

CITY OF RICHMOND DCC BYLAW UPDATE 2022

CITY OF RICHMOND DEVELOPMENT COST CHARGE BYLAW UPDATE

Public Information Session
November 30, 2022



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DCC PROJECT TEAM

CITY STAFF

- **Transportation:** Lloyd Bie
- **Utilities:** Milton Chan
- **Parks:** Todd Gross
- **Planning:** John Hopkins
- **Finance:** Venus Ngan

URBAN SYSTEMS

- Dan Huang & Jessica Wang



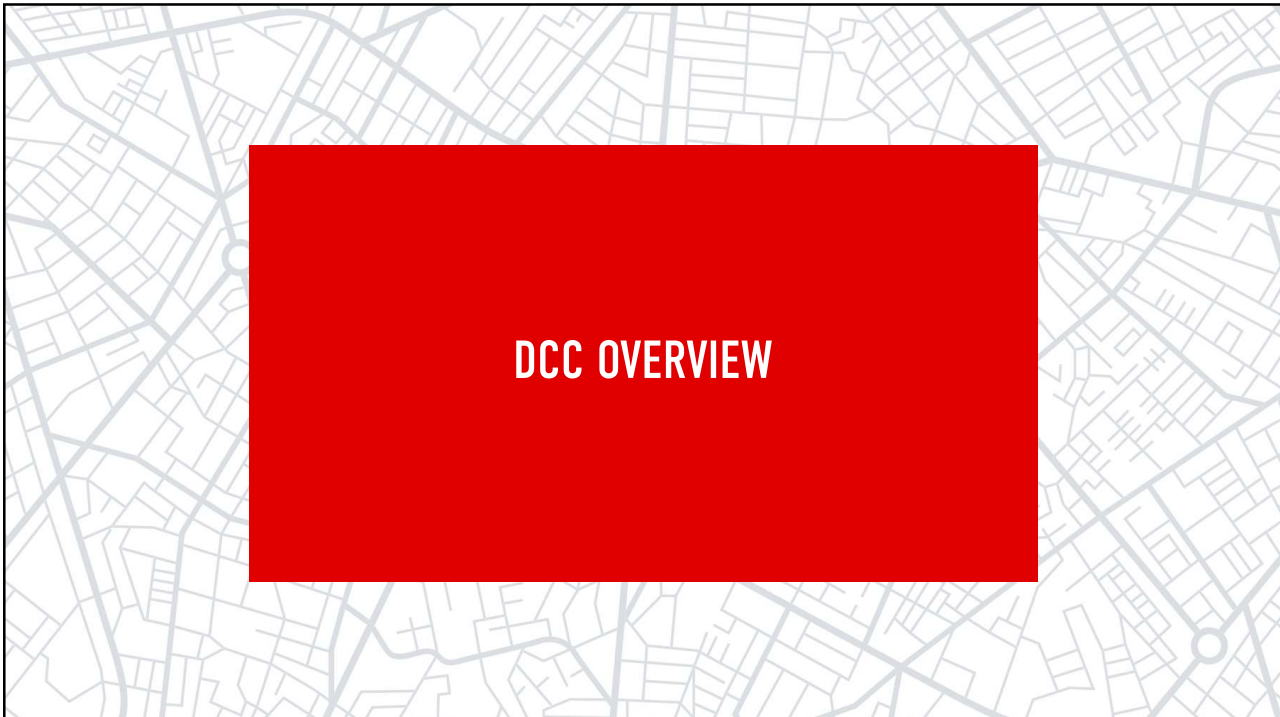
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SESSION OVERVIEW

- DCC Overview
- DCC Programs and Draft Rates
- DCC Rate Comparison
- Additional Considerations
 - In-Stream Protection
 - DCC Waivers and Reductions
- Next Steps
- Q & A



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WHAT ARE DCCS?

Charges levied on development to help pay for the costs of transportation, utility and park infrastructure to meet the needs of growth



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WHY USE DCCS?

