# CITY OF RICHMOND DEVELOPMENT COST CHARGE UPDATE AND NEW AMENITY COST CHARGE BYLAW

Public Engagement Session November 27, 2025



# **AGENDA**

- Why Update Now?
- DCC Overview, Projects & Rates
- ACC Overview, Projects & Rates
- Community Comparisons & Development Feasibility Considerations
- Next Steps
- Discussion



# WHY NOW?

- Recent changes to Provincial Legislation:
  - Allow a wider scope of services and amenities to be cost shared (Bill 46)
  - Permits more density through the small-scale multi-unit housing (SSMUH)
  - Allow for new density/height minimums in Transit-Oriented Areas with no density bonusing minimums
- Best practice is to review the DCC program every 3-5 years
- Opportunity to provide consistency in collecting for community amenities through introduction of an Amenity Cost Charge Bylaw
- \* DCCs and ACCs help promote **financial sustainability** for the City





# WHAT ARE DCCs?

- Help communities recover the costs of off-site infrastructure needed for growth
- Based on the principle of cost-sharing infrastructure between existing taxpayers and new developments
- Provincially-regulated development finance tool
  - Part 14, Division 19 of the Local Government Act (LGA)
  - \* New legislation (Bill 46) now allows a wider scope of services and amenities
  - DCC Best Practices Guide (March 2025)
  - DCC Guide for Elected Officials



# WHAT PROJECTS CAN DCCs PAY FOR?

## DCCs CAN BE USED TO FUND

Capital costs (planning, engineering, design, legal, studies) for:

- Transportation services
- Water services
- Drainage services
- Sewer services
- Parkland acquisition and improvements
- Fire protection facilities
- Police facilities
- Solid waste and recycling facilities

## DCCs CANNOT BE USED TO FUND

- Infrastructure or parks needed to serve the existing population (deficiencies, asset replacement)
- In other words: <u>DCC projects must be</u> <u>growth-related</u>
- Operations and maintenance costs
- Community buildings eligible under ACCs



# WHICH PARKS PROJECTS ARE DCC-ELIGIBLE?

## DCCs CAN BE USED TO FUND

- Park acquisition
- Park improvements:
  - Fencing
  - Landscaping
  - Drainage and irrigation
  - Trails
  - Restrooms
  - Changing rooms
  - Playground equipment
  - Playing field equipment

## DCCs CANNOT BE USED TO FUND

- Off-street parking facilities
- Sports field lighting
- Artificial turf
- Sport courts
- New recreation buildings eligible for collection under ACCs



# **HOW DO WE DETERMINE THE RATES?**

### **GROWTH**

Estimate residential & non-residential growth & where it is expected to occur



# CAPITAL COSTS & TIMING

Identify costs & timing of projects needed to support growth



# BENEFIT ALLOCATION

Determine the extent to which each project benefits growth



## **DRAFT RATES**

Calculate the draft Parks DCC rates



# ASSIST FACTOR

Council determines how much to assist development



#### CONSULT

Consult with development community



# BYLAW ADOPTION

MINISTRY REVIEW



POLICY INPUT

TECHNICAL INPUTS

**POLICY INPUT** 

**TECHNICAL INPUTS** 



# **ALLOCATING BENEFIT**

- · A benefit allocation (%) is assigned to each project to reflect anticipated benefit to growth
- Ensures costs are shared equitably between the current and future population (benefiters)
- The benefit allocation can be determined based on the following methods:
  - 1. 'Rule of thumb'
  - 2. Technical analysis
  - 3. Population growth







HIGH

1% LOW

SHARED BENEFIT

100%

LOW BENEFIT TO DEVELOPMENT
PRIMARILY SERVES EXISTING POP.
MINIMAL DCCS RECOVERABLE

SHARED BENEFIT TO DEVELOPMENT SERVES FUTURE & EXISTING POP.

SOME DCCS ARE RECOVERABLE

HIGH BENEFIT TO DEVELOPMENT PRIMARILY SERVES FUTURE POP.

