

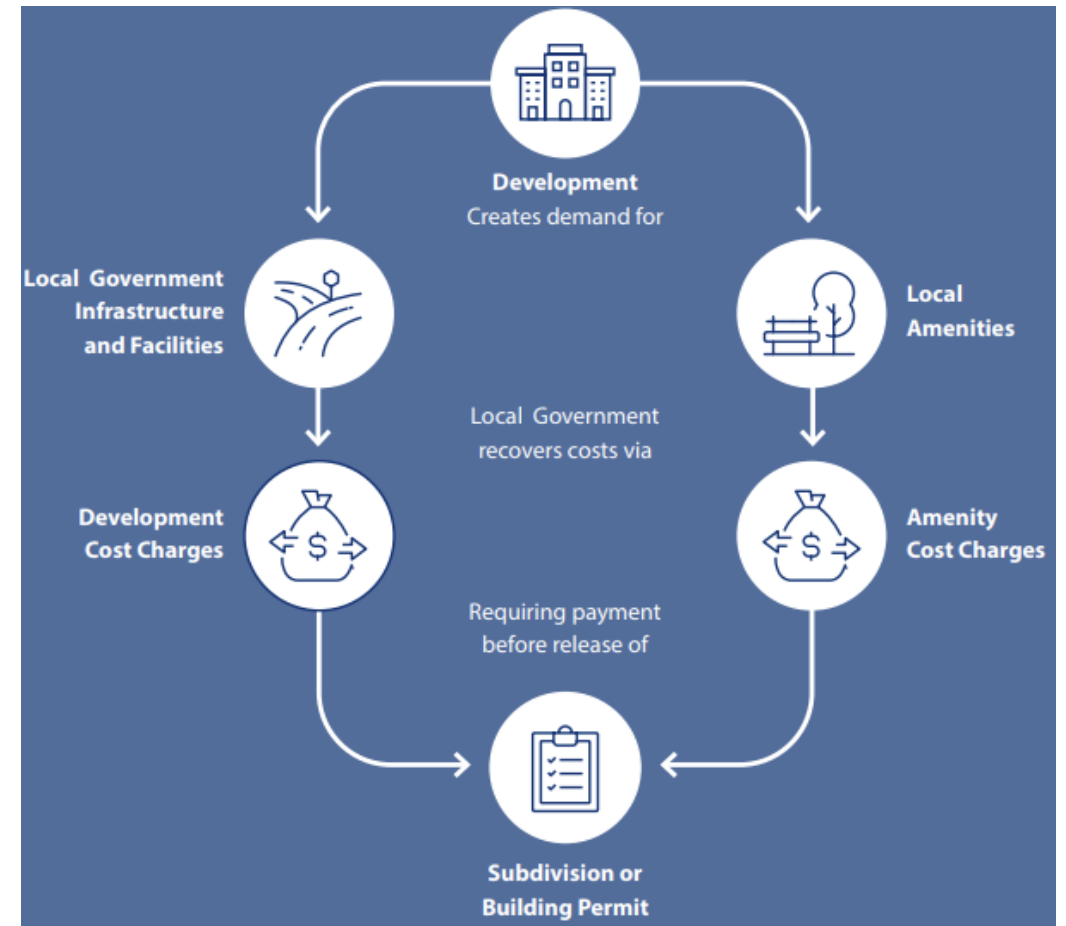
DISTRICT OF SUMMERLAND DEVELOPMENT COST CHARGE BYLAW UPDATE AND AMENITY COST CHARGE BYLAW INFORMATION

Development Engagement Session
May 2026



AGENDA

- Why Update Now?
- DCC Overview, Projects & Rates
- ACC Overview, Example Program & Rate
- Community Comparisons
- 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)
- Best practice is to review the DCC program every 3-5 years
- DCCs and potentially ACCs help promote **financial sustainability** for the District
- Last updated in 2004, the DCC rate no longer reflects the funding that is needed to deliver infrastructure projects required to support growth
- The **District is not collecting enough DCC fees** and the projects in the existing program are not supporting development, so a review is required to meet the needs of future development

WHY NOW?