- Help ensure growth pays for growth
- Provide certainty to developers
- Distribute growth costs fairly across multiple developments and land uses
- Help communities plan and pay for growth-related infrastructure



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PROVINCIAL LEGISLATION

- Section 14, Division 19 of the Local Government Act

ALSO

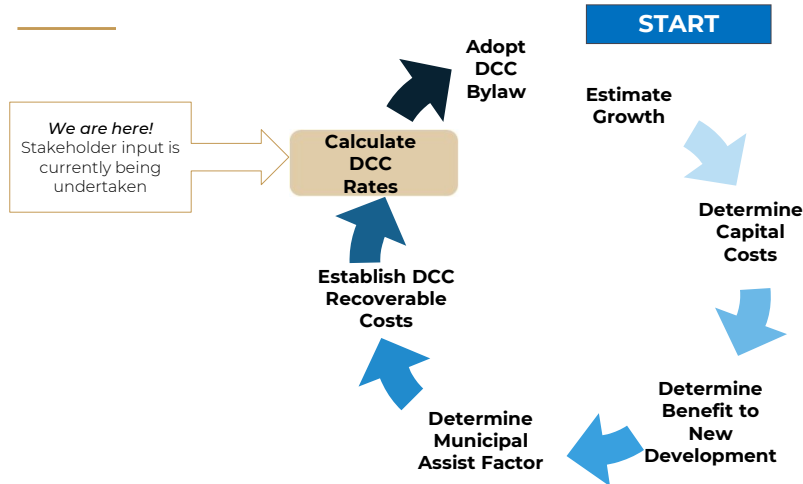
- Provincial DCC Best Practices Guide

** DCC Bylaws must be approved by the provincial Inspector of Municipalities before Adoption.*



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DCC CALCULATION PROCESS



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WHAT WORKS CAN DCCS PAY FOR?

DCCs CAN BE USED FOR	DCCs CANNOT BE USED FOR
<p>Infrastructure needed to support growth</p> <ul style="list-style-type: none"> • Transportation • Water • Drainage • Sewer <p>Parks needed to support growth</p> <ul style="list-style-type: none"> • Land acquisition • Park improvements¹ 	<ul style="list-style-type: none"> • Infrastructure or parks needed solely for <u>existing</u> development • Utility service connections • Operations and Maintenance Costs • Community buildings (e.g., libraries, recreation centres, fire halls)

¹ Only certain park improvements are eligible for DCCs as per Provincial legislation and Ministry Circular 97-04.



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BASIC DCC CALCULATION



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WHO PAYS DCCS AND WHEN ARE THEY COLLECTED?

DCCs are paid by applicants for subdivision approvals and building permit. They are collected in the City as follows:

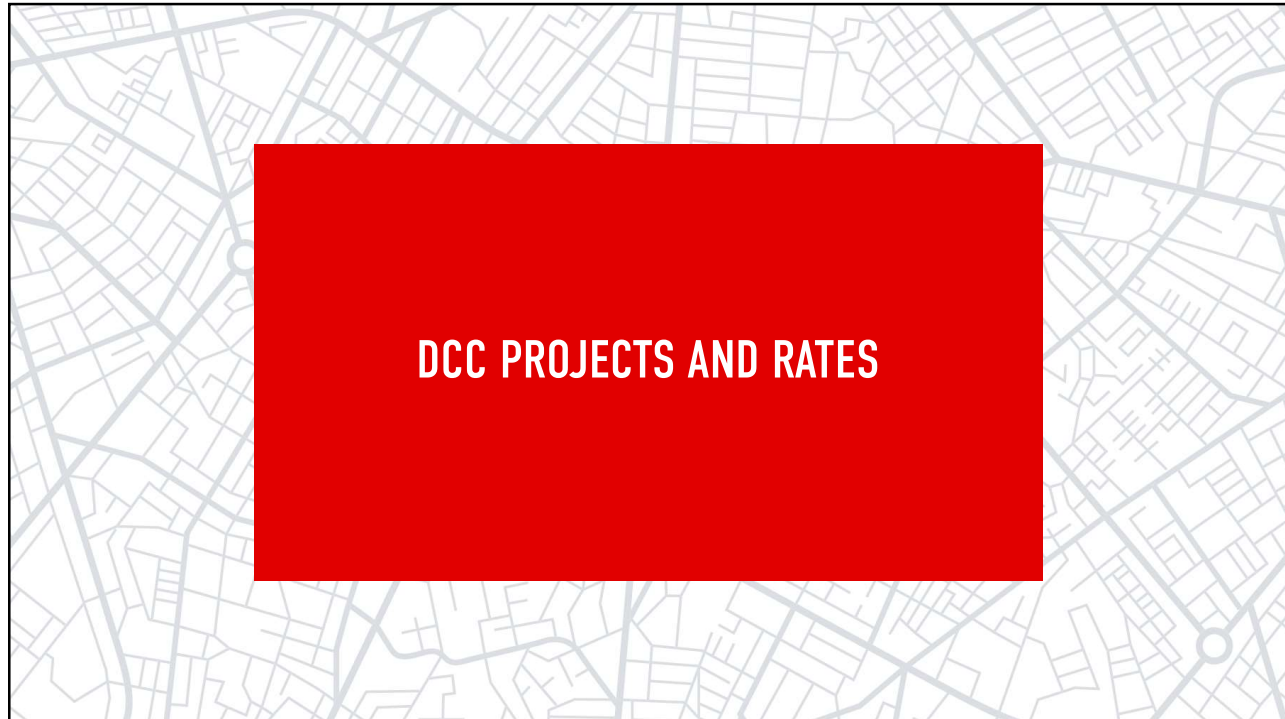
LAND USE	COLLECTED AT
Single Family	Subdivision approval
Townhouse Apartment	Building permit per ft ² gross floor area
Commercial Light Industrial	Building permit per ft ² gross floor area
Institutional	Building permit per ft ² building area
Major Industrial	Building permit per acre gross site area