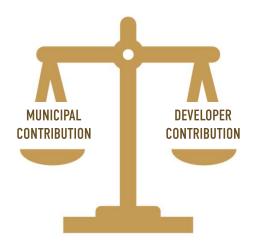
MAXIMUM DCCS RECOVERABLE

Projects that are not growth-driven (i.e., 0%) are not eligible for DCCs



# MUNICIPAL ASSIST FACTOR

- Legislation requires local governments to assist development for DCCs
- Assist amount must be made up through non-DCC revenue (general taxation)
- Council has complete discretion to set an assist factor between 1% (least assistance) and 99% (most assistance)
- The assist factor is varied by DCC Program (e.g., roads, water, sewer); not by land use type





# PROJECT EXAMPLE

## **ASSUMPTIONS**

- \$1 Million (M) project cost
- 50% benefit allocation to new growth (i.e., 50% to existing users)
- 1% Municipal Assist Factor

PROJECT COST e.g., \$1M	<b>BENEFIT ALLOCATION</b> e.g., 50% benefit to growth		ASSIST FACTOR (1%) e.g., 1% assistance to developer		COST SHARE	
DEVELOPER CONTRIBUTION	\$500K	-	\$5.0K	=	\$495K	
CITY CONTRIBUTION	\$500K	+	\$5.0K	=	\$505K	



# WHEN ARE DCCs COLLECTED?

- DCCs are paid by applicants for:
  - Applicants for subdivision approval to create single detached lots
  - Applicants for building permits to construct SSMUH typologies, townhouse and apartment residential uses, commercial, industrial, and institutional development







# IN-STREAM PROTECTION

- New DCC rates will be effective at bylaw adoption unless future effective date is set
- However, legislation provides protection to in-stream:
  - Building permit applications
  - Subdivision applications
  - Precursor applications (Re-zoning and Development Permit)



# IN-STREAM PROTECTION

 To avoid new DCC charges, these applications must be in prior to adoption of the new DCC bylaw

## <u>AND</u>

- 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





# SUMMARY OF KEY CHANGES

- Revised land use categories to better reflect impact on infrastructure and ease of administration
  - This includes consideration of SSMUH development
- Review of equivalent factors to accommodate SSMUH-type development (e.g., Plexes, Detached accessory dwelling units)
- Decision to not include Fire Protection, Police, and Solid Waste Management DCC Programs in this update to achieve tenable DCC rates
- Focus on inflationary adjustments and constrained capital program resulting in 5% adjustment in DCC rates
- No update to the Alexandra Area-Specific DCC Charges



# PROPOSED DCC RATES

Land Use	Unit of Charge	Current DCC Rates (2024)	<b>Draft DCC Rates</b> (1% MAF)	% Increase
Single Family Residential	Per Lot	\$63,767.14	\$66,908	5%
SSMUH	Per Dwelling Unit	n/a	\$47,182	n/a
Townhouse	Per ft <sup>2</sup> DU	\$33.79	\$35.45	5%
Apartment	Per ft <sup>2</sup> DU	\$35.79	\$37.55	5%
Commercial	Per ft <sup>2</sup> BA	\$23.10	\$24.25	5%
Institutional	Per ft <sup>2</sup> BA	\$23.10	\$24.25	5%
Light Industrial	Per ft <sup>2</sup> BA	\$18.97	\$19.92	5%
Heavy Industrial	Per acre of GSA	\$215,118.05	\$225,900.62	5%

#### NOTES:

DU = Dwelling Unit

BA = Building Area (in square feet)

GSA = Gross Site Area (in acres)

# TRANSPORTATION PROGRAM

Service	Total Capital Costs (\$M)	Benefit Allocation	DCC Recoverable (\$M)	Municipal Assist Factor	Municipal Costs (Benefit to Existing + <u>1%</u> MAF) (\$M)
Transportation	742.6	95%	698.4	1%	44.2
Total	\$742.6M		\$698.4M		\$44.2M

- 30-year time horizon
- Examples of projects include:
  - Intersection upgrades
  - Sidewalks
  - Roundabouts



# WATER PROGRAM

Service	Total Capital Costs (\$M)	Benefit Allocation	DCC Recoverable (\$M)	Municipal Assist Factor	Municipal Costs (Benefit to Existing + <u>1%</u> MAF) (\$M)
Water	48.4	95-100%	46.2	1%	2.1
Total	\$48.4M		\$46.2M		\$2.1M

- 30-year time horizon
- Examples of projects include:
  - Watermains
  - Water Master Plan



# SANITARY SEWER PROGRAM

Service	Total Capital Costs (\$M)	Benefit Allocation	DCC Recoverable (\$M)	Municipal Assist Factor	Municipal Costs (Benefit to Existing + <u>1%</u> MAF) (\$M)
Sanitary Sewer	113.2	26-100%	107.3	1%	5.9
Total	\$113.2M		\$107.3M		\$5.9M

- 30-year time horizon
- Examples of projects include:
  - Gravity Mains
  - Pump Stations
  - Forcemains



# DRAINAGE PROGRAM

Service	Total Capital Costs (\$M)	Benefit Allocation	DCC Recoverable (\$M)	Municipal Assist Factor	Municipal Costs (Benefit to Existing + <u>1%</u> MAF) (\$M)
Drainage	1,479.6	10-100%	577.4	1%	902.2
Total	\$1,479.6		\$577.4		\$902.2M

- 30-year time horizon
- Project list includes:
  - Dikes\*
  - Drainage Mains
  - Box Culverts



<sup>\*</sup>Dikes are a significant portion of the Drainage DCC Program. This is unique due to Richmond's geography and drainage needs.

