



# CITY OF NANAIMO

## DEVELOPMENT COST CHARGE (DCC) AND AMENITY COST CHARGE (ACC) PROGRAM

Governance and Priorities Committee (GPC)  
November 25, 2024

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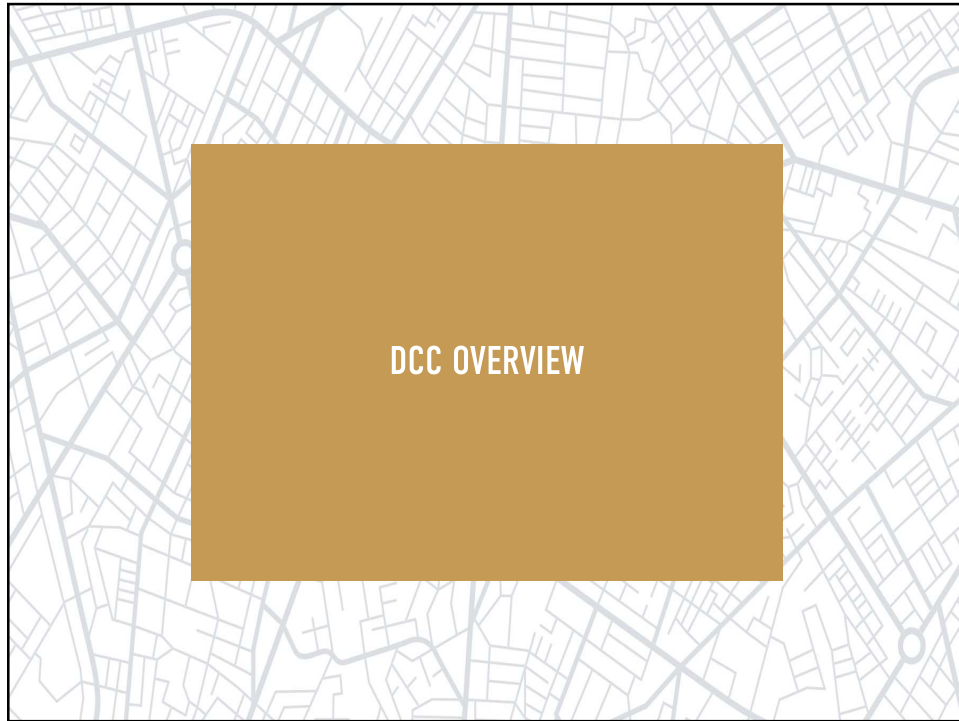
## AGENDA

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- DCC Overview
- Current DCC Rates
- ACC Overview
- DCC and ACC Implementation
- Timeline, Next Steps, and Q&A



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## 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
  - Local Government Act (Part 14, Division 19)
  - Bill 46 – new legislation allows a wider scope of services and amenities
  - DCC Best Practices Guide
  - DCC Guide for Elected Officials
  - Interim Guidance (Development Finance Tools Update: DCCs/Levies and ACCs)



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## WHY USE DCCs?

- Fosters a **fair** and **equitable** approach where growth pays for growth and infrastructure costs are **transparent**
- Creates **consistency** for the development community through a clear policy framework
- Ensures **certainty** that services support growth and development
- Minimizes **financial risk** to the City
- Ensures **timely** processing of development applications