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WHY UPDATE THE DCC BYLAW NOW?

- City needs to fund major infrastructure to service growth – last major update was completed in 2017, with annual inflationary updates in 2018, 2019, and 2021 (best practice for DCC major update every 5 years)
- Updated infrastructure needs to support growth – significant investment proposed for new infrastructure, specifically drainage, as per Dike Master Plan
- DCCs helps promote financial sustainability for the City
- Council priority

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2022 DCC CAPITAL PROGRAM

DCC PROGRAM	CAPITAL COST (MILLIONS)	BENEFIT FACTOR	DCC RECOVERABLE (MILLIONS)	MUNICIPAL RESPONSIBILITY (MILLIONS)
Transportation	707.1	95%	665.0	42.1
Water	46.2	95-100%	44.1	2.2
Sanitary Sewer	107.4	26-100%	102.2	5.2
Drainage	1,409.2	10-100%	549.9	859.3
Parkland Acquisition	346.5	95%	325.9	20.6
Park Development	193.9	95%	182.4	11.5
Total¹	2,810.3		1,869.5	940.9

¹ Values may not total due to rounding.



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MUNICIPAL ASSIST FACTOR (MAF)

- Amount the municipality contributes (in addition to the portion of the benefit allocation) to help “assist” development
- Minimum is 1%, current DCC MAF is 1% across all programs.
- Metro Vancouver communities MAF are typically set at 1% for financial sustainability
- Can vary by program only (infrastructure type, e.g., roads)
- Higher MAF means lower DCCs, but greater burden on existing residents – at the discretion of Council

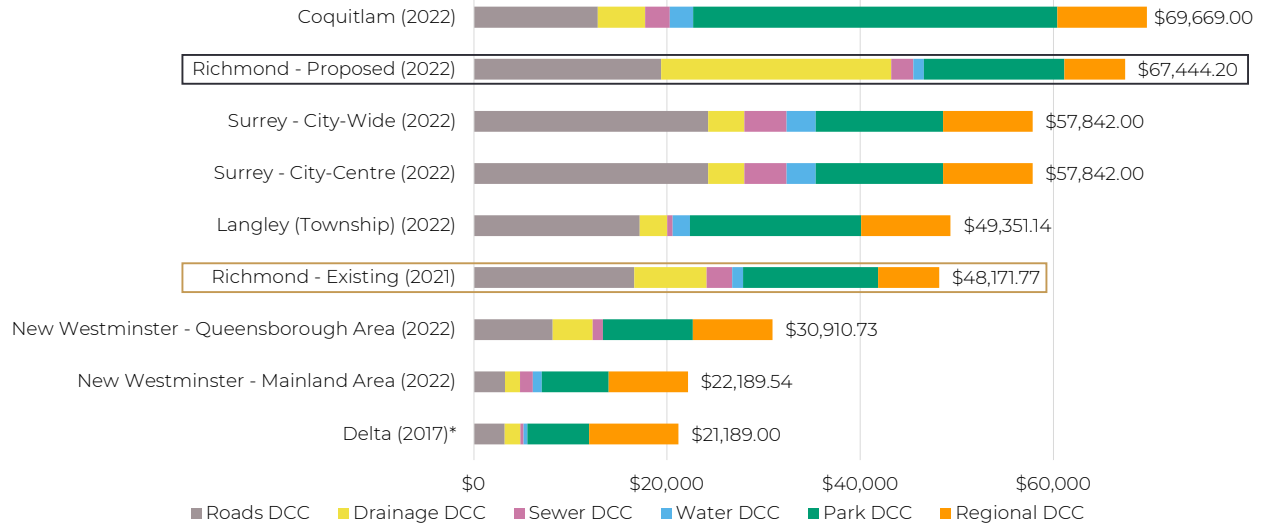
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DRAFT DCC RATES – NOVEMBER 2022