Current Rates:

Description	Water DCC	Sewer DCC	Stormwater Drainage DCC	Roads DCC	Parks DCC	Total DCC
Assist Factor	1%	1%	70%	50%	50%	
Single Family Residential – per dwelling unit	\$1,257	\$1,387	\$534	\$4,187	\$1,247	\$8,613
Multi Family Residential – per large dwelling unit *	\$1,257	\$1,387	\$353	\$4,187	\$1,247	\$8,431
Multi Family Residential – per small dwelling unit	\$880	\$971	\$353	\$2,931	\$873	\$6,008
Commercial – per square meter of gross floor area	\$5.14	\$5.68	\$1.98	\$13.97	\$0.00	\$26.77
Industrial – per square meter of gross site area	\$0.87	\$0.96	\$1.22	\$1.03	\$0.00	\$4.09
Institutional – per square meter of gross floor area	\$5.14	\$5.68	\$1.98	\$13.97	\$0.00	\$26.61

- Taxpayers are currently **significantly** supporting new development by increasing the assist factor to reduce the DCC cost on growth.
- The assist factor is **Councils tool** to adjust the cost of ACC/DCC
- Assist factor may be **phased** to reduce the initial “shock” of rate increases



DCC's OVERVIEW

WHAT ARE DCC's?

- 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 DCC's PAY FOR?

DCCs CAN BE USED TO FUND

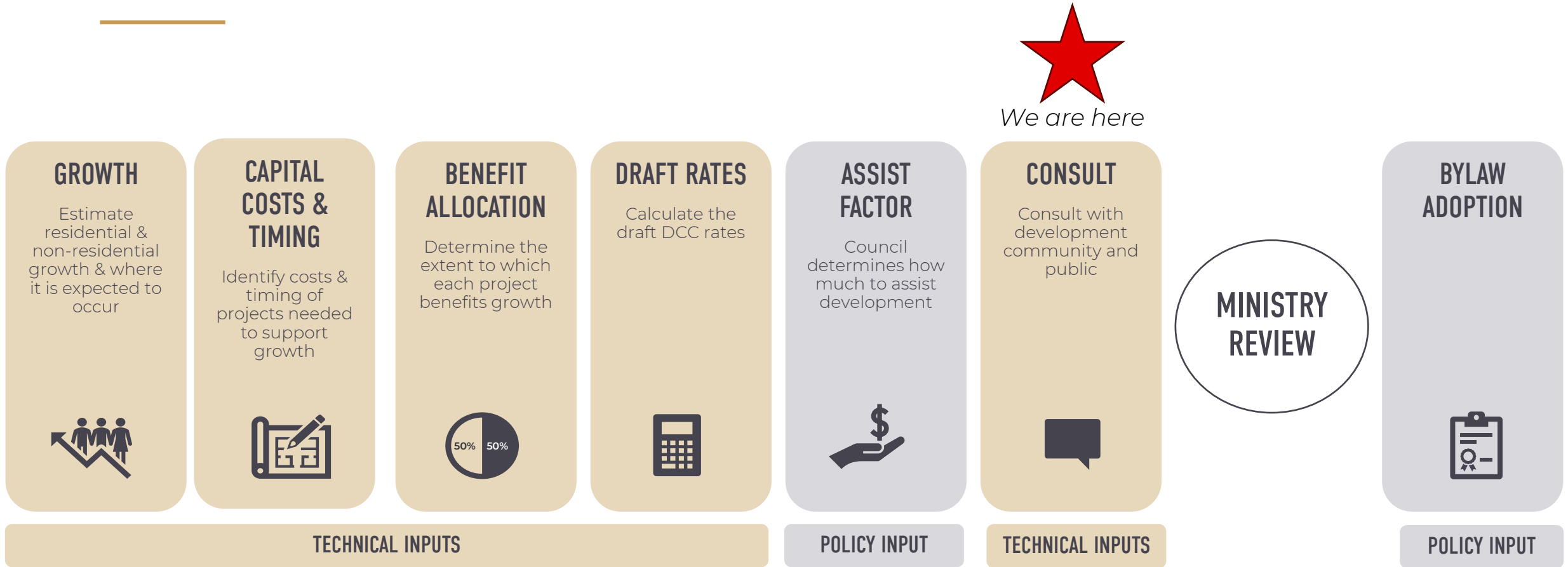
Capital infrastructure, planning, engineering, design, legal, studies for:

- 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

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

HOW DO WE DETERMINE THE RATES?