# PARKLAND ACQUISITION PROGRAM

Service	Total Capital Costs (\$M)	Benefit Allocation	DCC Recoverable (\$M)	Municipal Assist Factor	Municipal Costs (Benefit to Existing + <u>1%</u> MAF) (\$M)
Parkland Acquisition	513.3	95%	482.7	1%	30.5
Total	\$513.3M		\$482.7M		\$30.5M

- 30-year time horizon
- Examples of projects include:
  - Parkland acquisition to maintain level of service



# PARKLAND DEVELOPMENT PROGRAM

Service	Total Capital Costs (\$M)	Benefit Allocation	DCC Recoverable (\$M)	Municipal Assist Factor	Municipal Costs (Benefit to Existing + <u>1%</u> MAF) (\$M)
Parkland Development	363.5	95%	341.9	1%	21.6
Total	\$363.5M		\$341.9M		\$21.6M

- 30-year time horizon
- Examples of projects include:
  - Development of new trails
  - Washroom facilities
  - Playground Equipment



# DCC CAPITAL COST SUMMARY

Service	Total Capital Costs	DCC Recoverable	Municipal Costs (Benefit to Existing + <u>1%</u> MAF) (\$M)	
Transportation	742.6	698.4	44.2	
Water	48.4	46.2	2.1	
Drainage	113.2	107.3	5.9	
Sanitary Sewer	1,479.6	577.4	902.2	
Parkland Acquisition	513.3	482.7	30.5	
Parkland Development	363.5	341.9	21.6	
Total*	\$3,260.6M	\$2,253.9M	\$1,006.5M	

<sup>\*</sup>Values may not total due to rounding





# CHANGES TO THE CITY AMENITY FUNDING STRUCTURE

- City's amenity funding structure has typically relied on density bonusing (esp. City Centre) and amenity contributions secured through OCP/Area Plans (e.g. Broadmoor, West Cambie)
- Provincial Transit Oriented Area minimums have changed the paradigm in the City Centre no density bonusing below the provincial minimums:



		0m to 200m	200m to 400m	400m to 800m
Danid Toon is	TOA Minimums	5 FAR	4 FAR	3 FAR
Rapid Transit		20 Storeys	12 Storeys	8 Storeys



# A NEW PARADIGM

- Restrictions on the City's ability to density bonus within TOAs
- Transition to new Amenity Cost Charges (ACCs), on city-wide basis
- Concurrent updates to historic amenity contributions (e.g. Broadmoor, West Cambie) to ensure no 'double-dipping' previous CACs towards childcare, community facilities convert to new ACC program
- Adapted inclusionary zoning (work in progress) focused on affordable housing
- Adapted density bonusing (work in progress) primarily for non-residential (e.g. Local Villages outside of City Centre)



# WHAT ARE ACCs?

- Help communities recover the costs of amenities that provide social, cultural, heritage, recreational, or environmental benefits to a community
- Closely resemble DCCs
  - Charges for one-time capital costs
  - Growth-driven
- Regulated by the Province
  - New legislation (Bill 46)
  - Division 19.1 of the Local Government Act
  - ACC Best Practices Guide (new!)



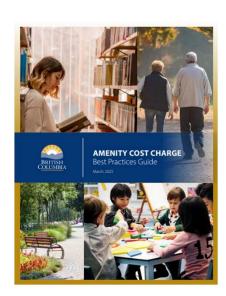
# WHAT IS THE UPTAKE OF ACC BYLAWS?

