

To: Mayor and Council
From: Paul Gipps, CAO

Meeting Date: March 18, 2025
Meeting Type: Regular Council Meeting

Prepared by: Matthew Salmon, Infrastructure & Development Engineering Director
Department: Infrastructure & Development Engineering

Title: Development Cost Charge (DCC)

Description: Adoption of Development Cost Charge Bylaw 1233, 2024 and Development Cost Charges Update Policy 214, 2025

RECOMMENDATION

THAT Development Cost Charge (DCC) Amendment Bylaw 1233, 2024 be adopted;
AND THAT the Development Cost Charges Update Policy 214, 2025 be adopted.

EXECUTIVE SUMMARY

The District is updating the DCC Bylaw for Water, Sanitary Sewer and Roads DCC rates. The proposed DCC Bylaw has been considered by Council on [July 16, 2024](#), [September 10, 2024](#) and [January 14, 2025](#).

Since the Council gave the draft DCC Bylaw third reading in January, it has been approved by the Inspector of Municipalities.

As part of the DCC bylaw update, Council requested a DCC Update Policy (Attachment B) be created to ensure that updates to the DCC program and bylaw occur on a regular basis, this will provide greater certainty to the development industry as well as fiscal sustainability for the District's DCC reserves. The provincial DCC Best Practices Guide (BPG) provides recommended best practices with respect to the frequency of undertaking DCC updates – major, minor and annual. Both major and minor updates require approval from the Inspector of Municipalities:

1. **Major.** As per provincial best practices, a major review of the DCC program and bylaw should be considered at least once every five years, involving a full review of the DCC methodology.
2. **Minor.** The District should consider undertaking a minor review of the DCC program in-between major updates (i.e. every 2 to 4 years), as an adjustment to the charges to reflect changing factors.
3. **Annual.** Annual DCC updates keep up with inflation and maintain fiscal sustainability of the DCC program and its reserves. A local government may undertake an inflationary update to its DCC Bylaw once a year for up to four years, without the need to obtain approval from the Inspector of Municipalities.

Council has opted to deal with requests for Reductions and Waivers of DCC's on a case-by-case basis rather than create a Reductions and Waivers Bylaw.

Extensive work has been undertaken to strike the balance between ensuring the capital infrastructure programs reflect the fundamental infrastructure needs to support development within the community whilst being sensitive to DCC's not being a barrier to development.

The District has consulted with development industry stakeholders throughout the preparation of this major DCC update and will continue to communicate the changes and provide guidance and information bulletins. The Planning and Development Department has had discussions with UDI and the CHBA Okanagan to inform them that our DCC rates will be changing and that all applications after the adoption date will be charged the new DCC rates. In stream projects will be protected from the new DCC rates if the relevant building permit has been issued within one year of the new bylaw adoption. Our current development application turn around times are sufficient to ensure complete submissions are processed under the existing DCC rates. Letters have been sent out on existing development applications to ensure awareness of the upcoming rate changes and give opportunity to take steps to receive in stream protection. There will be follow up with applicants prior to the end of the one-year protection period to confirm that they are aware of the upcoming changes to their DCC rates.

The Local Government Act ensures in-stream protection for new DCC rates affecting Subdivision or Building Permit (BP) applications. To benefit from this protection, in-stream applications must secure Subdivision approval or BP issuance within 12 months from the date of adoption. In-stream subdivision applications have one year to register their subdivision and pay the previous DCC rates. If works and services are incomplete, the owner can apply for early subdivision registration by entering a Servicing Agreement and providing sufficient security to cover the cost of completing the required works and services. Lots that receive early registration will be registered with covenants preventing the issuance of Building Permits until the works and services have reached substantial performance. Additionally, a covenant may be added to restrict the sale of lots until the works and services are completed.

ALTERNATE RECOMMENDATION

THAT the Development Cost Charge (DCC) Amendment Bylaw 1233, 2024 and the Development Cost Charges Update Policy 214, 2025 be referred back to staff for revisions as determined by Council.

Respectfully Submitted.

Matthew Salmon, Infrastructure & Development Engineering Director

Report Approval Details

Document Title:	Development Cost Charge (DCC) Bylaw Adoption.docx
Attachments:	- Attachment A-DCC Bylaw 1233, 2024-Tracked Amendments.pdf - Attachment B-DCC Update Policy 214, 2025.pdf
Final Approval Date:	Mar 11, 2025

This report and all of its attachments were approved and signed as outlined below:

Reyna Seabrook, Director of Corporate Services - Mar 11, 2025 - 12:20 PM

Paul Gipps, Chief Administrative Officer - Mar 11, 2025 - 2:50 PM

Makayla Ablitt, Legislative & FOI Coordinator - Mar 11, 2025 - 3:00 PM