LAND USE	UNIT OF CHARGE	EXISTING DCC RATES	DRAFT DCCS NOV 2022	% CHANGE
Single Family	Per lot	\$ 41,865.77	\$ 61,138.20	46%
Townhouse	Per ft ² gross floor area	\$ 22.77	\$ 32.40	42%
Apartment	Per ft ² gross floor area	\$ 23.97	\$ 34.31	43%
Commercial	Per ft ² gross floor area	\$ 15.39	\$ 22.15	44%
Institutional	Per ft ² building area	\$ 15.39	\$ 22.15	44%
Light Industrial	Per ft ² gross floor area	\$ 12.02	\$ 18.19	51%
Major Industrial	Per acre gross site area	\$103,584.37	\$206,249.33	99%

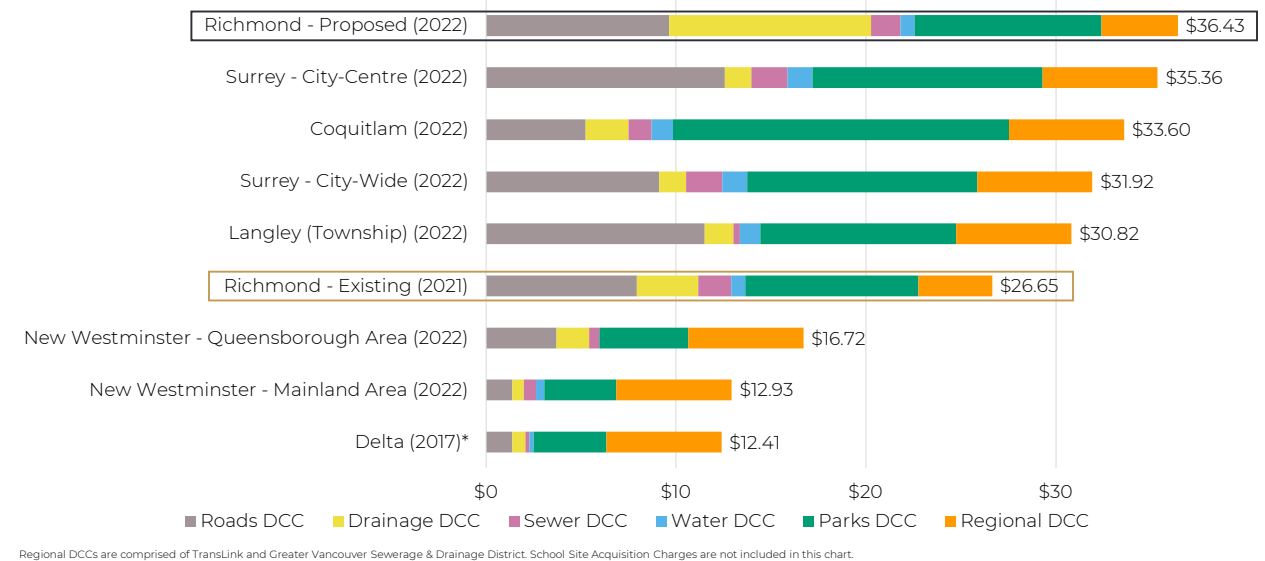
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SINGLE FAMILY (PER LOT)