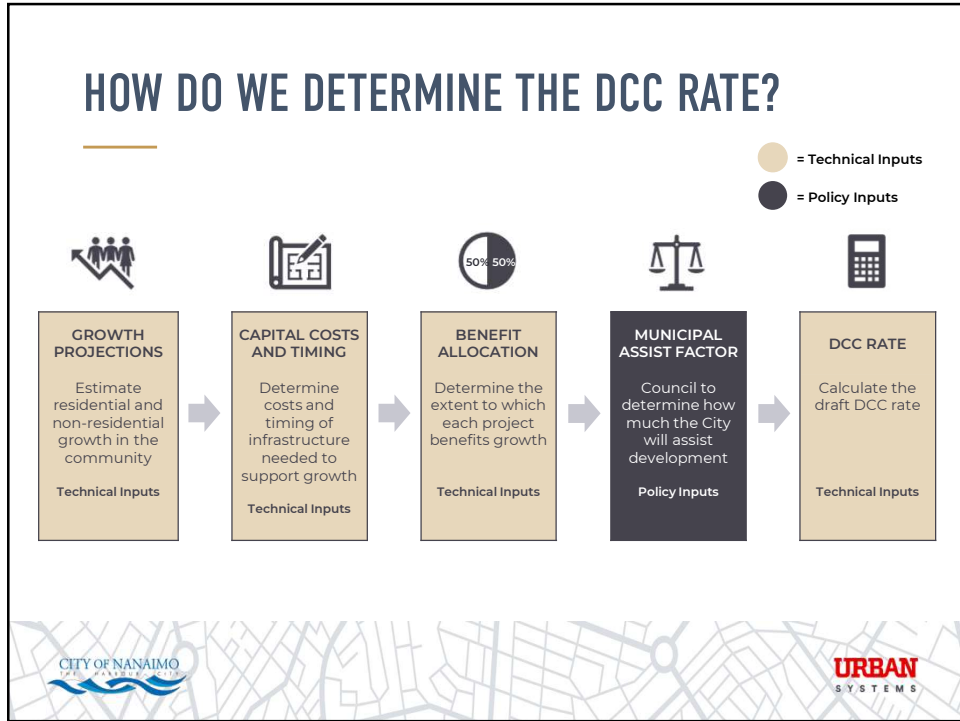
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## WHY NOW?

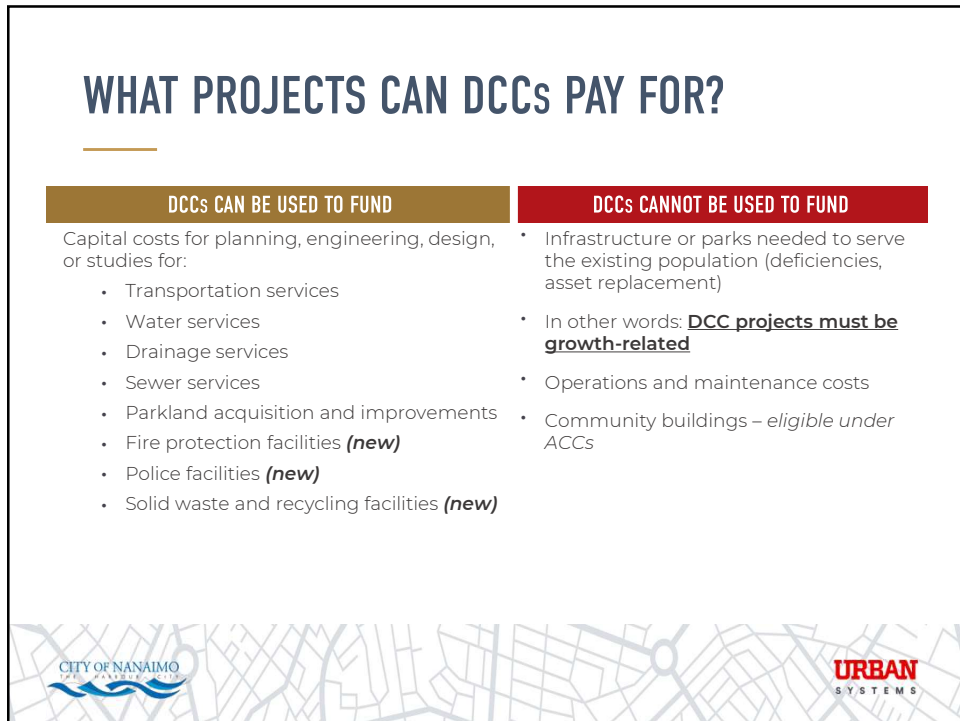
- The current Development Cost Charge (DCC) Bylaw was adopted in 2018
- Since 2018:
  - The City has grown (~10%) and is expected to continue growing
  - Infrastructure costs have increased
  - DCC Legislation and best practices have advanced
  - City faces different infrastructure needs, such as new Master Plans