- Examples of communities that have proposed or adopted ACC rates:
  - Burnaby charged on all land use categories
  - Coquitlam charged on residential uses
  - North Vancouver (District) charged on residential uses
  - Pitt Meadows charged on residential uses
  - Abbotsford (Proposed) charged on all land use categories
  - Mission charged on residential uses
  - Nanaimo (Proposed) charged on all land use categories
  - Cumberland (Proposed) charged on residential uses
  - Oak Bay charged on all land use categories
  - Comox (Proposed) charged on residential uses
- All communities charge ACCs on a municipal-wide basis



# ACC BEST PRACTICES GUIDE - ITEMS OF NOTE

- Can only be used for capital costs
- · Cannot be used to pay for housing of any kind
- Cannot be levied on "affordable housing" or "places of worship"
- Cannot be levied if a development doesn't result in increased population of residents or workers
- Must be owned by local government or through a "partnering agreement"
- Approval by Inspector of Municipalities is not required
- Cannot overlap with DCCs, CACs, Density Bonusing no "double charging"





# WHAT WORKS CAN ACCs PAY FOR?

#### ACCs CAN BE USED TO FUND

#### **ACCs CANNOT BE USED TO FUND**

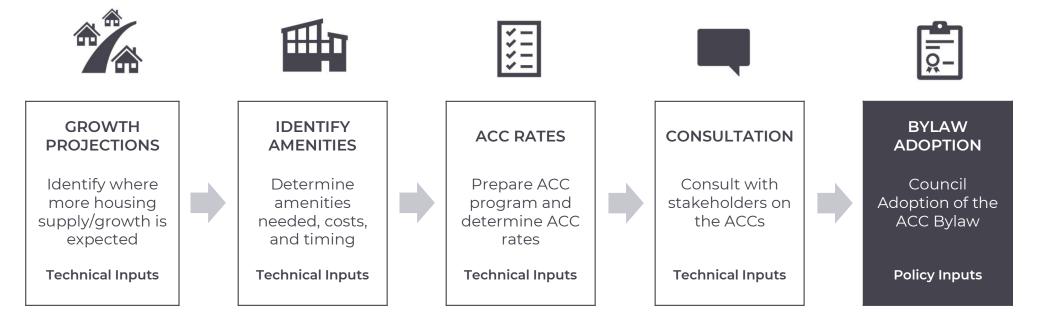
## Amenities (non-exhaustive)

- · Community, youth, or seniors' centre
- Recreation or athletic facility
- Library
- Childcare facility
- Public square

- Projects otherwise eligible for DCCs
- Projects needed to serve the <u>existing</u> population (deficiencies, asset replacement), i.e., <u>ACC projects must be growth-related</u>
- Operations and Maintenance Costs



# HOW IS THE ACC RATE DETERMINED?



**Note:** Economic analysis to determine the impacts of the ACC program on development viability is now a requirement (extent of the analysis varies)

# **ALLOCATING BENEFIT**

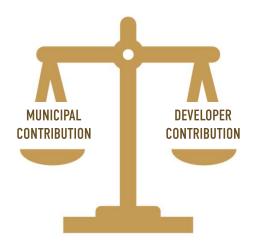
- · A benefit allocation (%) is assigned to each project to reflect anticipated benefit to growth
- Ensures costs are shared equitably between the current and future population (benefiters)
- The benefit allocation can be determined based on the following methods:
  - 1. Population growth
  - 2. Technical analysis (capacity modelling)
  - 3 'Rule of thumb'



Projects that are not growth-driven (i.e., 0%) are not eligible for ACCs

# MUNICIPAL ASSIST FACTOR

- Legislation requires local governments to assist development for ACCs
- Assist amount must be made up through non-ACC revenue (general taxation)
- Council has complete discretion to set an assist factor between 1% (least assistance) and 99% (most assistance)
- The assist factor is can vary by categories within the ACC program (e.g., childcare, libraries)





# IN-STREAM PROTECTION

- ACC rates will be effective at bylaw adoption unless future effective date is set
- However, legislation provides protection to in-stream:
  - Building permit applications
  - Subdivision applications
  - Precursor applications (re-zoning and Development Permit)



# IN-STREAM PROTECTION

 To avoid new ACC charges, these applications must be in prior to adoption of the new ACC bylaw

## <u>AND</u>

- 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





### PROPOSED ACC RATES

Land Use	Unit of Charge	<b>Draft ACC Rates</b> (1% MAF)	
Single Family Residential	Per Lot	\$23,003	
SSMUH	Per Dwelling Unit	\$12,102	
Townhouse	Per ft² DU	\$12.27	
Apartment	Per ft <sup>2</sup> DU	\$12.94	
Commercial	Per ft <sup>2</sup> BA	\$4.69	
Institutional	Per ft <sup>2</sup> BA	\$4.69	
Light Industrial	Per ft <sup>2</sup> BA	\$3.91	
Heavy Industrial	Per acre of GSA	\$3,561.84	