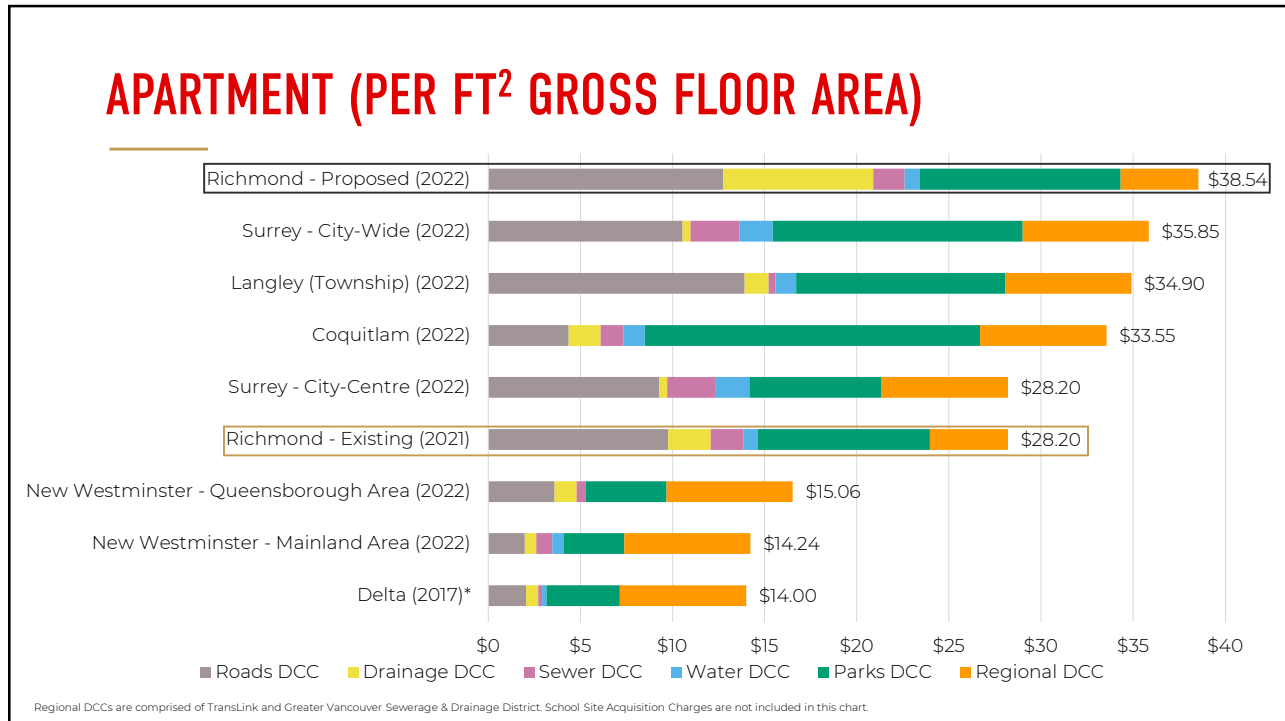


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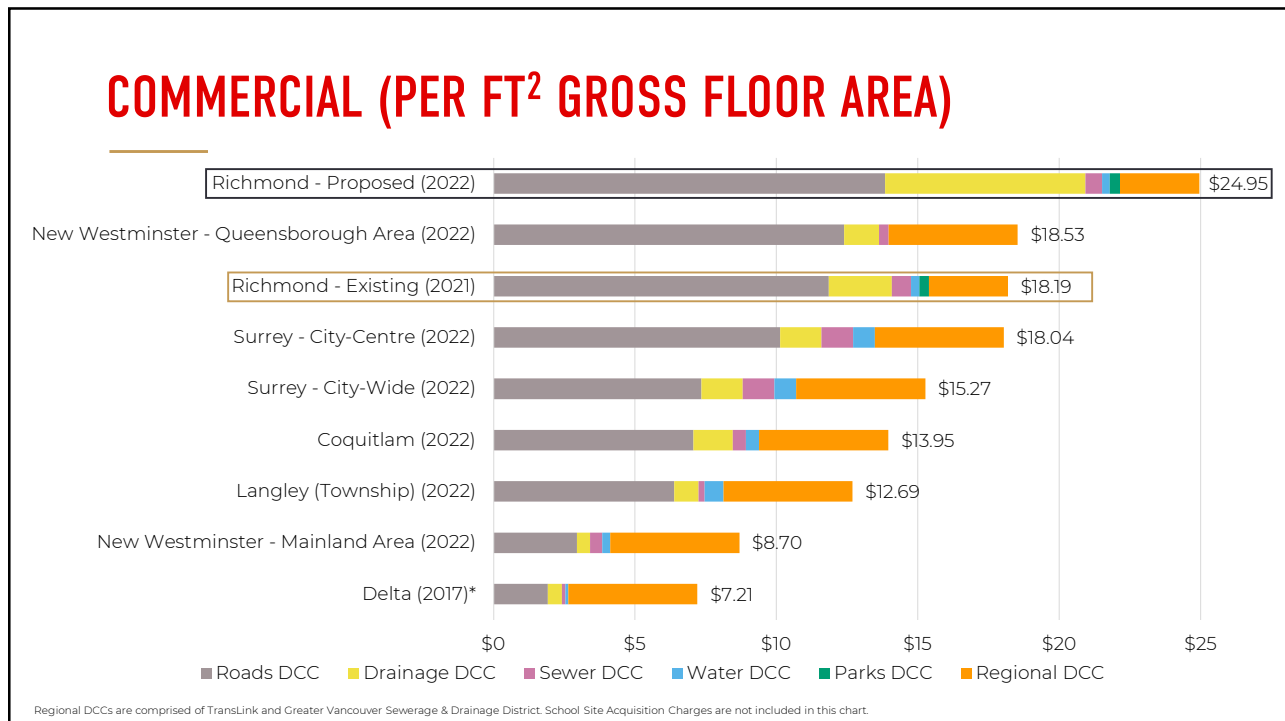
TOWNHOUSE (PER FT² GROSS FLOOR AREA)