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## ALLOCATING BENEFIT

- Each project is assigned a benefit allocation between 1% and 100% (*projects that are not growth-driven (0%), are not DCC eligible*)
- Percent is based on the extent to which a project will benefit new development
- Ensures costs are shared equitably between existing and future users



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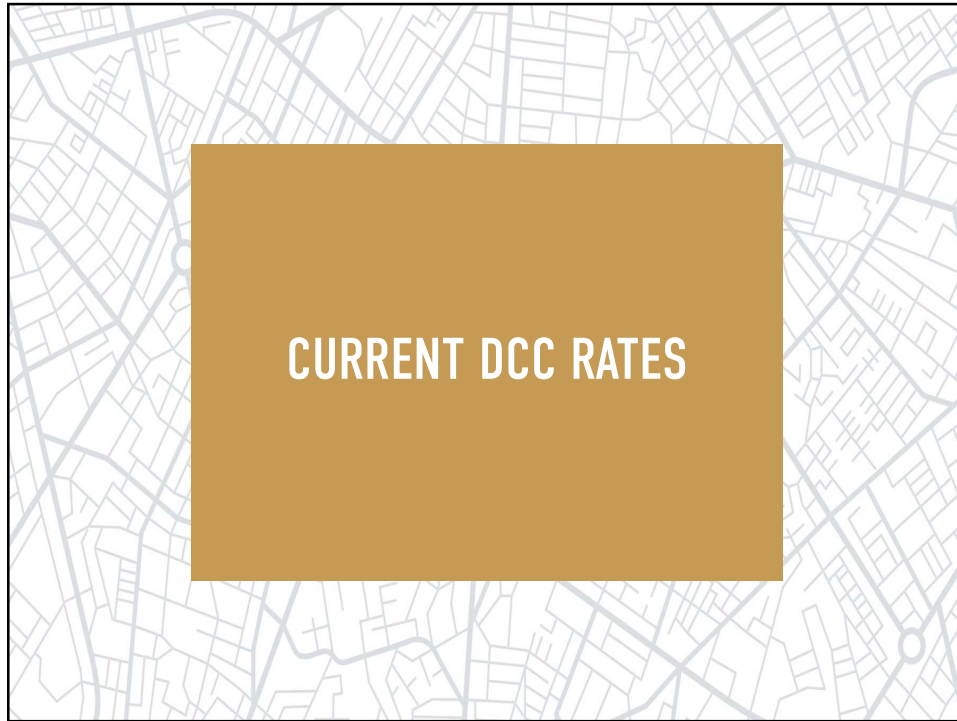
## MUNICIPAL ASSIST FACTOR

- Legislation requires local governments to assist development for DCCs
- Assist amount must be made up through non-DCC revenue (general taxation)
- **Council has discretion** to set an assist factor from 1% (least assistance) to 99% (most assistance)
- Can vary by DCC Program only (e.g., roads, water, sewer)