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

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



LOW

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



SHARED BENEFIT

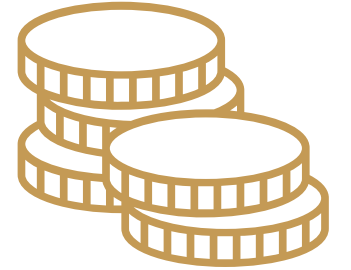
SHARED BENEFIT TO DEVELOPMENT
SERVES FUTURE & EXISTING POP.
SOME DCCS ARE RECOVERABLE



HIGH

HIGH BENEFIT TO DEVELOPMENT
PRIMARILY SERVES FUTURE POP.
MAXIMUM DCCS RECOVERABLE

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
- Factors can be phased

Example of DCC Rate Phase-In Using Assist Factor	
Year of DCC Bylaw	Assist Factor
Year 1	20%
Year 2	15%
Year 3	10%
Year 4	5%
Year 5	1%

PROJECT EXAMPLE

ASSUMPTIONS

- \$1 Million (M) project cost
- 30% benefit allocation to new growth (i.e., 70% to existing users)
- 1% Municipal Assist Factor

PROJECT COST e.g., \$1M	BENEFIT ALLOCATION e.g., 30% benefit to growth		ASSIST FACTOR (1%) e.g., 1% assistance to developer		COST SHARE
DEVELOPER CONTRIBUTION	\$300K	-	-	=	\$297K
DISTRICT CONTRIBUTION	\$700K	+	\$3.0K	=	\$703K

WHEN ARE DCC's COLLECTED?

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



DCC 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)

DCC IN-STREAM PROTECTION

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

AND

- Building permits / subdivision approval 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

PAYMENT BY INSTALLMENTS – NEW!

- Updated regulations provide greater flexibility for payment of DCCs and ACCs by instalment
- Applies to DCCs and ACCs over \$50,000
- Qualified developers and homebuilders will be able to:
 - Use on-demand surety bonds province-wide
 - Pay 25% of DCC and ACC charges at permit approval and pay the remaining 75% at the earlier of occupancy or 4 years



PROPOSED DCC RATES

SUMMARY OF PROGRAM DETAILS

- All programs are on a 20-year time horizon
- The District is proposing to update its DCC Program and continue to levy DCCs on:
 - Roads
 - Water
 - Stormwater
 - Sanitary Sewer
 - Parks
- Categories match existing bylaw. No new categories are proposed
- **Updated growth projections** based on Housing Needs Assessment and review of realistic potential new development

SUMMARY OF PROGRAM DETAILS

DCC Program (Project List) is informed by the best information available*:

- Growth related projects from existing Master Plans (Parks, Transportation, Water, Wastewater, Drainage, etc)
- Engineering Reports, Plans and Needs Assessments
- Updated cost estimates for projects based on recent projects bids and tenders
- Project lists refined (prioritized) two times to meet affordability limits