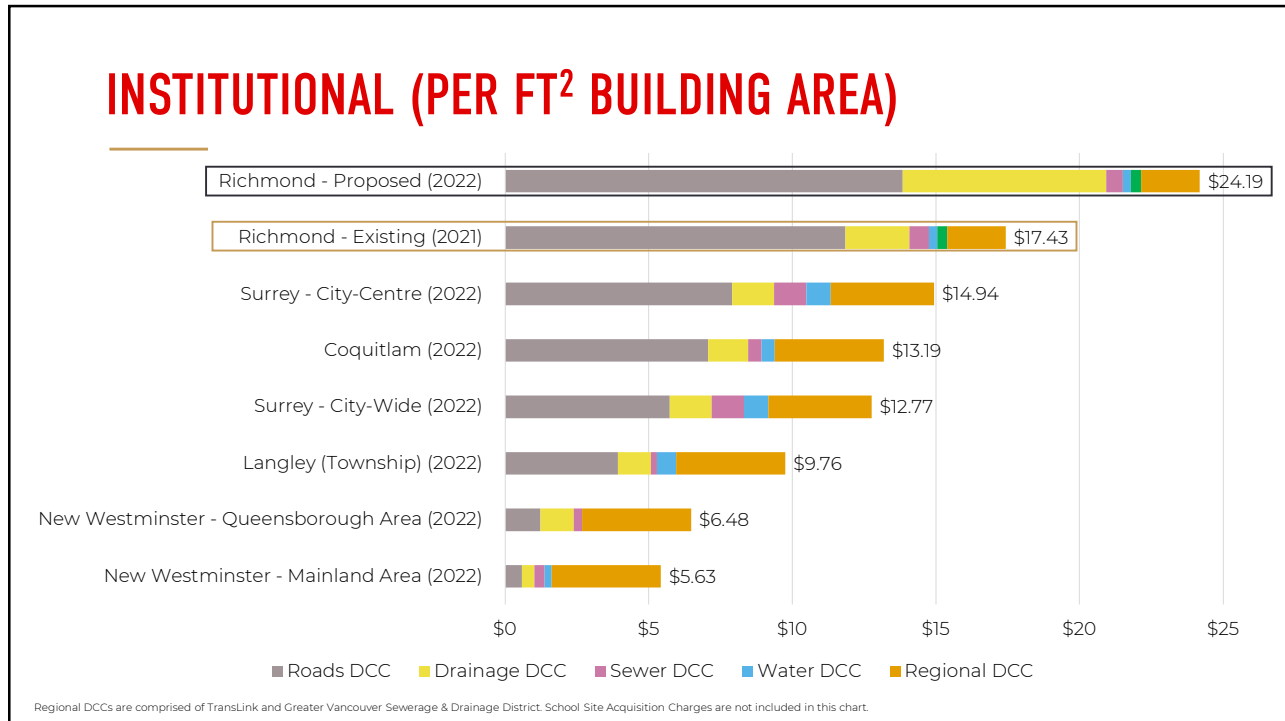
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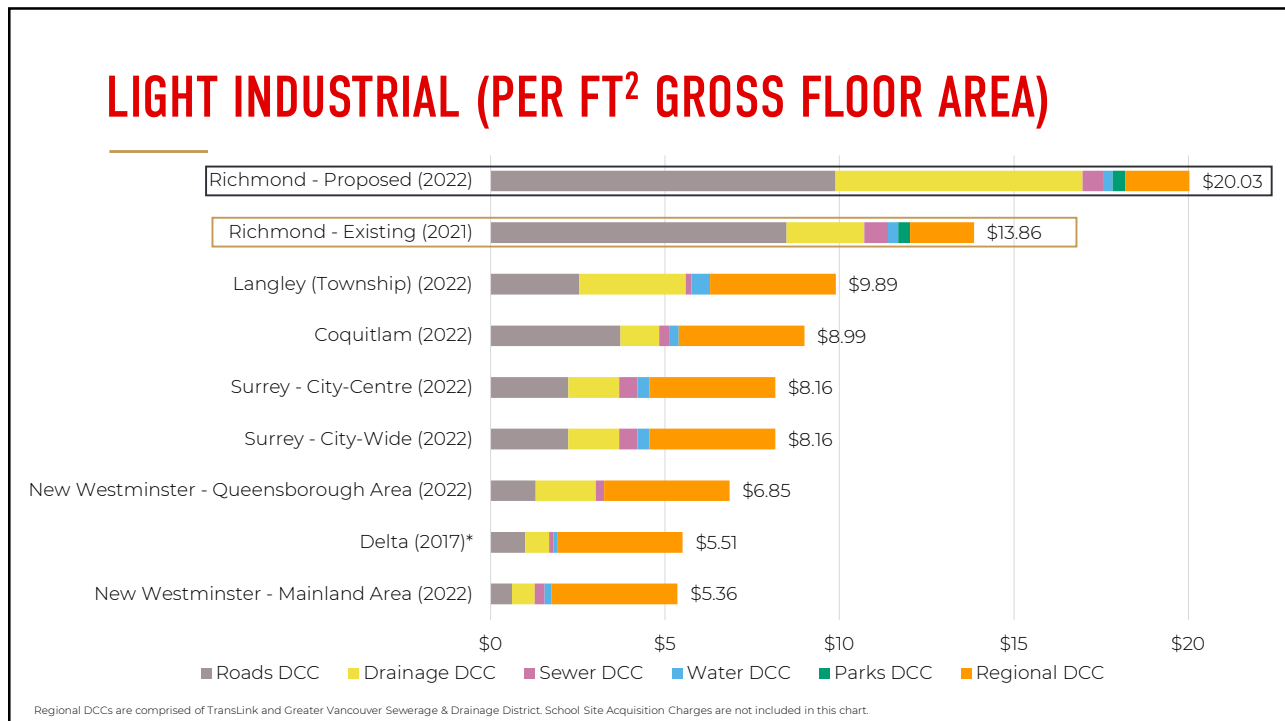