#### **ACC PROGRAM SUMMARY**

Service	Total Capital Costs (\$M)	Benefit Allocation	ACC Recoverable (\$M)	Municipal Assist Factor	Municipal Costs (Benefit to Existing + 1% MAF) (\$M)
Amenities	415.0	25-100%	365.0	1%	51.0
Total*	\$415.0M		\$365.0M		\$51.0M

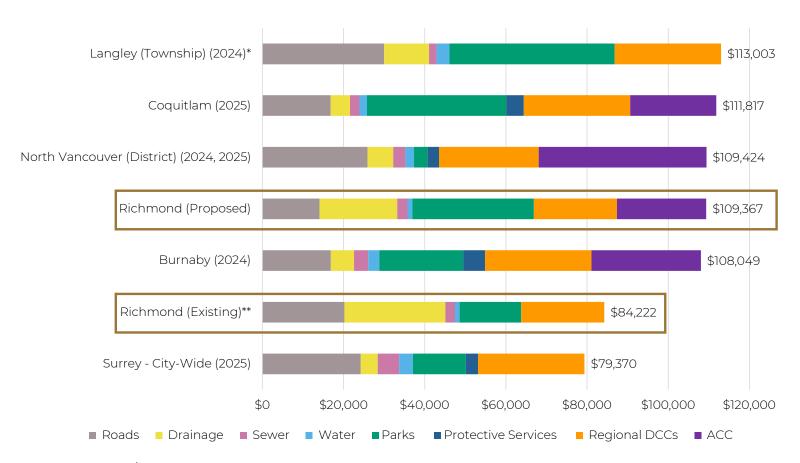
<sup>\*</sup>Values may not total due to rounding

- 10-year time horizon
- Examples of projects include:
  - Library Space
  - Performing Art Space
  - Childcare Spaces



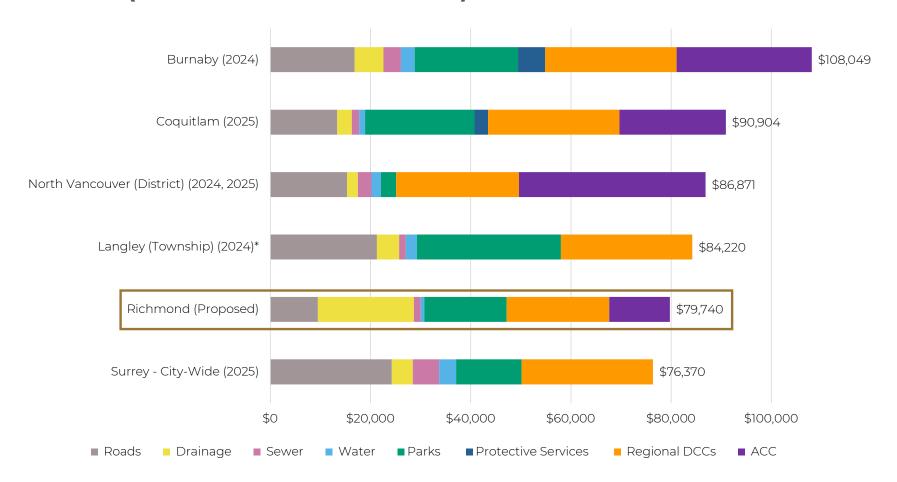


## SINGLE FAMILY (PER LOT)

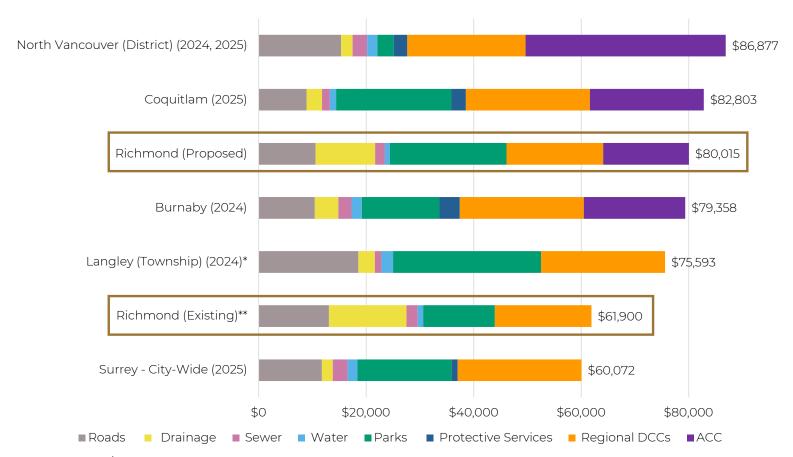


<sup>\*\*</sup> Richmond's existing rate does not include applicable Community Amenity Contributions/ Density Bonus rates to be replaced by ACCs

