



To: Mayor Leonard and Council

From: Daniel Martin, Manager of Planning and Development

Date: August 25, 2025 Meeting Date: September 8, 2025

**Subject:** Grafton Lake Housing Agreement

### **RECOMMENDATION**

That Council refer the development proposal contained in the staff report dated August 25, 2025 to Bowen Island Resilient Community Housing (BIRCH) under the terms of its partnering agreement to act as a community housing organization, for comment on the proposal.

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### **PURPOSE**

To seek Council direction on a Housing Agreement bylaw for an affordable home ownership development adjacent to the Cove Bay Water Treatment Plant.

### **BACKGROUND**

In 2018, Bowen Island Council approved a rezoning application around Grafton Lake. This application included approval for up to 194 homes. In return, the applicant provided amenities including over 90 hectares of park, land for a water treatment plant, and a commitment to provide 45 units of affordable housing. These amenities were captured through the rezoning in a master covenant.

During the rezoning process Council discussed the provision and form of the affordable housing units at a Council Meeting on September 11, 2017. A [staff report](#) at that meeting outlined the developers proposed options, and a staff recommendation. Council at that meeting adopted the following resolution:

RES#17-325

That Council direct staff to prepare a Draft Housing Agreement for the Grafton Lake Lands development application file RZ-05-2015 based on the following:

- Applicant to provide 35 units of rental housing, to be rented at rates 10% below the Vancouver CMA total rental universe. The applicant would also provide 10 units of affordable home ownership, on land on the north side of Grafton Lake outside the Grafton Lake Watershed, to eligible purchasers.

The [master covenant](#), approved as a condition of the rezoning, specified that the developer provide:

*“for the Rental Units and the Affordable Home Ownership Units to the reasonable requirements of the Municipality. (4 (h))” and*

*“**Affordable Housing** – The restrictions set out in section 4(h) shall be completed by the Owner by providing for the use of the portion of the Property for Rental Housing or Affordable Home Ownership Units to the Municipality’s reasonable requirements, including complying with any applicable Housing Agreement, for each phase” (5 (d))*

The parent parcel for the 10 units of affordable home ownership was created in that subdivision. In [May 2021 staff presented a proposal](#) for the delivery of these affordable home ownership was presented to Council, and discussed with the Housing Advisory Committee in June.

At the time, the draft Housing Agreement envisioned restrictions on the 10 units of affordable home ownership such that:

1. Purchase be restricted to qualified purchasers
2. Original purchase price to be established based on actual cost to build the housing and a pre-determined amount of land development costs
3. Resale be limited to a rate of increase established by CPI

At the July 26, 2021 meeting Council subsequently adopted the following motion:

That Council direct staff to prepare a Housing Agreement Bylaw, based on the principles outlined in the [staff report dated July 13, 2021](#).

CARRIED UNANIMOUSLY

Following that meeting, staff have worked with the developer on several iterations of the 10-unit development, but ultimately no proposal has advanced to the stage where a bylaw has been completed for Council’s consideration. Causes for the delay include:

- Changing market conditions for housing on Bowen;
- Inflation pressures on housing construction on Bowen; and, primarily,
- Uncertainty around completion dates of the Cove Bay Water Treatment Plant.

