disbursement from CMHC is dependent upon the Town achieving the targets at the end of the four-year term, March 31, 2027.

## **DISCUSSION**

As Council is aware it cannot waive DCCs, so the HAF program provides Council with an opportunity to provide significant support for affordable housing projects. DCC costs per unit for a multi-unit project are \$9,473.56 for water, sanitary sewer, roads, parks and stormwater. For many non-profit developers this type of support is critical for the project's viability. This type of support also shows the Town's commitment to the development of affordable housing.

Council could establish a limit of the amount of HAF funds to be used for this project and could also establish a limit of funds for any one project.

The following are possible terms of reference for this program. Council may have recommendations for additional criteria.

### **Proposed Terms of Reference**

1. Projects developed by a non-profit organization with a mandate to develop and manage affordable housing projects in the Town of Lake Cowichan.
2. Market housing projects with a registered housing agreement approved by Council. The housing agreement would:
  - identify that below market rent to be charged
  - be valid for a period of 30 or more years
  - contain an annual reporting requirement to confirm the ongoing commitment to provide affordable rentals is being met.
  - contain a penalty clause if the owner were to discontinue renting the units at below market rents. The penalty would require repayment of DCCs plus interest.
3. Building permits must be issued and construction starting no later than December 31, 2026.
4. Rents must be affordable, i.e. below market rents and/or subsidized rental units. Below market rents would be established based upon 30% of household median income for that size of household. For example, Statistics Canada 2021 household median income for a one parent household is \$58,000.
5. Support is dependent upon the availability of HAF funds.

## **CONCLUSION**

Establishing the proposed program fulfills a commitment between the Town and CMHC as part of the Housing Accelerator Fund contribution agreement.

The funds would be a flow through of HAF funds which is already accounted for in Town's budget.

The program would provide a significant benefit for eligible affordable housing projects.

Once Council has approved the terms of reference, staff will prepare a press release announcing the program.

### **OPTIONS**

1. Approve the proposed terms of reference.
2. Approve the proposed terms of reference, to include additional criteria.
3. Not approve the proposed terms of reference and request staff to prepare alternatives, with direction.

### **RECOMMENDATION**

The consulting planner recommends endorsing the proposed terms of reference.

Signed:

*Brigid Reynolds*

Brigid Reynolds RPP MCIP  
Contract Planner

Concurrence:

*John T*

John Thomas  
Chief Administrative Officer