## SSMUH (PER DWELLING UNIT)

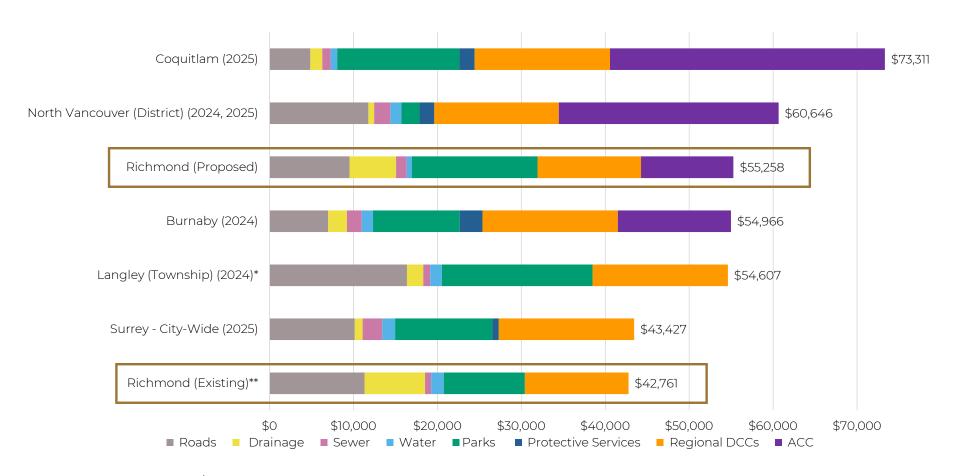


## TOWNHOUSE (PER SQUARE METRE GFA)



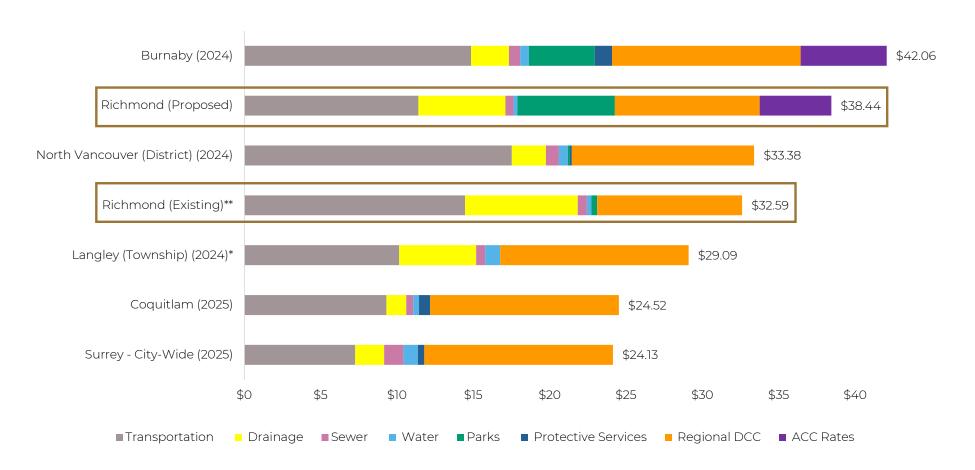
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### APARTMENT (PER DWELLING UNIT)



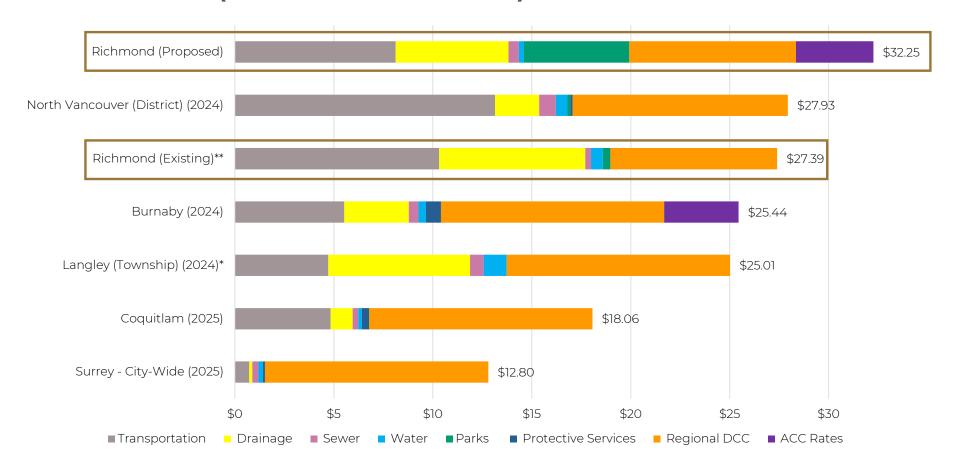
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### COMMERCIAL (PER SQUARE FOOT)



