

ADMINISTRATIVE REPORT



TO: Planning & Development Committee

FROM: J. Zaffino, Chief Administrative Officer

DATE: January 9, 2025

RE: Allocation of provincial SSMUH funding – DCC Bylaw Review

Administrative Recommendation:

THAT the allocation of the remaining grant funding received from the Ministry of Housing in support of Small-Scale Multi-Unit Housing (SSMUH) implementation be allocated to the Development Cost Charge (DCC) Bylaw Review.

Purpose:

The purpose of this report is to outline options for the Board in relation to the allocation of provincial funding to assist with implementation of legislative requirements related to Small-Scale Multi-Unit Housing (SSMUH).

Background:

On January 17, 2024, the provincial government announced that it would be providing \$51 million in grant-based funding “to all municipalities, regional districts and the Islands Trust – a total of 188 local governments – in British Columbia. This funding is intended to support local governments to meet the new legislated requirements.”

On January 31, 2024, the province transferred \$232,650 to the Regional District in order to assist with the legislative changes required to support housing initiatives, including, amongst other things, Small-Scale Multi-Unit Housing (SSMUH).

Eligible projects that a local government could use this funding to assist with, including the hiring or staff and/or consultants, included:

- housing needs report (HNR);
- official community plan (OCP);
- zoning bylaw;
- development cost charge (DCC) bylaw;
- amenity cost charge (ACC) bylaw;
- transit-oriented density bylaw;
- transportation, parks or neighbourhood plan;
- procedures bylaw;
- works and services bylaw;
- parking bylaw;
- infrastructure master plans;
- asset management plans or strategies;
- long-term financial plan;
- capacity modelling/analysis;
- condition and risk assessments;
- demand management strategies;
- stormwater surcharge study; or
- rainwater recharge study.

As a condition of the grant funding, the Regional District is responsible for completion of any project(s) and for meeting reporting and legislative requirements. This includes “annual reporting

[that] must be completed until such time as the grant funding is entirely expended or the legislated requirements applicable to the reporting recipient are met (whichever occurs last)."

The province has further advised that it "expects local governments to use this funding prior to December 31, 2025, by which time they will be required to meet the new legislative requirements."

Board Consideration:

At its meeting of February 8, 2024, the Board considered options in relation to this funding and resolved that staff "allocate the grant received from the Ministry of Housing as recommended in the February 8th report from the Chief Administrative Office." More specifically, that the funding be allocated as follows:

- updating Development Cost Charge (DCC) Bylaws \$125,000
- creating a new Amenity Cost Charge (ACC) Bylaw \$57,650
- Housing Needs Report (HNR) Update \$50,000
- \$232,650

Project Status:

The Regional Housing Needs Report (HNR) Update project is nearing completion and is tentatively set to be presented to the Board (as well as participating member Councils) at a forthcoming meeting in either January or February of 2025.

The updating of the Development Cost Charge (DCC) Bylaws and preparation of a new Amenity Cost Charge (ACC) Bylaw has been postponed to 2025 (e.g. both of these projects are listed as "carry-forwards" on the "Gantt Chart").

Analysis:

In light of the time remaining available to the Regional District to use its grant funding (e.g. prior to December 31, 2025), the range of strategic projects still to be completed as well as the complexity of undertaking the preparation of a new Amenity Cost Charge (ACC) Bylaw versus the benefit of completing a review of existing DCC / CEC bylaws, Administration is recommending that the allocation of provincial funding be reconsidered.

Specifically, it is being proposed that the preparation of an ACC Bylaw be abandoned and that the funding allocated for this project (\$57,650) be re-allocated to the DCC / CEC Bylaw Review, which will increase funding for this project to \$182,650.

Administration considers this to be a more beneficial allocation and will ensure that sufficient funds are available to complete the DCC / CEC Bylaw Review prior to December 31, 2025.

The following table lists the current DCC and Capital Expenditure Charge (CEC) bylaws administered by the Regional District and the date the bylaws were adopted:

Bylaw	Adoption Date
Naramata Irrigation District Comprehensive CEC Water Bylaw	November 16, 1994
Naramata Water System Development Cost Charge Bylaw	July 16, 1998
Faulder Community Water System Development Cost Charge Bylaw	January 21, 1999
Olalla Community Water System Rates Bylaw	May 16, 2002

Okanagan Falls Sanitary Sewer Development Cost Charges Bylaw	January 7, 2016
Okanagan Falls Irrigation District Comprehensive CEC Water Bylaw	May 27, 2021

For comparison purposes, the City of Salmon Arm recently (February of 2024) awarded a contract in the amount of \$100,000 in order to review and update a single DCC Bylaw (albeit one that establishes charges for water, sewer, drainage, roads and parks).

Given the potential number of Regional District DCC Bylaws to be reviewed, Administration is concerned that the current allocation of \$125,000 may not be sufficient.

Alternatives:

Conversely, the option of maintaining the current allocations is available to the Board, in which case the preparation of an ACC Bylaw will remain an identified project for 2025 along with the completion of a DCC Bylaw Review.

Alternately, the Board may wish to consider re-allocating the funding to other eligible projects, based upon the outcomes of its 2025 strategic planning process.

Summary:

Updating the existing DCC and CEC bylaws, and preparing new DCC bylaws for other pertinent infrastructure, is seen to be the highest priority for use of the grant funding from the Ministry.

It is also generally considered best practice to update a DCC bylaws every five (5) years as this will generally keep the estimates of new development and infrastructure costs current.

For these reasons, it is recommended that the preparation of an ACC Bylaw be abandoned and the funding reallocated to the DCC Bylaw Review project.

Financial Implications:

The reallocation of funds from the proposed ACC Bylaw to the review of existing DCC Bylaws will ensure that this latter project is completed in a timely fashion and without the need for subsequent funding from other sources to make up any potential shortfalls.

Communication Strategy:

Not applicable.

Alternatives:

1. Status quo; or
2. THAT the allocation of the grant funding received from the Ministry of Housing in support of Small-Scale Multi-Unit Housing (SSMUH) implementation be allocated as follows:
 - i) TBD.

Respectfully submitted:



C. Garrish, Senior Manager of Planning