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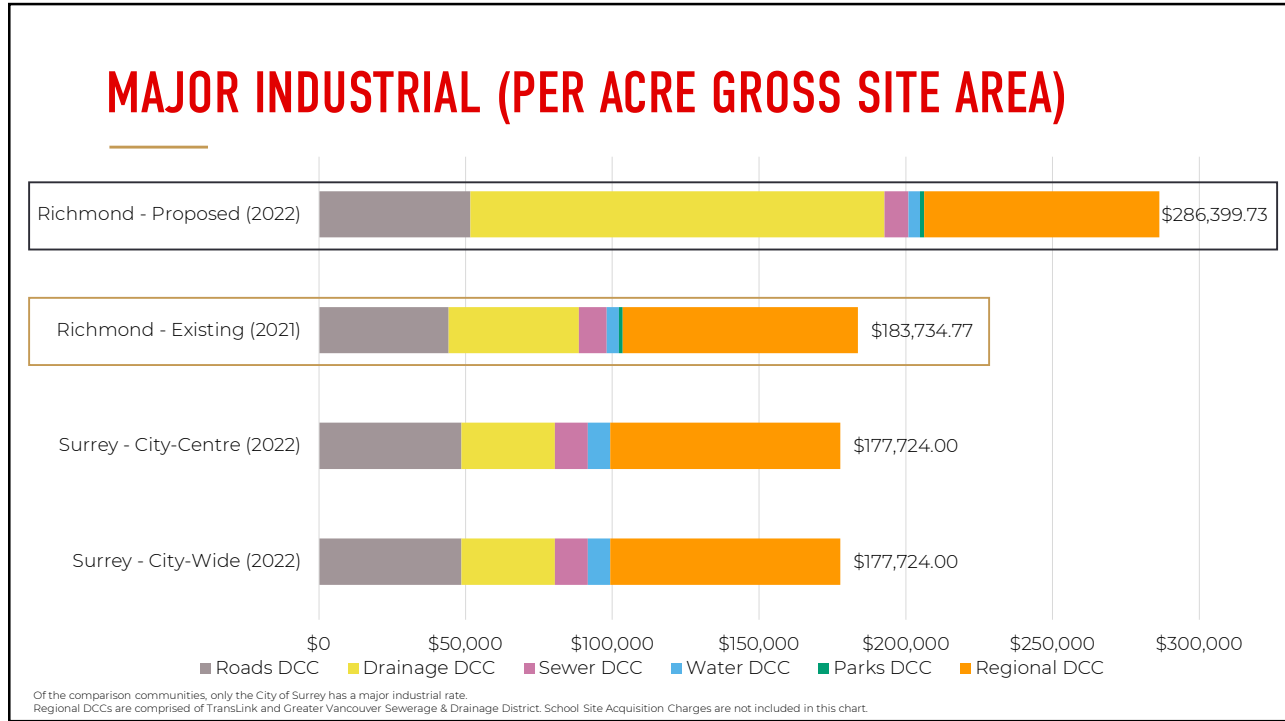
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IN-STREAM PROTECTION (STATUTORY)