**Note: Master Plans, projects and costs are regularly being updated*

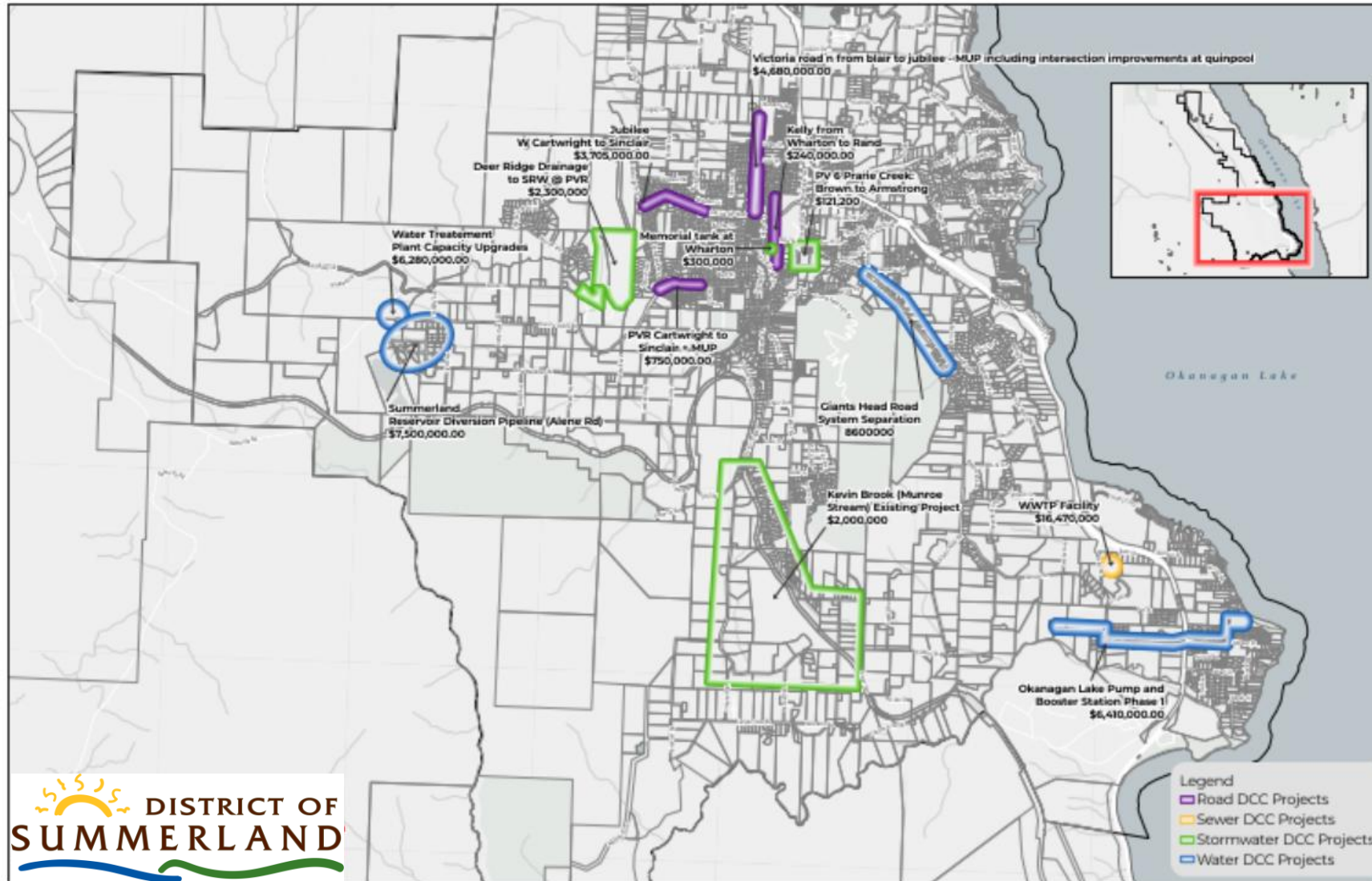
SUMMARY OF PROGRAM DETAILS

- Water and Sewer projects are focused on improving system capacity at the WTP and WWTP
- Drainage projects identified from the 2007 Drainage Master Plan
- Roads projects identified in the 2025 Transportation Master Plan
- Parks was reviewed against the Parks and Recreation Master Plan

Infrastructure Type	Total Capital Program Cost	DCC Recoverable	Municipal Amount
Roads	\$9,375,000	\$4,640,625	\$4,781,250
Water	\$28,790,000	\$20,545,965	\$8,451,570
Drainage	\$4,721,200	\$3,415,639	\$1,340,063
Sanitary	\$16,470,000	\$15,490,035	\$1,136,430
Parks	\$4,233,000	\$2,095,335	\$2,158,830
Total	\$63,589,200	\$46,187,598	\$17,868,143

