



**URBAN
DEVELOPMENT
INSTITUTE**
CAPITAL REGION

**447 HERALD STREET
VICTORIA, BC V8W 3N8**

June 11, 2026

Inspector of Municipalities
Office of the Inspector of Municipalities
Ministry of Housing and Municipal Affairs
PO Box 9490 Stn. Prov Govt
Victoria, BC V8W 9N7

Via email: LGovernance@gov.bc.ca

Re: Town of Sidney Proposed DCC Bylaw – Request for Clarification

Dear Inspector of Municipalities,

On behalf of the Urban Development Institute (UDI), I write regarding the Town of Sidney's (the Town) proposed Development Cost Charge (DCC) bylaw, which has passed readings at Council.

This letter builds on UDI's prior engagement with the Town, including formal correspondence dated November 19, 2025, and direct consultation with Council, staff, and the Town's consultant throughout the process. While UDI appreciates the opportunity to engage, a material concern remains unresolved.

Core Issue: Financial Feasibility Testing

Under the Local Government Act (LGA), local governments must consider whether DCCs may deter development or discourage the construction of reasonably priced housing. Financial feasibility testing is the recognized method used to assess whether a proposed DCC bylaw meets these statutory considerations.

Without financial feasibility testing, there is no objective or verifiable basis to determine whether a proposed DCC bylaw meets these requirements.

As reflected in the Planning Institute of British Columbia (PIBC) guidance, development viability depends on the availability of zoned, serviced, and financially feasible sites, which ultimately determines whether housing can be delivered. As further noted in PIBC guidance, individual requirements may appear reasonable in isolation, but their combined effect can materially influence whether development proceeds.

In the absence of such analysis, there is no evidentiary foundation to conclude that the proposed DCC bylaw and the rates underlying it may not deter development or discourage the construction of reasonably priced housing.

Evidence on Public Record

Statements made during the September 4, 2025, engagement session with the Town and its consultant confirm that financial feasibility testing was not undertaken. In response to direct questions from industry participants, the Town's consultant indicated that such testing was not required by the Province. The consultant further noted that the determination regarding feasibility testing would be reviewed by the Province.

These exchanges demonstrate that financial feasibility analysis was not completed as part of the Town's DCC program development and that no local evidentiary basis was established to assess whether the proposed DCC bylaw, and the rates underlying it, may deter development or discourage reasonably priced housing.

Council deliberations further confirm that the absence of financial analysis was recognized prior to advancing the proposed bylaw. During the April 27, 2026, Council meeting, Councillors O'Keeffe and Duck expressed opposition to proceeding with the proposed bylaw, noting concerns regarding the lack of financial analysis and the adequacy of the project list and supporting assumptions.

The magnitude of the proposed DCC rates underpinning the bylaw is material. Based on the Town's December 1, 2025, report to Council, which summarizes both the initial draft DCC rates and subsequent revisions following stakeholder engagement, the initial rates were approximately \$29,189 per unit for low-density residential, \$16,790 for medium-density, and \$11,710 for high-density residential. Following stakeholder feedback and the removal of selected projects, the revised

rates remain substantial at approximately \$18,344, \$10,792, and \$7,142 per unit, respectively.

While these revisions reduced DCCs, the proposed charges still represent a significant new cost applied to housing delivery. In this context, the record does not demonstrate that the Town assessed whether these rates, as established through the bylaw, may deter development or impact the delivery of reasonably priced housing.

These statements form part of the public record and provide the basis for assessing whether the Town has met the requirements set out in the LGA.

Implications for Inspector Review

In the absence of financial feasibility testing, there is no evidentiary basis to demonstrate that the proposed DCC bylaw satisfies the statutory considerations under the LGA.

Recent research from Canada Mortgage and Housing Corporation (CMHC) further reinforces the material impact of development charges on housing outcomes. CMHC has found that development charges can add approximately \$40,000 up to more than \$100,000 to the cost of a new home in Canada.

