



The Corporation of the City of Courtenay

Staff Report

To: Council

File No.: 3150-20-2501

From: Director of Development Services

Date: July 16, 2025

Subject: Request for Reduction of Development Cost Charges – 925 Braidwood Road

PURPOSE:

For Council to consider a request from British Columbia Housing Management Corporation (BC Housing) to reduce the Development Cost Charges associated with the purpose-built shelter and permanent supportive housing buildings at 925 Braidwood Road (LOT 8, SECTION 16, COMOX DISTRICT, PLAN 6065 EXCEPT PART IN PLAN 1149RW) in the amount of \$157,292.97

BACKGROUND:

On May 28, 2025, BC Housing submitted Building Permit applications for a two-storey purpose-built shelter and a four-storey permanent supportive housing apartment building. BC Housing selects a non-profit operator for the purpose-built shelter and the permanent supportive housing buildings through a request for proposal process.

As part of these applications, BC Housing submitted a formal letter (**Attachment 1**) requesting that Council consider reducing their Development Cost Charges (DCCs) in accordance with *Development Cost Charges for Non-profit Affordable Rental Housing Bylaw No. 3118, 2024*.

Both developments meet the eligibility requirements of Bylaw No. 3118, in that the projects will provide non-profit affordable rental housing to be operated by a registered non-profit society and that a covenant will be registered on title (**Attachment 2**) that restricts the use of the applicable portions of the development to the aforementioned purpose.

DISCUSSION:

Based on the dates of the Development Permit and Building Permit Applications for the proposed developments, the projects are subject to *Development Cost Charges Bylaw No. 3116, 2023* and its associated charges. The purpose-built shelter is classified as *Congregate Care* and the permanent supportive housing is classified as *Multi-family Residential*, per the definitions in the Development Cost Charges Bylaw.

In accordance with *Development Cost Charges for Non-profit Affordable Rental Housing Bylaw No. 3118*, only the portions of the development which provide Non-Profit Affordable Rental Housing are eligible for waiver of their DCCs. This is defined as housing that is owned and/or operated by a registered non-profit society and that is subject to a covenant registered to title to the satisfaction of the Director of Development Services. Once the non-profit operator is secured, both developments are consistent with this definition.

For the purpose-built shelter, only 85% of the development meets this definition, based on floor area calculations that exclude the public washrooms, healthcare provider space and legal aid offices from the total floor area of the building, the rest of which is considered residential. For the permanent supportive housing, which is entirely affordable rental housing, this amounts to 100% of the development. The proposed waiver is consistent with the proportion of the development that is used for Non-Profit Affordable Rental Housing.

Table 1: Development Cost Charges and proposed amounts payable (City of Courtenay DCCs Only)

| | Purpose-Built Shelter - Residential | Purpose-Built Shelter - Commercial | Permanent Supportive Housing | Total |
|--------------------------------|--|---|---|--------------|
| Total Development Cost Charges | \$30,622.44 | \$12,540.04 | \$126,670.53 | \$169,833.01 |
| Percentage Eligible for Waiver | 100% | 0% | 100% | |
| Total Amount Waived by City | \$30,622.44 | \$ 0.00 | \$126,670.53 | \$157,292.97 |
| Total Amount Paid by Applicant | \$ 0.00 | \$12,540.04 | \$ 0.00 | \$ 12,540.04 |

Council's ability to waive or reduce Development Cost Charges only extends to City DCCs. Applicable regional district Development Cost Charges will be still be collected on behalf of the CVRD. BC Housing can make a request to the CVRD for the Board to consider the exemption or reduction of their DCC rates.

POLICY ANALYSIS:

Alleviating some of the development costs incurred by non-profit societies in the development of non-market rental housing aligns with and helps to realize the City's Official Community Plan policies for Affordable Housing:

- Objective 3: New non-market housing is actively pursued and supported
- Objective 4: Incentives are in place to create below-market housing

FINANCIAL IMPLICATIONS:

If Council chooses to waive certain Development Cost Charges for the developments at 925 Braidwood Road, the amount not required to be paid by the developer will be paid by the City from the City of Courtenay Affordable Housing Reserve Fund. As of December 2024, the funds balance was \$1,542,742. If the full DCC reduction request (\$157,292.97) is granted the remaining fund balance would be, short of any interest that may have accumulated since the end of 2024, approximately \$1,385,449.

ADMINISTRATIVE IMPLICATIONS:

Processing Development Cost Charge waiver requests is a statutory component of the corporate work plan and a core duty of the Development Services Department. Work to date has primarily been carried out by Development Services staff.

STRATEGIC PRIORITIES REFERENCE:

This initiative addresses the following strategic priorities:

- Buildings and Landscape - Update Development Cost Charges (DCC) Bylaw
- Affordable Housing - Explore approaches to develop affordable housing: Clarify municipal role in housing affordability

OPTIONS:

1. THAT Council approve the Development Cost Charge reduction request by BC Housing for 925 Braidwood Road in the amounts of \$30,622.44 for the purpose-built shelter and \$126,670.53 for

the permanent supportive housing, totaling \$157,292.97 to be paid from the Housing Amenity Reserve; and

THAT Council direct the Director of Development Services to execute a Section 219 Covenant, in substantially the form as set out in Attachment 2; and

THAT the covenant be registered on title prior to issuance of building permits for the purpose-built shelter and permanent supportive housing developments receiving the Development Cost Charge waivers.

2. THAT Council provide alternative direction to staff.
3. THAT Council deny BC Housing's request for Development Cost Charge reductions for 925 Braidwood Road.

ATTACHMENTS:

1. BC Housing – Development Cost Charge Reduction Request
2. Draft Section 219 Covenant Restricting Use

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