

Report

Date December 5, 2025

File: SPP00098

Subject Interim Community Amenity Contribution Policy + What We Heard

PURPOSE

To present the draft Interim Community Amenity Contribution Policy and the associated “What We Heard” engagement report for the Economic Development Committee’s comments.

BACKGROUND

At its regular meeting on October 16, 2024¹, Council considered the draft Interim Community Amenity Contribution Policy (CAC) originally received at the October 8, 2024, Committee of the Whole² meeting, and directed staff to:

- a. Develop an engagement plan for the draft *Interim Community Amenity Contribution Policy*;
- b. Use the draft *Interim Community Amenity Contribution Policy* as a basis for negotiations for new and in-stream Zoning Amendment Applications while the public engagement on the Policy is ongoing.

The proposed CAC policy regarding infrastructure and affordable housing is intended to apply district-wide. The Policy has two components: short-term infrastructure and affordable housing. It should be noted that these two components are independent and separable.

The purpose of the short-term infrastructure CAC request is to help fund the new/upgraded infrastructure needed to accommodate new growth. North Cowichan is working to update the Development Cost Charges (DCC) Bylaw for the first time since 2011. Because it has been so long since the last update, the 2026 rates are expected to be much higher than the existing. Until the new DCC rates come into effect, the CAC serves as a mechanism to ensure new development contributes a fair share, preventing a disproportionate future burden on developers and taxpayers.

The purpose of the affordable housing CAC request is to replenish the Affordable Housing Reserve Fund, enabling North Cowichan to make modest contributions towards upcoming and proposed affordable housing projects.

DISCUSSION

The engagement for the interim CAC policy consisted of publishing a dedicated project [page](#) that provided information and a short survey. Staff also conducted interviews with nine developers and

¹ [October 16, 2024, Council Meeting](#), see item 11.2.

² [October 8, 2024, Committee of the Whole Meeting](#), see item 6.1

home builders with recent/ongoing projects in North Cowichan. The last step in the engagement is to present the Policy to the Economic Development Committee for comment.

Although the anticipated increases to the DCC rates (which are the basis of the CAC rates) are considered by some to be “shocking”, there is a general understanding that infrastructure upgrades are needed and that it will be difficult to significantly increase property taxes to support growth-driven projects. While understanding the need to increase DCC amounts, almost everyone we spoke to said it would have been much better to have the rates increase incrementally over time. This underscores that updating DCC bylaws on a “little and often” basis is a best practice and should be North Cowichan’s approach going forward.

The key themes that emerged from the engagement, especially from the interview component, were that the magnitude of the impact of the proposed CACs depended on the scale of the development project, the timing of the CAC request, and the timing of the required payment for the CAC request.

Summaries and details of the public engagement are provided in the “What We Heard Report” in Attachment 2.

Several changes to the Policy have been recommended based on the feedback received. In general terms, the proposed changes address the following:

- **To provide additional guidance on managing in-stream developments at different stages:** This will address engagement feedback and challenges encountered within the Planning Department regarding open application files. However, although it would be ideal to apply the Policy only where the development proponent knew about the CAC before they entered the development applications process, there are limits to how much allowance can be made for in-stream developments. Recall that the core purpose of the CAC policy is to address in-stream developments, to allow zoning proposals to proceed when it would otherwise not be in the public interest to allow them to move forward prior to the new DCC Bylaw coming into full effect, because of the need to fully account for needed infrastructure upgrades.
- **To provide additional criteria to support CAC negotiations:** These criteria have been acknowledged in the Policy to respond to developer feedback and reinforce that the CAC amounts are to be negotiated on a case-by-case basis and take into account the specific characteristics of each proposal. Developers identified two key factors that impact whether a development can absorb the CAC requests:
 - The scale of proposed developments, with developers reporting that CAC costs would be more difficult for developments with a smaller number of units to absorb; and,
 - The timing of CAC payments, with developers reporting that delaying when payments must be made makes a significant difference to whether the amounts are affordable.

- **To improve equity between residential and other types of development:** One developer pointed out that residential developments should not be the only ones asked to contribute to affordable housing and that commercial and industrial developments should also be asked to support the community in this way. The proposed requests towards the affordable housing reserve fund for industrial (\$4.5/m²) and commercial (\$11/m²) developments are intended to be roughly equivalent to the amounts requested from residential developments. For context, for an additional 2,000 m² (21,528 sq ft) of industrial space, the requested amount would be \$9,000; for an additional 250 m² (2,691 sq ft) of commercial space, the requested amount would be \$2,750.
- **To acknowledge developers' request for greater transparency:** Some developers highlighted their frustration, believing that CACs are a cash grab and are absorbed into general revenues. While this is not true (all reserve funds are administered in accordance with the Reserve Fund Bylaw, which also limits how money can be spent), North Cowichan can do more to showcase the projects that move forward because of developer contributions.

OPTIONS

1. **(Recommended Option)** THAT the Economic Development Committee recommends that Council adopt the Interim Community Amenity Contribution Policy in the form attached to the Project Planner's report dated December 5, 2025, to the Economic Development Committee.
 - If the Committee has no changes, it recommends that Council adopt the Policy as drafted, including the adjustments staff have made to the Policy from the version that was presented to Council in late 2024.
2. THAT the Economic Development Committee recommends that Council adopt the Interim Community Amenity Contribution Policy substantially in the form attached to the Project Planner's report dated December 5, 2025 to the Economic Development Committee, and provides Council with the following comments regarding the Policy:
 1. *[to be identified by the committee]*
 2. ...
 - In this option, the Committee recommends that Council adopt the Policy but that the Policy be revised based on the comments from the Economic Development Committee.
 - Staff will review the comments and may recommend additional revisions to the Policy before bringing it back to Council for consideration of adoption.
3. THAT the Economic Development Committee provides the following comments to Council regarding the Interim Community Amenity Contribution Policy, as attached to the Project Planner's December 5, 2025, report to the Economic Development Committee:
 1. *[to be identified by the committee]*
 2. ...
 - In this option, the Economic Development Committee provides comments to Council on the draft Policy without recommending that the Policy be adopted.
 - Staff will review the comments and may recommend additional revisions to the Policy before bringing it back to Council for consideration of adoption.

IMPLICATIONS

The proposed amendments to the draft Interim CAC Policy reflect the feedback from the public engagement.

RECOMMENDATION

THAT the Economic Development Committee recommends that Council adopt the Interim Community Amenity Contribution Policy in the form attached to the Project Planner's report dated December 5, 2025, to the Economic Development Committee.

Report prepared by:



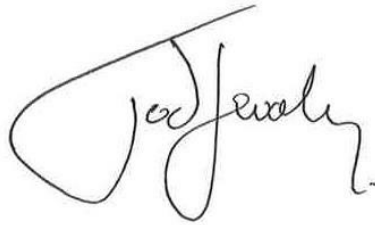
Christina Hovey, RPP, MCIP
Project Planner

Report reviewed by:



Chris Osborne
Acting Director, Planning and Building

Approved to be forwarded to Economic Development Committee:



Ted Swabey
Chief Administrative Officer

Attachments:

- (1) Draft Interim Community Amenity Contribution Policy v.2
- (2) CAC "What We Heard" Engagement Report