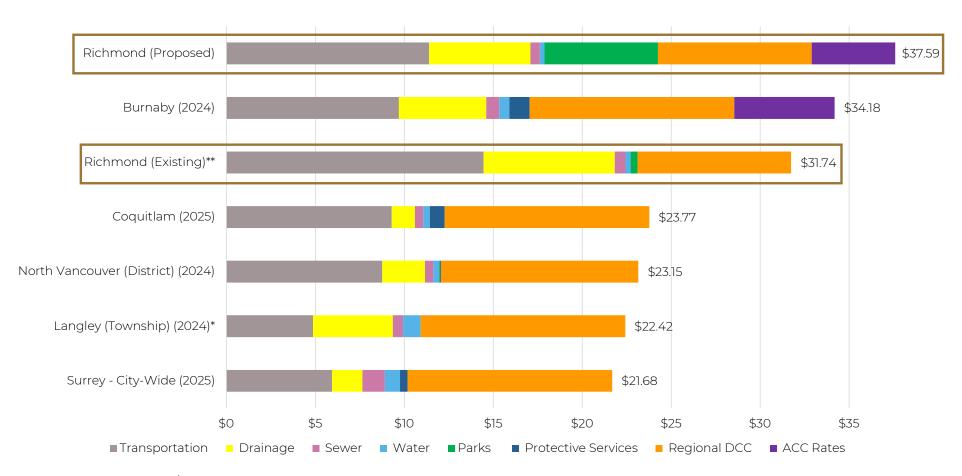
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## INDUSTRIAL (PER SQUARE FOOT)



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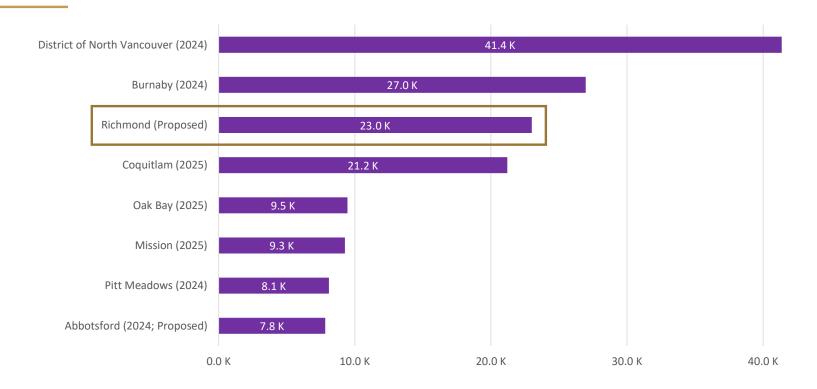
## INSTITUTIONAL (PER SQUARE FOOT)



<sup>\*\*</sup> Richmond's existing rate does not include applicable Community Amenity Contributions/ Density Bonus rates to be replaced by ACCs

