

REPORT

Engineering Services

To: Mayor Johnstone and Members of Council
Date: May 27, 2024

From: Lisa Leblanc
Director of Engineering Services
File: 05.1035.10
(EDMS# 2475127)

Item #: 2024-299

Subject: Development Cost Charge Bylaw – Inflationary Amendment Resubmission

RECOMMENDATION

THAT Council instruct staff to bring forward the Development Cost Charges Amendment Bylaw No. 8456, 2024 for three readings as presented in Attachment #1 of this report.

PURPOSE

The purpose of this report is to obtain Council's approval to increase the Development Cost Charges (DCC) by 4.3% to partially compensate for inflation and escalating construction costs.

BACKGROUND

On March 11, 2024 City Council adopted Bylaw No. 8444, 2024 to increase the City's DCC rate for inflation by 4.3%. This bylaw was forwarded to the Ministry of Municipal Affairs for their records as required by the Community Charter. However, the ministry has requested the bylaw be repealed and replaced with Bylaw 8456, 2024, which needs approval by the Inspector of Municipalities prior to adoption.

EXISTING POLICY/PRACTICE

Please refer to item 4.3 (*Development Cost Charge Bylaw – Inflationary Amendment*) of the Council Agenda from February 26, 2024 for information on the adoption of Bylaw No. 8444, 2024.

ANALYSIS

Staff developed Bylaw 8444, 2024 to increase DCC rates up to the previous year's Consumer Price Index. This was completed without an inspector's review as allowable by the Community Charter¹. However, staff inadvertently exceeded the capability of the Community Charter's exemption by adding definition changes to allow the new rates to take into effect on a defined effective date instead of the adoption date. The Ministry informed the City of this concern when Bylaw No. 8444, 2024 was sent to the Ministry for their records. A defined effective date was established to simplify the administration of the new rates and in-stream protection periods. These amendments and the repeal of Bylaw 8444, 2024 requires approval by the Inspector of Municipalities. The Bylaw will be submitted to the Inspector of Municipalities following the 3 readings by Council. Once approved by the Ministry, the Bylaw will return to City Council for adoption.

The DCC rates proposed in amendment Bylaw No. 8456, 2024 are the same rates proposed in Bylaw No. 8444, 2024. The effective date of the new DCC rates was revised from April 1, 2024 to August 1, 2024 to allow for inspector approval. Bylaw No. 8444, 2024 will be repealed.

FINANCIAL IMPACT

There may be a financial impact as a result of delaying the effective date from April 1, 2024 to August 1, 2024. This impact is difficult to quantify as it depends on the timing of applications, timing of the building or subdivision permits, and the scope of the developments. The difference will be 4.3% of the DCC paid by the developers.

INTERDEPARTMENTAL LIAISON

This report was prepared in consultation with the Climate Action, Planning, and Development Department, Finance Department, and the Parks and Recreation Department.

OPTIONS

The following options are presented for Council's consideration:

1. THAT Council instruct staff to bring forward the Development Cost Charges Amendment Bylaw No. 8456, 2024 for three readings, as presented in Attachment #1 of this report, or;
2. THAT Council provide other direction.

Staff recommend option 1.

¹ Development Cost Charges Amendment Bylaw Approval Exemption Regulation, B.C. reg/ 130/2010, pursuant to the Community Charter, SBC 2003, C.26 (the "Regulation")

CONCLUSION

Staff recommends an increase to the DCC rates by 4.3% to reflect inflation and escalating construction cost. It is recommended, therefore, that the Development Cost Charges Amendment Bylaw No. 8456, 2024 be given three readings.

ATTACHMENTS

Attachment 1 – Development Cost Charges Amendment Bylaw No. 8456, 2024

APPROVALS

This report was prepared by:
Gwenda Sulem, Asset Management & Project Engineer

This report was reviewed by:
Kwaku Agyare-Manu, Senior Manager – Engineering Services

This report was approved by:
Lisa Leblanc, Director of Engineering Services
Lisa Spitale, Chief Administrative Officer