A separate CMHC analysis published on June 3, 2026, also demonstrates that reducing or eliminating development charges may increase the number of financially viable housing projects by up to 14% in certain markets, depending on the scale of reduction.

As further reflected in PIBC professional guidance, many local government requirements directly affect project costs and revenues, and even relatively small changes can shift projects from viable to marginal.

In this context, the record does not demonstrate that the Town assessed whether the proposed DCC bylaw, and the rates underlying it, may deter development or discourage the construction of reasonably priced housing.

As noted previously, the Inspector may refuse approval where a local government has not properly considered the factors it is required to address. A

general statement that impacts were “considered,” without supporting analysis, does not provide a verifiable basis for that determination.

Engagement

UDI has actively engaged with the Town throughout the development of the proposed DCC bylaw, including formal written submissions, direct consultation with staff and the Town’s consultant, and participation in industry discussions regarding proposed rates and impacts. Throughout this process, UDI consistently raised the need for financial feasibility testing to support the Town’s consideration of statutory requirements, including in advance of Council deliberations.

Despite this engagement, the absence of financial feasibility testing has not been addressed.

Request

Given the above, UDI respectfully requests clarification on the evidentiary standard the Inspector will apply in determining whether the Town has adequately considered whether its proposed DCC bylaw may deter development or discourage reasonably priced housing. UDI seeks to understand how these statutory considerations are assessed where financial feasibility testing has not been undertaken.

UDI further requests clarification on whether the proposed DCC rates underlying the proposed bylaw will be evaluated in the context of the cumulative development cost environment, including other development fees, amenity cost charges, density bonusing, building code provisions, and applicable regulatory requirements unique to the Town, and how these combined impacts are considered in assessing whether the proposed DCC bylaw may deter development or discourage reasonably priced housing.

Conclusion

The proposed bylaw introduces a material change to the cost structure of housing delivery in the Town. In the absence of financial feasibility testing, the record does not demonstrate that the proposed DCC bylaw satisfies the statutory considerations.

UDI remains committed to working constructively with the Town and the Province to ensure that development finance tools are implemented in a manner that supports housing delivery, protects affordability, and aligns with sound infrastructure planning.

UDI would welcome the opportunity to provide any additional information or clarification to assist the Inspector in the review of the proposed DCC bylaw.

Sincerely,



Leah Bell
Regional Director
Urban Development Institute

References

- Ministry of Housing and Municipal Affairs. *Development Cost Charge Best Practices Guide*. March 2025.
- *Local Government Act*, SBC 2015, c.1, ss. 560(1)-(2); s. 564(4).
- Town of Sidney. *DCC Engagement and Next Steps*. Report to Council, December 1, 2025, including attached Urban Systems *Development Cost Charge (DCC) Bylaw Update – Background Report*.
- Town of Sidney. *Regular Council Meeting*, April 27, 2026 (meeting minutes and/or recording).
- Planning Institute of British Columbia. *Housing Advisory Bulletin Series 01, Fundamentals of Housing Development Economics, Issue 1.2: Understanding the Core Elements of Development Viability for Planning Practitioners*. April 2026.
- Planning Institute of British Columbia. *Housing Advisory Bulletin Series 02, The Cost of and Funding for Infrastructure and Amenities, Issue 2.2: Understanding Revenue Tools & Cumulative Impacts*. April 2026.
- Canada Mortgage and Housing Corporation. *Development Charges: Not All Cities Are Created Equally*. June 3, 2026.

- Canada Mortgage and Housing Corporation. *Ask an Expert: Why Development Charges Make New Homes More Expensive in Canada*. June 3, 2026.

cc:

Hon. Christine Boyle, Minister of Housing and Municipal Affairs
Hon. Gregor Robertson, Minister of Housing and Infrastructure
Kerry-Lynne Findlay, Leader of the Official Opposition
Linda Hepner, Opposition Critic for Housing
Rob Botterell, MLA, Saanich North and the Islands
Elizabeth May, MP, Saanich-Gulf Islands
Scott Aitchison, MP, Shadow Minister for Housing
Andrew Hicik, Director of Finance, Town of Sidney