*Proposed DCC Rate assumes an assist factor of 1%*



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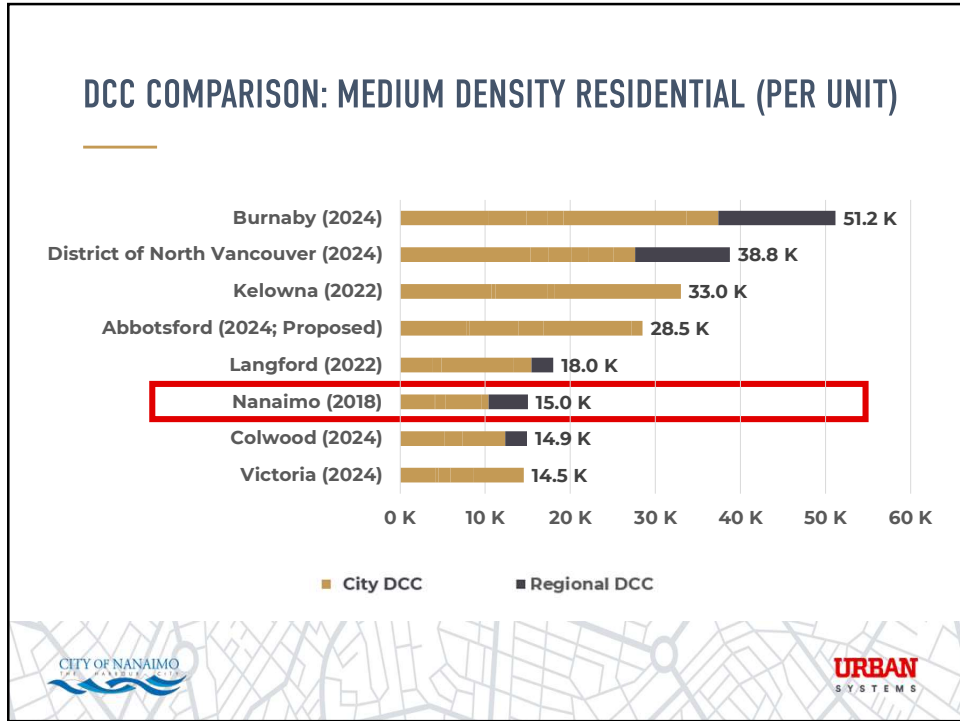
## CURRENT DCC RATE (TOTALS)

Categories	Unit	City of Nanaimo	Regional District of Nanaimo (RDN)	City + RDN
		DCC Total	Sanitary DCC Rate	DCC Total
SF Dwellings	<i>per lot</i>	\$14,862	\$4,622	<b>\$19,486</b>
Small Lot SF Dwellings**	<i>per lot</i>	\$10,407	\$4,622	<b>\$15,029</b>
Multi-Family Dwellings	<i>per m<sup>2</sup> of GFA*</i>	\$89	\$26	<b>\$115</b>
Commercial/Institutional	<i>per m<sup>2</sup> of GFA*</i>	\$77	\$26	<b>\$104</b>
Industrial	<i>per m<sup>2</sup> of GFA*</i>	\$20	\$7	<b>\$26</b>
Mobile Home Parks	<i>per unit</i>	\$9,137	\$2,587	<b>\$11,724</b>
Campground	<i>per unit</i>	\$2,338	\$713	<b>\$3,051</b>

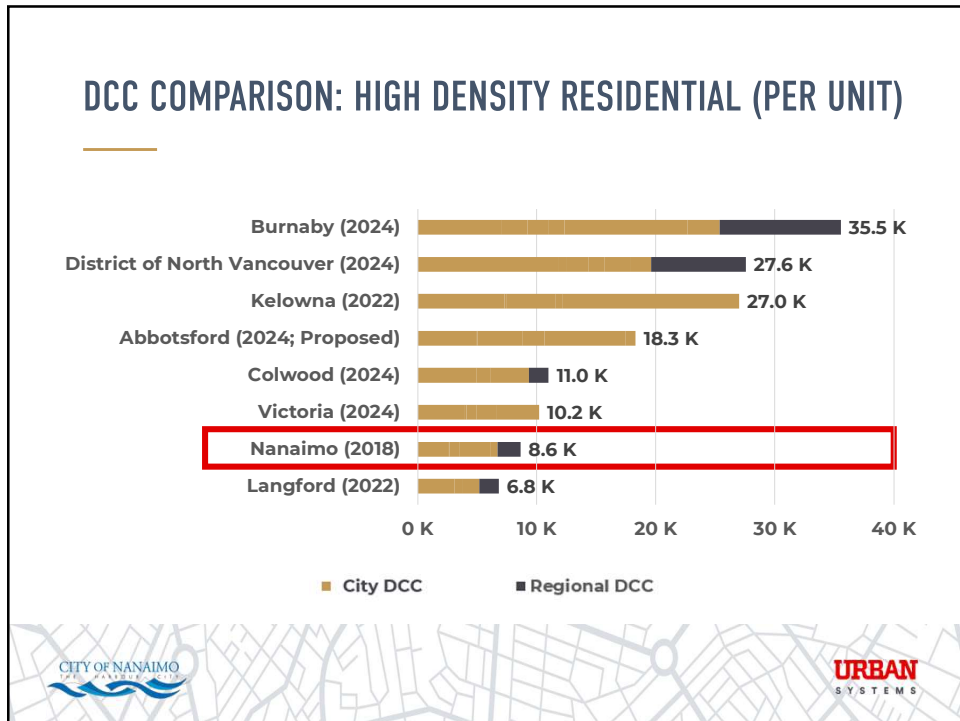
\*Cross Floor Area  
\*\*Row-housing lot or a residential lot < 370m<sup>2</sup>