- New DCC rates will be effective at bylaw adoption, unless future effective date is set by Council (i.e. grace period)
- However, legislation provides one year of in-stream protection to:
 - Building permit applications
 - Subdivision applications
 - Precursor applications (re-zoning and Development Permit)



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IN-STREAM PROTECTION (STATUTORY)

- To avoid new DCC charges, complete applications must be submitted (with fees paid) prior to adoption of the new DCC bylaw

AND

- Final building permits / subdivision must be granted within **one year of bylaw adoption**; or
- Re-zoning and Development Permit applications must result in building permit issuance within **one year of bylaw adoption**



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DCC WAIVERS AND REDUCTIONS (PERMISSIVE)

- Development that can qualify for waivers/reductions (per legislation)
 - Not-for-profit rental housing, including supportive living housing
 - For-profit affordable rental housing
 - Development designed for reduced environmental impact
 - Subdivision of smaller lots with low GHG emissions
- Waivers and Reductions can be established in a separate bylaw and that bylaw does not require Inspector of Municipalities approval
- DCC Waivers and Reduction are at the sole discretion of Council, and as such are to be funded from non-DCC sources.

The City is currently evaluating the financial feasibility of DCC waivers & reductions.



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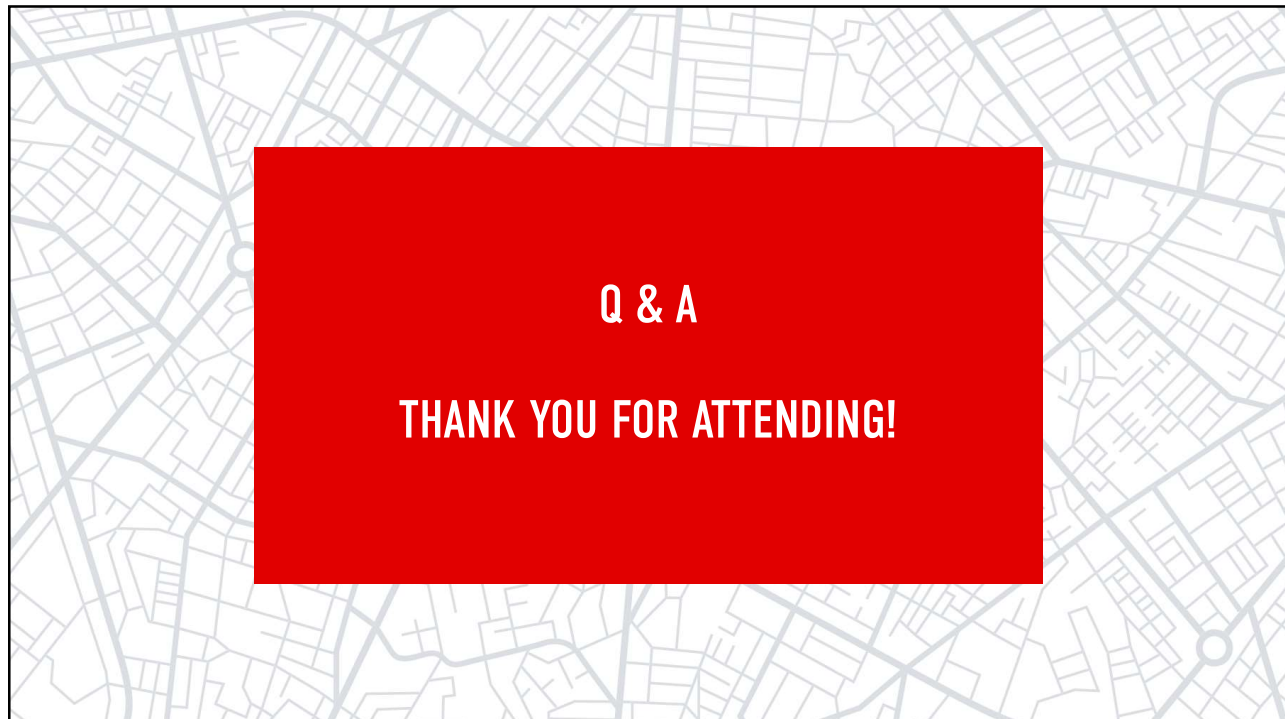
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NEXT STEPS

- Requesting feedback from stakeholders until **December 16, 2022**
 - Email comments to dcc@richmond.ca
 - Written comments to:
 - Finance Department (DCC Update)
 - City of Richmond
 - 6911 No. 3 Road
 - Richmond, BC V6Y 2C1
- Continued review and analysis in 2022, consideration by Council in early 2023.



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