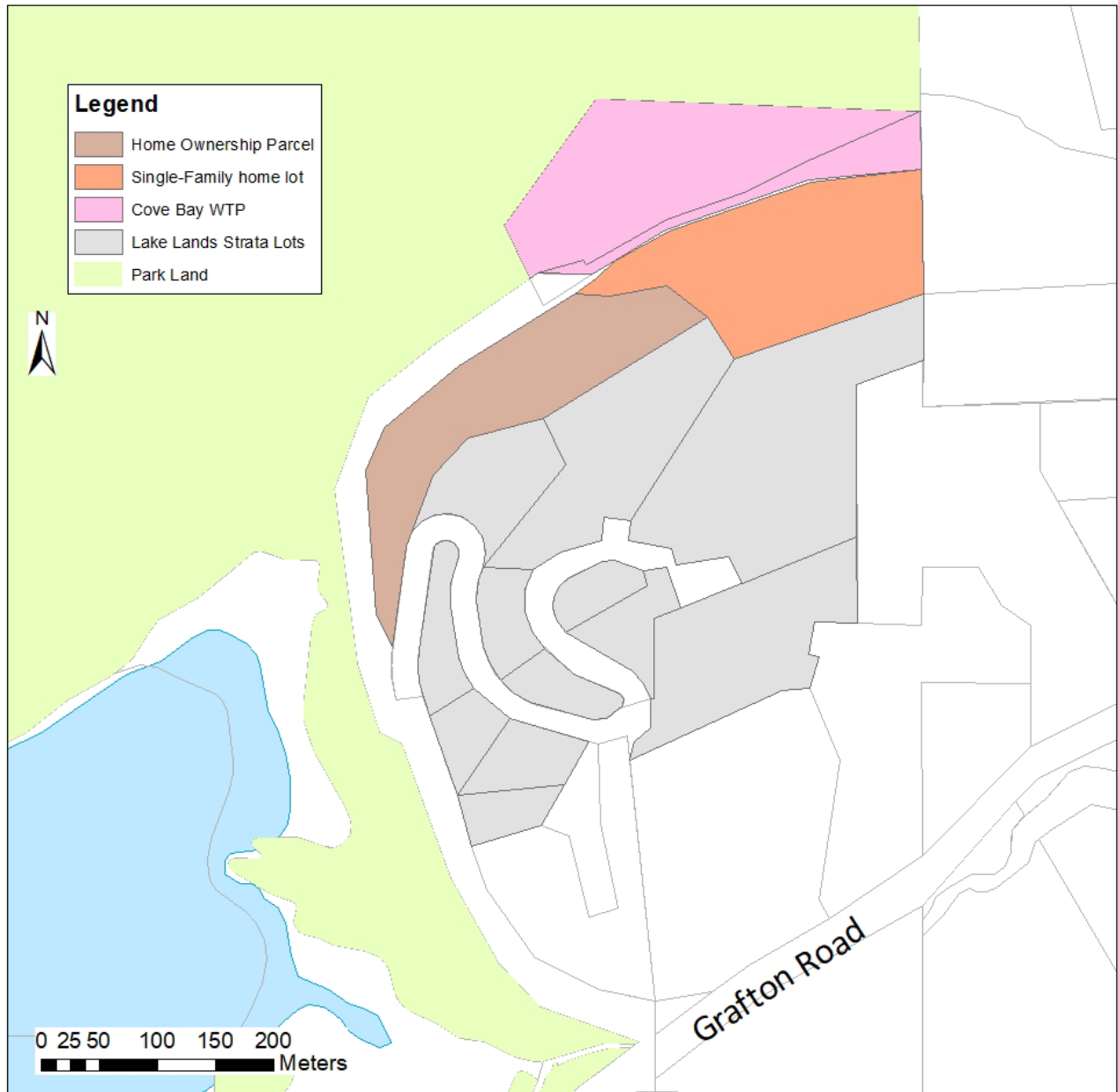
## **PROPOSAL**

Through 2025 the developer has approached staff with an alternative proposal to delivering the required affordable housing in the initial phase of the Grafton Lake (“Lakelands”) development. On June 24<sup>th</sup>, 2025 the developer provided staff with a letter that he wished to have discussed with Council regarding an approach to satisfying the conditions of the rezoning. That letter is provided as Attachment 1 of this report.

In summary, the developer is proposing to:

- Spread the smaller lots across both the parcel created for the 10-lot developer and the adjacent single-family home lot to create 11 fee-simple lots. (Lot sizes would range from 5,000 – 8,000 sq. ft.)
- Eliminate resale restrictions on the lots, so that they would be resold at market rates
- Sell the lots to primarily local builders and trades in need of housing to construct their own houses (compared to earlier proposals for the developer to construct the housing);
- In lieu of resale restrictions, provide the municipality with a total of \$1,000,000 in funding, delivered at time of subdivision (\$100,000 per lot);
- Include a housing agreement that limits sales to Bowen residents or workers.

**Figure 1 – Location Map**



**STAFF DISCUSSION**

Original proposals for the affordable housing development included an assumption that the developer would construct the housing itself, before selling the units at an at-cost price to pre-approved purchasers. This approach intended to utilize economies of scale to deliver the housing at a lower cost. The current proposal would see the developer selling development-ready parcels of land, that individual purchasers construct to the size and quality as they deem appropriate (up to the size permitted in the zoning of 105 sq. m. or approximately 1,130 sq. ft.). In this proposal the affordability of the homes would be through the below market rate of the land, the development ready status of the land, and the smaller size of the units to be built. The developer’s intention is

also to target local trades as potential purchasers of the properties, who may be able to build homes at lower rates.

Council should consider the value of the proposed financial contribution and the proposal's potential to quickly create buildable lots with the previous proposal's deliverable of completed housing units.

### **COMMUNITY HOUSING ORGANIZATION**

Under terms of the partnering agreement between the Municipality and the Bowen Island Resilient Community Housing (BIRCH), BIRCH is available to act as a community resource for non-market housing, including:

- a) Support BIM staff to develop, monitor and administer housing agreements and covenants over non-market housing to ensure perpetual affordability.
- b) Support BIM staff in discussions with developers during rezoning application to identify opportunities for non-market housing.
- c) Act as a resource to BIM Council and Staff on issues pertaining to housing on Bowen Island.

Staff believe this is an issue that BIRCH may be able to provide advice on at this stage, as well as later support in developing a housing agreement bylaw.