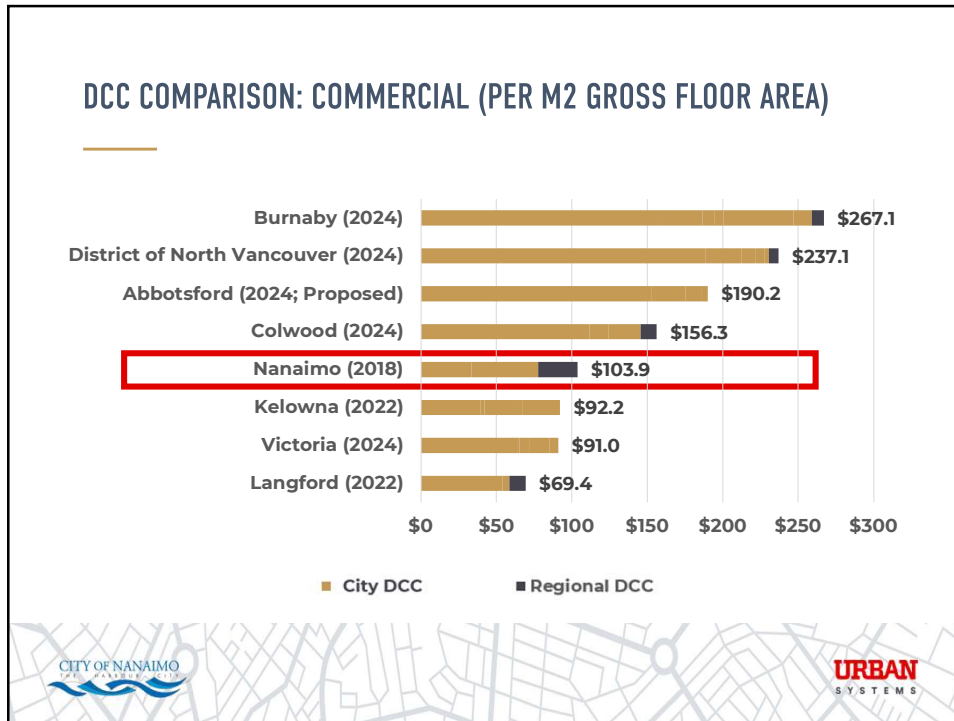
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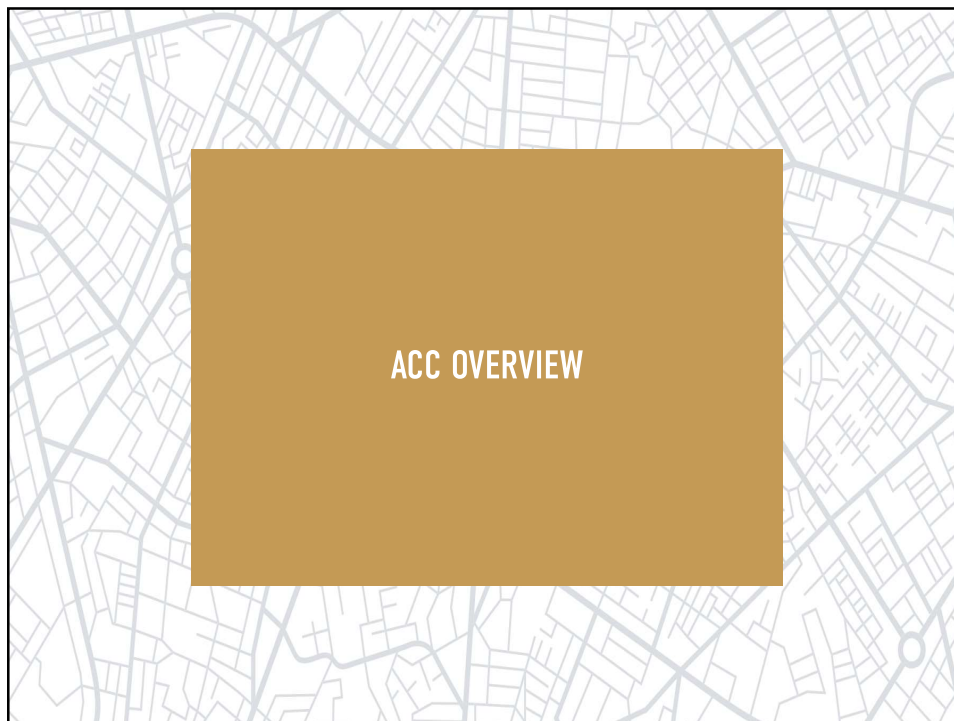
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## WHAT ARE ACCs?