1% Municipal Assist Factor, ~27.5% Benefit Allocation to Existing Population

DCC PROJECT SUMMARY



PROPOSED DCC RATES

Land Use	Unit of Charge	Current DCC Rates (2004)	Draft DCC Rates (1% MAF)
Residential Lots	per lot	\$8,613	\$36,658
Duplex / Townhouse	per unit	\$8,431	\$32,332
Apartment / Garden Suite / Mobile Home	per unit	\$6,008	\$25,332
Commercial	m ² GFA	\$26.77	\$104.70
Industrial	m ² GFA	\$4.09	\$132.64
Institutional	m ² GFA	\$26.61	\$103.91

NOTES:
GFA = Gross Floor Area

2004 RATE ANALYSIS

- Engineering News Record and Stats CAN Construction Price Increase from 2004 = **258%**
- Construction Price increase since pandemic = **+150%**
- 2004 DCC Rate with a 1% Municipal Assist Factor = **\$15,167** for a S.F.U

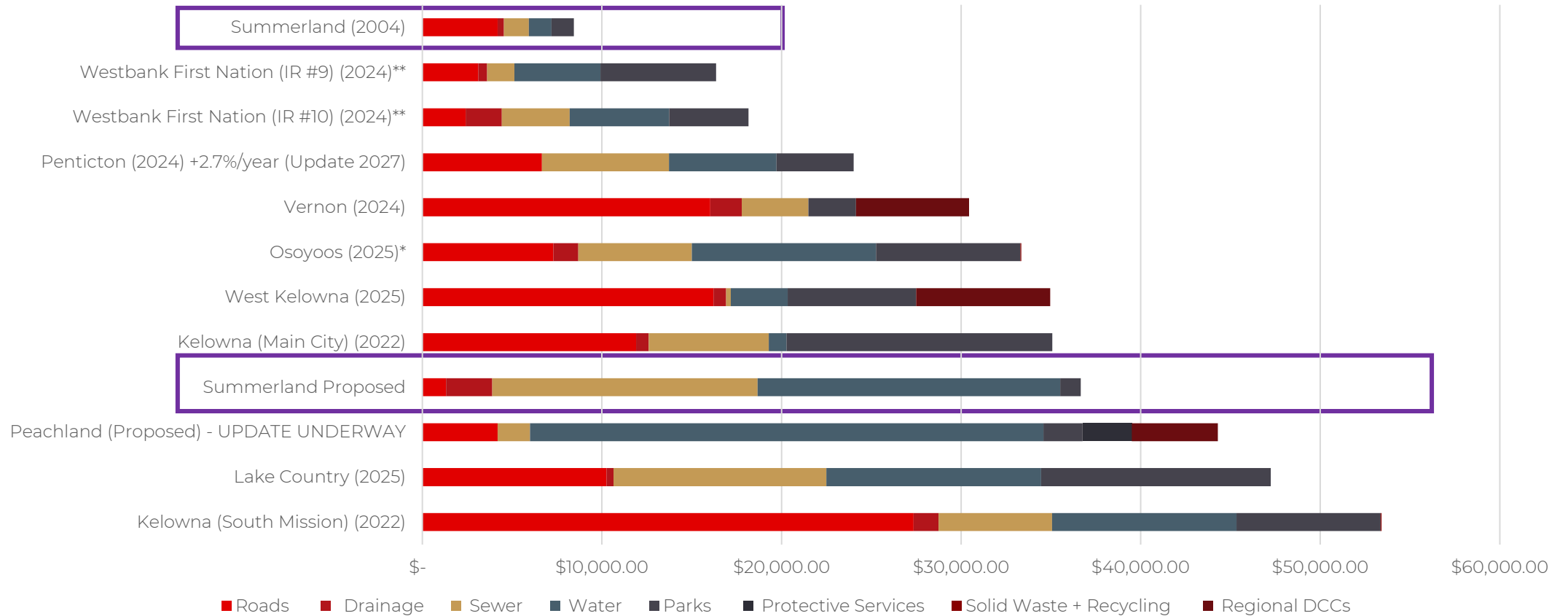
Land Use	Unit of Charge	Current DCC Rates* (2004)	Current DCC Rates (with a 1% Assist Factor)	Current DCC Rate (with 1% Assist factor and 258% Increase)	Proposed 2026 Rates (1% MAF)
Single Family Residential	per unit	\$8,613	\$15,167	\$39,132	\$36,658
Multi Family Residential (Large (>850sq. Ft))	per unit	\$8,431	\$14,568	\$37,584	\$32,332
Multi-Family Residential - Small	per unit	\$6,008	\$10,547	\$27,210	\$25,332