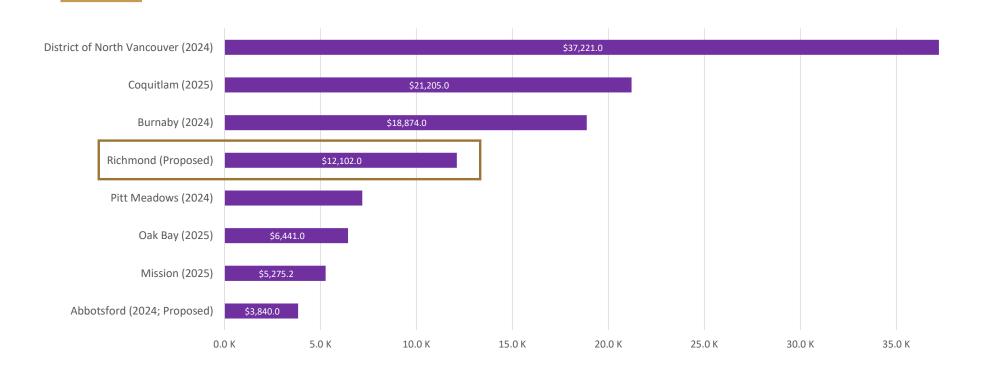


## ACC - SINGLE FAMILY (PER LOT)



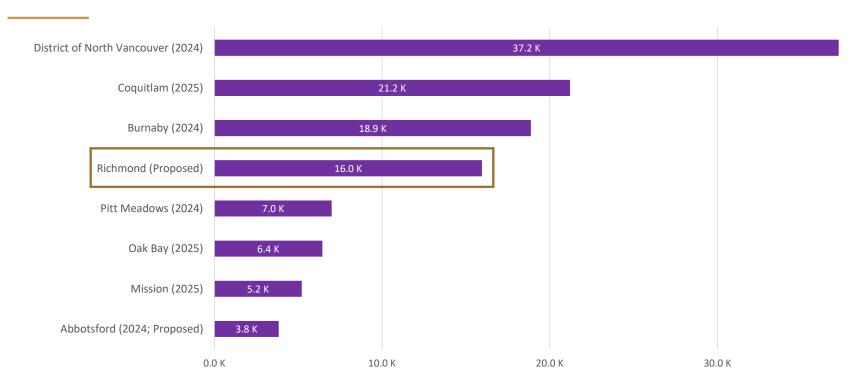


## ACC - SSMUH (PER DWELLING UNIT)



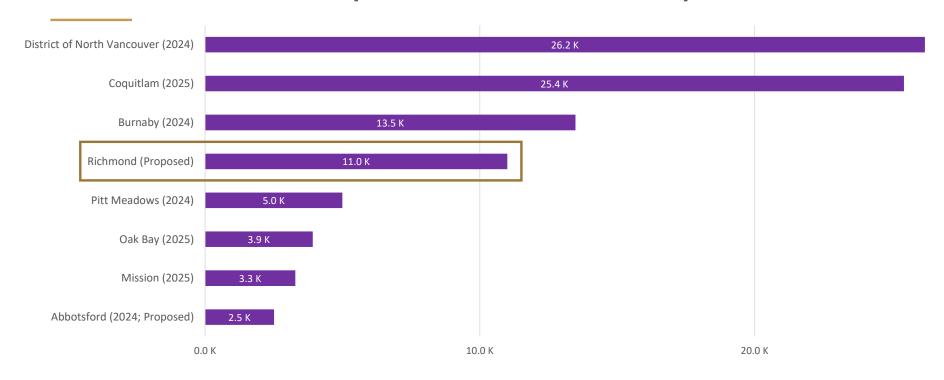


## ACC - TOWNHOUSE (PER DWELLING UNIT)



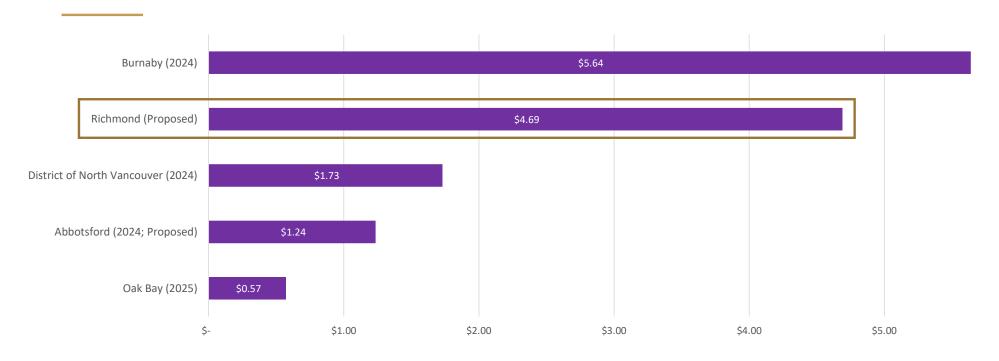


## ACC - APARTMENT (PER DWELLING UNIT)





# ACC - COMMERCIAL (PER SQUARE FOOT)







#### FEASIBILITY CONSIDERATIONS

- DCC rate increases reflect general inflation (5%)
- No additional DCC Program added (Fire, Police or Solid Waste Management)
- ACC Program designed to replace existing Density Bonus structure
- ACC Program designed with a 10-year time horizon to limit capital projects included in introductory bylaw





#### **NEXT STEPS**

- Requesting feedback from interested parties until *December 19,* 2025, send written comments to dcc@richmond.ca
- Present DCC + ACC Bylaws to Council in early 2026
- Submit DCC Program and Bylaw for Inspector of Municipalities Review





#### **ECONOMIC CONSIDERATIONS**

- LGA requires local governments consider whether ACCs will deter development or discourage the construction of reasonably priced housing or the provision of reasonably priced serviced lands
- Three possible outcomes of updated ACCs:
  - 1. Land values for development sites go down
  - 2. Market sales prices and rents go up
  - Reduction in profit margins (i.e., below minimum threshold for financing)