- Help communities recover the costs of **amenities that provide social, cultural, heritage, recreational, or environmental benefits** to a community
- Closely resemble DCCs
  - Based on the principle of cost-sharing
  - Charges for one-time capital costs for amenity projects
  - Projects must benefit future users (growth-driven)
- Regulated by the Province (similar tools to DCCs)
- Similar principles apply to developing the program, including determining the benefit allocation and applying a municipal assist factor
- ACCs cannot overlap with Community Amenity Contributions – staff will be amended as part of the ACC project



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## WHAT WORKS CAN ACCs PAY FOR?

### ACCs CAN BE USED TO FUND

#### AMENITIES (NON-EXHAUSTIVE)

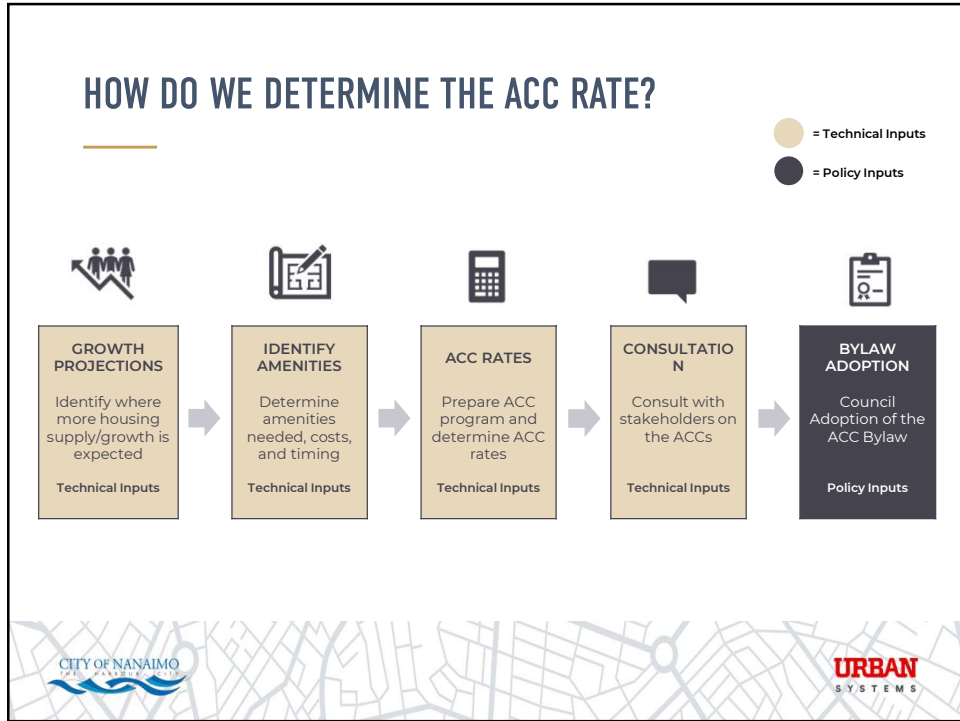
- Community, youth, or seniors' centre
- Recreation or athletic facility
- Library
- Daycare facility
- Public square

