New Westminster

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Development Cost Charges – Questions and Answers

What are Development Cost Charges (DCCs)?

DCCs are fees collected from developers to help fund the cost of growth-related infrastructure and parks. DCCs are regulated by the Province through the *Local Government Act*. The rates charged reflect the impact growth has on infrastructure, parks, protective services facilities (e.g., fire and police), and solid waste and recycling facilities; the greater the impact (e.g., the greater the number of people that would be anticipated to be utilizing the watermain, roads, etc.), the larger the charge. This helps ensure development contributes towards the necessary growth-related infrastructure improvements.

Who pays DCCs and when?

DCCs are paid by development project applicants at time of subdivision (e.g., developing additional lots out of a single lot, for single family development sites) or when a building permit is issued (for all other development).

What do DCCs pay for?

DCCs help pay for new infrastructure and upgrades needed to support growth. DCCs can be used for:

- Transportation infrastructure
- Sewer infrastructure
- Water infrastructure
- Drainage infrastructure
- Park land acquisition and development
- Fire protection facilities (e.g., fire halls)[1]
- Police facilities[1]
- Solid waste and recycling facilities[1]

[1]New eligible categories introduced by the Province of BC, as part of Bill 46 (development finance tools); now included in the Local Government Act.

What do DCCs not pay for?

DCCs cannot be used to pay for:

- Infrastructure or parks solely needed to service existing residents
- Utility service (i.e., water, sanitary, sewer, etc.) connections
- Operations and staffing costs
- Rolling stock, including mobile equipment, vehicles, fire and garbage trucks
- Maintenance or replacement costs
- Community amenities or facilities such as recreation centres, daycares, libraries, etc.

How are DCC rates established ?

DCCs are calculated by dividing the cost of growth-related infrastructure, parks, and facilities by the amount of anticipated population growth.

Are any development projects exempt from DCCs?

Based on the *Local Government Act*, the following are exempt from paying DCCs:

- Existing development in which a DCC has previously been paid, unless there is further development
- Places of worship
- Residential units less than 29 m^2 (312 ft^2)
- Building Permits for work less than $50,000 in value

Will in-stream applications have to pay DCCs?

The update to the City's DCC bylaw is in progress, and as a result, the adoption, and in-stream protection (e.g., utilizing the current rates, prior to the proposed rate increase) dates have not yet been established. This section will be updated once the anticipated adoption, and the in-stream protection dates have been established.

In-stream protection measures will be implemented as outlined in the *Local Government Act*:

- Section 511 – for subdivision applications
- Section 568 – for building permit applications

How does in-stream protection work?

It is anticipated the new DCC rates will be in force immediately after the DCC Bylaw has been adopted, unless Council establishes a future effective date.

The *Local Government Act* provides special protection from rate increases for development applications that are submitted prior to the adoption date (Section 511 for subdivisions; Section 568 for building permit applications).

In-stream protection applies to both building permit, subdivision applications, and development permit applications received prior to the adoption of the DCC Bylaw. Note, all applications must result in a building permit or subdivision being granted within twelve (12) months of the adoption of the Bylaw.

How will DCCs affect me, as a resident in the City?

Similar to the existing DCC program, DCC's are only applied to new or expanded developments at the time of building permit or subdivision. DCCs are paid by developers/builders and are not a tax or fee that will be applied to residents as a component of the City's existing property taxes, and utility charges.