NOTES:

*MAF varies 1%-70%

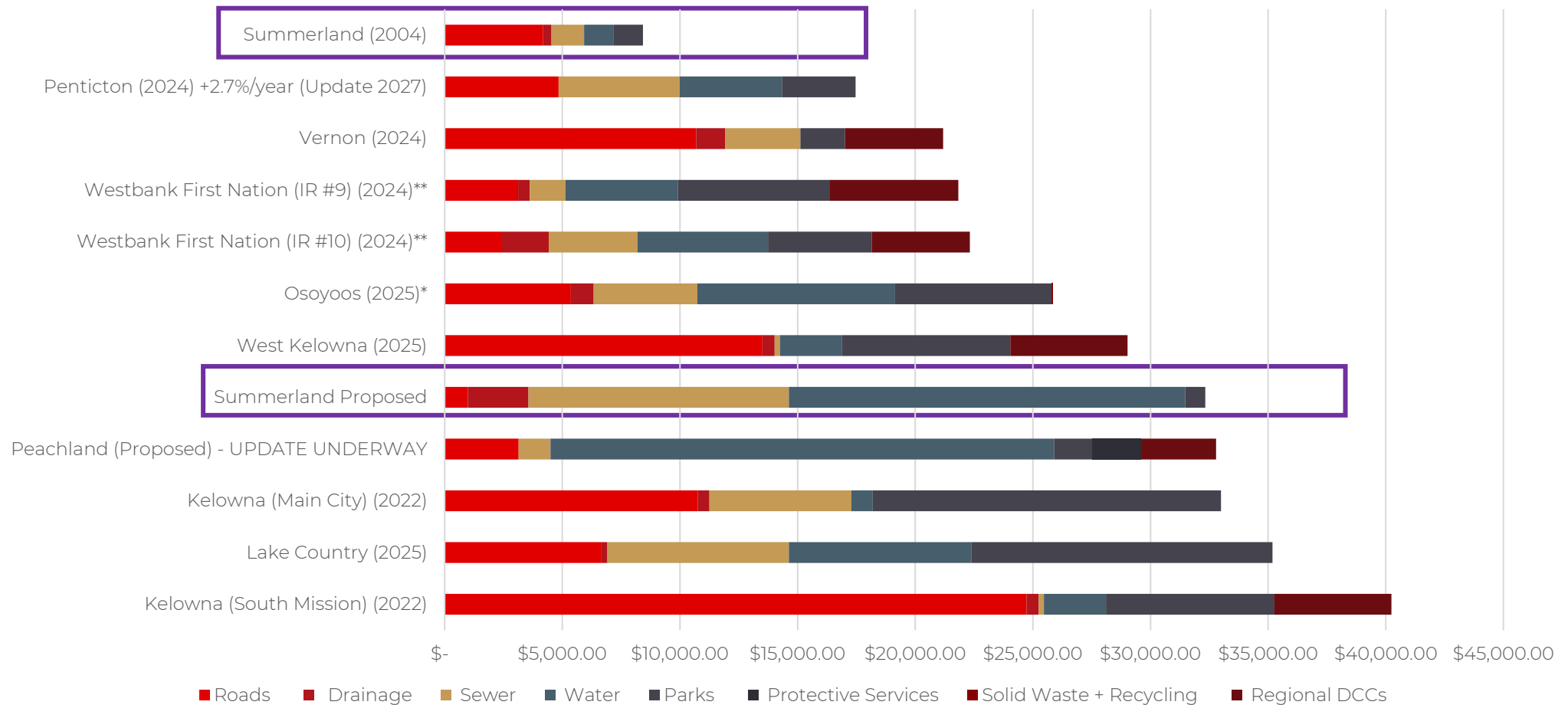
COMMUNITY DCC COMPARISONS

COMMUNITY COMPARISON - RESIDENTIAL LOTS (PER LOT)



*Proposed rates subject to change
 ** WFN has a 10% mark-up on RDCO DCCs

COMMUNITY COMPARISON – MF/ TOWNHOUSE



*Proposed rates subject to change
 ** WFN has a 10% mark-up on RDCO DCCs



ACC OVERVIEW

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 WORKS CAN ACCs PAY FOR?