### 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



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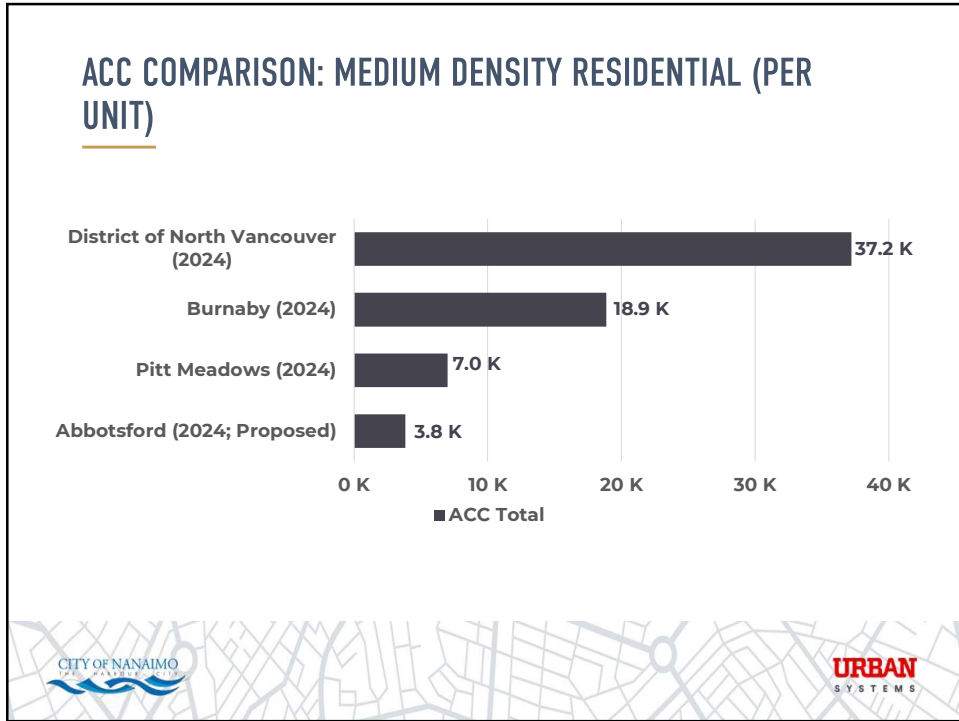
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## PROPOSED ACC PROJECTS