### **FINANCIAL/ RESOURCE/MAINTENANCE CONSIDERATIONS**

The proposal from the developer is to provide a cash-in-lieu payment of \$100,000 for each lot sold per lot, to be provided for either the affordable housing fund or towards capacity improvements in the Cove Bay Local Service Area.

### **COMMUNICATION TO THE PUBLIC**

A Housing Agreement Bylaw, required under terms of the covenant, is required to be considered by Council through the public bylaw adoption process. Staff would also recommend that the bylaw be referred to BIRCH for a recommendation, under the terms of the partnering agreement between BIRCH and the Municipality.

### **ECOLOGICAL/ENVIRONMENTAL/CLIMATE CONSIDERATIONS**

Portions of Lot 2 fall within the 30 metres setback of a mapper creek (Connolly Creek). Any development within this area would require a Development Permit to proceed.

### **CONCLUSION**

The Grafton Lakelands developer has approached staff with a proposal to satisfy their requirement to provide 10 units of affordable housing. The developer is proposing that the housing agreement contain restrictions on initial sale of the land but not contain restrictions on further resales of the land. Staff recommend this proposal be referred to BIRCH for comment prior to Council endorsing a particular approach.

## **ALTERNATIVES**

1. That Council direct staff to proceed with the proposal by drafting a Housing Agreement bylaw. Staff would then present this bylaw for Council to consider. At that time Council could seek amendments to, or referrals of, the bylaw prior to granting readings or adoption. Council would move the following motion:

*That Council direct staff to develop a Housing Agreement bylaw for the Grafton Lake development, in accordance with the proposal contained in the staff report dated August 25, 2025.*

2. That Council not endorse this proposal. Instead, the developer would remain committed to providing ten units of affordable housing at this location. Council would move the following motion:

*That Council direct staff to not proceed with the proposal contained in the August 25, 2025 staff report for the Grafton Lake development.*

3. That Council refer this proposal to BIRCH for greater discussion on the latest proposal prior to giving staff direction. Council would move the following motion

*That Council refer the development proposal contained in the staff report dated August 25, 2025 to the Bowen Island Resilient Community Housing for comment on the proposal.*

4. That Council refer this report back to staff for additional information.

## **ATTACHMENTS AND REFERENCES:**

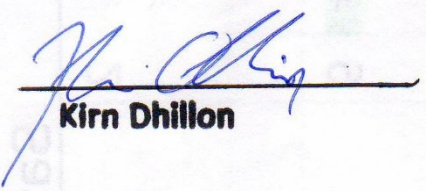
1. Affordable Housing Proposal

**Submitted by:** Daniel Martin, Manager of Planning and Development

**REVIEWED BY:**

- CAO
- Communications
- Corporate Officer
- Fire & Emergency
- Environment & Parks
- Planning

**APPROVED BY:**



**Kirn Dhillon**

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Kirn Dhillon, Chief Administrative Officer

**To: Kirn Dhillon, Daniel Martin**

**From: John Reid**

**Subject: Phase 1 Housing Agreement (Grafton)**

**Date: June 24<sup>th</sup>, 2025**

As requested by staff, here is an outline of what we are proposing to help resolve both the water treatment plant capacity issue and the lack of affordable housing presently available.

There are two lots totalling approx. 5 acres running along the straight section of Trout Lake Road leading to the water treatment plant.

Present zoning allows for 11 homes, 10 of which are limited to 1130 sq ft plus garage, the 11<sup>th</sup> lot has a maximum of 1840 sq ft plus garage

This proposal would not require any change to zoning.

These lots would vary in size from 5-8000 sq ft with the remainder held as common property

10 of these homes were to have restrictions on resale limiting price increases to inflation.

We are proposing simply to eliminate the resale restriction on the 10 lots in exchange for a 1 million dollar payment to the municipality to be used for either expansions to the water treatment plant or to be placed in the affordable housing fund. Both of these options will assist in delivering housing by providing funding or water supply to assist in construction of affordable housing

We feel that these small homes with garage space would be a good addition to our housing stock as entry level single family homes.

We would make the payment to the municipality at the completion of the subdivision prior to selling the lots. The first six could be brought on quickly as road, power, water etc. are already in place.

It is our hope that local builders and trades would be the purchasers and that more of our existing local work force would remain on the island.

We are finding more and more of our young trades moving off Bowen and out of the lower mainland in search of cheaper housing options where they can raise a family in a similar environment as they grew up in.

Limiting sales to locals or those who now commute to Bowen would also help eliminate some of the congestion on the ferry. This proposal is trying to achieve a balance in providing smaller housing options for families, as well as providing funding towards solving the water issue which will hold up any housing if not addressed.

We will produce engineered drawings as part of a subdivision application and provide a site tour to staff and council if there is interest in moving forward with this.

Thanks. John Reid