ACCs CAN BE USED TO FUND

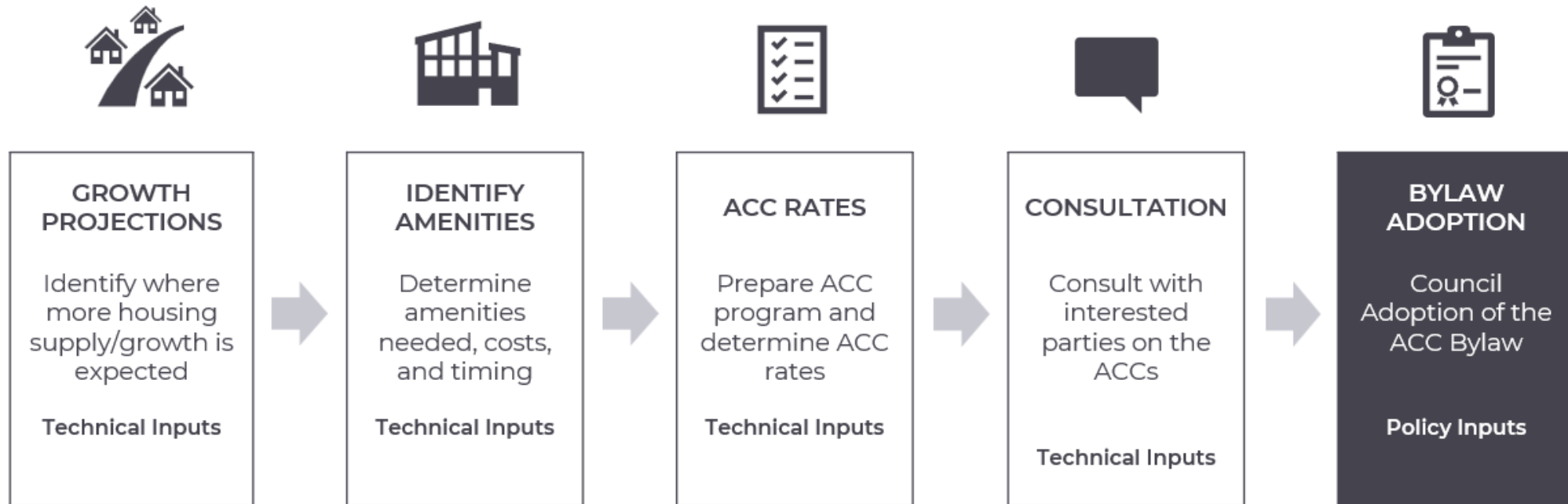
Examples of Amenities

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

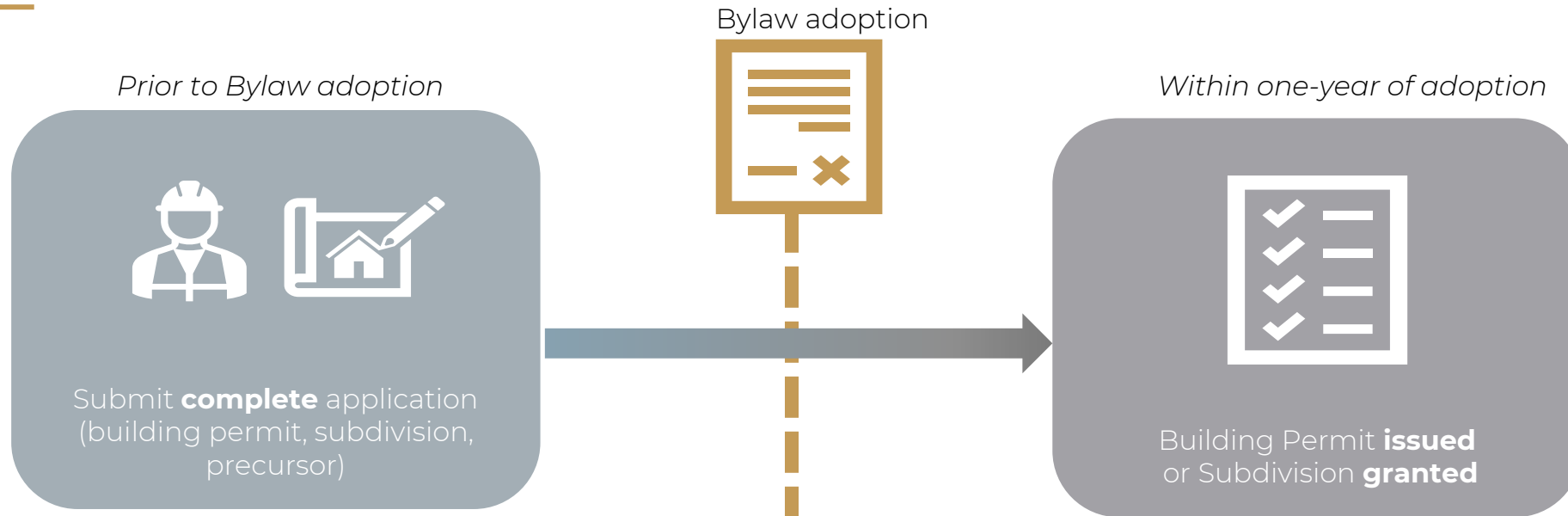
ACCs CANNOT BE USED TO FUND

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

HOW IS AN ACC RATE DETERMINED?



IN-STREAM PROTECTION



- If the precursor application is in-stream before the ACC bylaw is initially adopted, it is exempt from that ACC bylaw permanently or until the ACC bylaw is amended
- If the ACC bylaw is amended, applications that have been received since initial adoption, will be granted a 12-month grace period from the Bylaw amendment date.



EXAMPLE ACC RATES

EXAMPLE ACC PROGRAM

Service	Total Capital Costs <i>(\$M)</i>	Benefit Allocation <i>(%)</i>	ACC Recoverable <i>(\$M)</i>	Municipal Assist Factor <i>(%)</i>	Municipal Costs <i>(Benefit to Existing + 1% MAF)</i> <i>(\$M)</i>
Amenity Program	5.0M	50%	2.475M	1%	2.525M
Total*	\$5.0M		\$2.475M		\$2.525M

EXAMPLE ACC RATES

Land Use	Unit of Charge	Draft ACC Rates <i>(1% Assist)</i>
Residential Lots	per lot	\$2,692
Duplex / Townhouse	per unit	\$2,016
Apartment / Garden Suite / Mobile Home	per unit	\$1,714
Commercial		\$0.00
Industrial		\$0.00
Institutional		\$0.00



ACC + DCC NEXT STEPS

NEXT STEPS

- APC and DPIAC consultation (**completed**)
- Consultation and engagement with affected parties on *May 6th, 2026*
- Bring input to Council (May 26th) – “What we heard” report
- Present DCC Bylaw to Council in June 2026
- Submit DCC Program and Bylaw for Inspector of Municipalities Review
- Inspector approval usually takes 2 – 3 months



DISCUSSION & QUESTIONS