

April 27, 2026

Mayor Kenneth (Ken) Popove and Members of Council
City of Chilliwack
Via e-mail to:
info@chilliwack.com

RE: REWARDING CHILLIWACK'S PACE — A TEMPORARY DCC REDUCTION

Dear Mayor Popove and Members of Council:

On behalf of the Independent Contractors and Businesses Association (ICBA) and our more than 4,500 member and client companies — many active in Chilliwack — we write to urge Council to introduce a temporary Development Cost Charge reduction of at least 25 per cent to protect a pace of housing delivery that is among the best in British Columbia.

A Provincial Precedent

Three of British Columbia's largest local-government jurisdictions have now moved on Development Cost Charges. On [March 10, 2025, Surrey Council rolled back residential DCCs to 2023 rates](#), with the freeze holding through May 2027. On [April 15, 2026, the Metro Vancouver Regional District Board adopted its "Roll Back and Reduce" alternative](#) for regional DCCs — cutting rates and backfilling from reserves. Six days later, [Kelowna Council approved a 25 per cent DCC reduction](#) for a two-year term, following ICBA's April 16 letter. Those decisions reflect an emerging consensus: when development charges begin to suppress construction, councils must act — or accept extended stalls, lost jobs, and lost assessment growth.

The Industry Needs a Bold Signal

What ICBA members are reporting is a crisis. In our [recent survey of more than 350 B.C. contractors](#), 23 per cent reported layoffs already made or planned, with an average of 22.5 per cent of their workforce at risk; for the first time in years, finding work — not workers — is the top challenge. We project [B.C. housing starts will fall from 42,200 in 2025 to around 30,000 in 2026](#), with [construction cost inflation up roughly 30 per cent since October 2022 on Statistics Canada's Building Construction Price Index](#). Softer selling prices are not a tailwind for new supply — they compress the margins homebuilders need to carry construction risk, so a smaller share of projects clears the feasibility hurdle. A “cooler market” means fewer projects that pencil, not more.

Under B.C.'s Housing Supply Act, [Chilliwack delivered 1,069 net new units against a Year 1 provincial target of 659](#) — 162 per cent of target, among the strongest over-deliveries among the 30 designated communities. The City's public position that the Province should count housing built on First Nations land in Chilliwack's totals is correct, and we support it.

The Market Will Do What the Province Couldn't

The bigger risk to Chilliwack's housing leadership isn't a provincial accounting dispute — it's the Fraser Valley construction cliff now unfolding. [Fraser Valley Real Estate Board 2025 sales ran 33 per cent below the 10-year average](#), and softer Fraser Valley prices compress the margins Chilliwack homebuilders need to keep projects viable. A City whose 20-year housing need “may already be met” on current pace will see that pace evaporate without action. Rewarding the

pace isn't sentimental — it's how the City locks in the DCC, amenity, and assessment revenue it has been building toward.

The DCC Revenue Math Has Flipped

DCC revenue is a function of rate and volume. In this market, the equation has flipped: when volume collapses, revenue collapses with it — regardless of rate. DCCs cannot be collected on homes that never get built. Every developer running a pro forma in Chilliwack today is calculating whether current DCCs can be absorbed in a market where [CBC has reported 2,500 unsold new condominiums sitting across Metro Vancouver](#) — double the prior year — and [CMHC warns condominium project postponements and cancellations will extend into 2027 and 2028](#). For a meaningful share of projects, the answer is no — and those projects are parked, shelved, or moved, taking the DCC, property taxes, amenity contributions, and construction wages with them. A 25 to 50 per cent temporary reduction produces more total DCC revenue than a higher rate applied to a collapsed pipeline.

Our Ask

ICBA respectfully urges Council to: (1) direct staff to review all DCC revenue streams against a realistic 24-month pipeline outlook; and (2) bring forward a temporary DCC reduction of 25 to 50 per cent, in line with the Surrey, Kelowna and Metro Vancouver precedents, for a minimum 24 months.

The construction industry wants to build in Chilliwack. Give us the conditions to do it.

Sincerely,

INDEPENDENT CONTRACTORS AND BUSINESSES ASSOCIATION



Chris Gardner
President and CEO