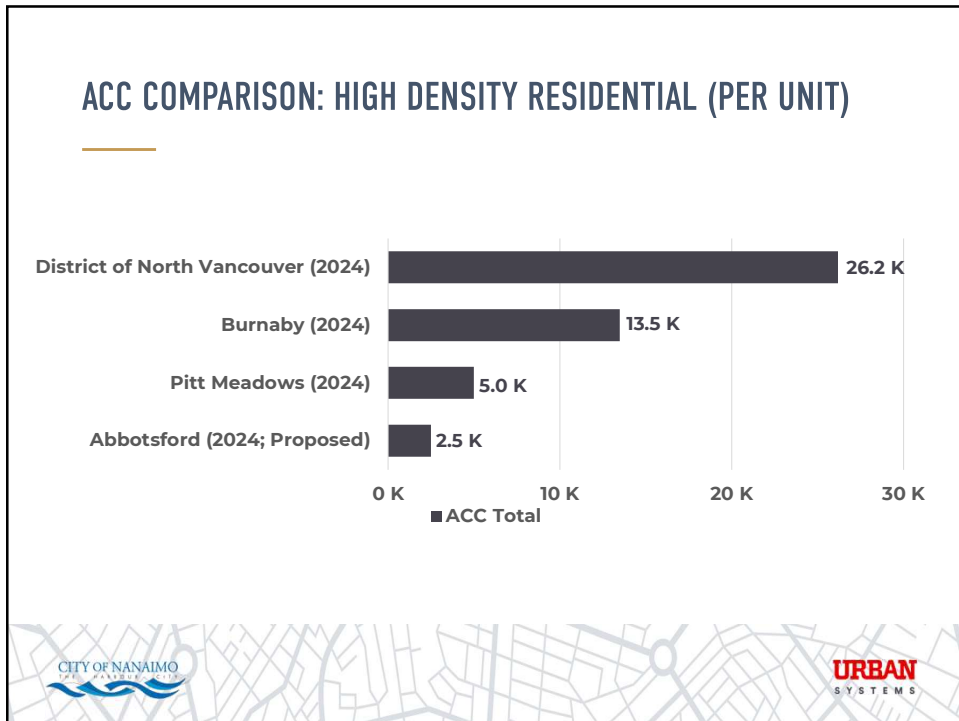
Projects	Description
<b>Beban Park Master Plan Options</b>	<ul style="list-style-type: none"> <li>New multi-Purpose Buildings and Flexible Facility Spaces</li> <li>Central Facility Redevelopment</li> <li>Beban Park Amenities Improvements</li> </ul>
<b>Community Centre</b>	<ul style="list-style-type: none"> <li>Design and development of a Community Wellness Facility in the South Gate Secondary Urban Centre</li> </ul>
<b>Improvements and Expansions in the Stadium District</b>	<ul style="list-style-type: none"> <li>Potential improvements and expansions to facilities in the Stadium District.</li> </ul>

*Note: Cost estimates are currently being refined. Inclusion of projects in the ACC program does not obligate the City to construct these works; however, ACC reserves must be spent on projects in the ACC Program.*

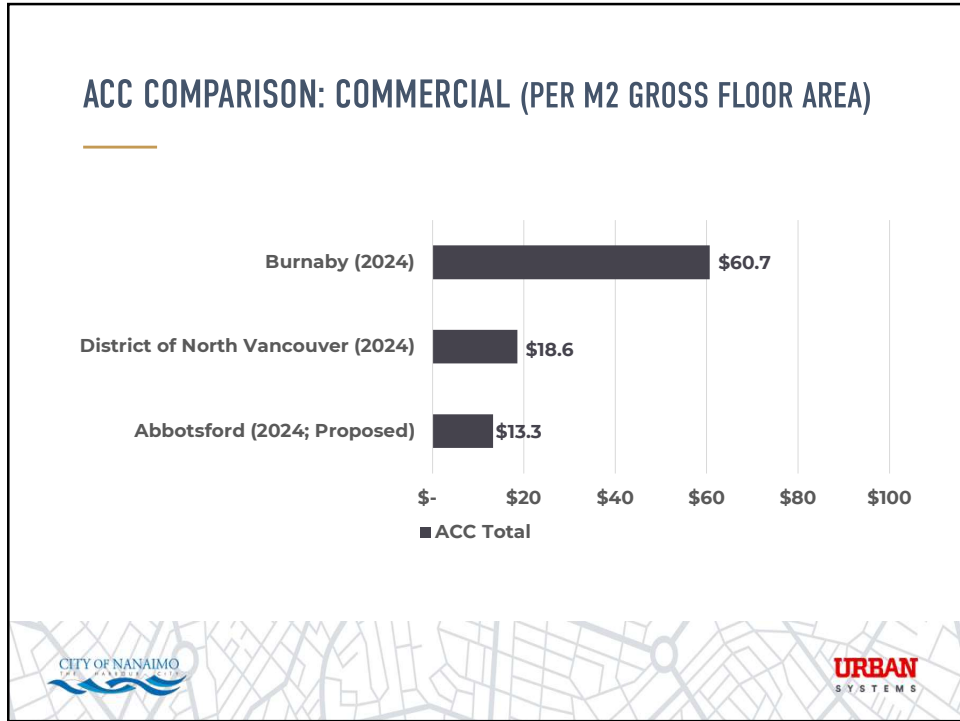
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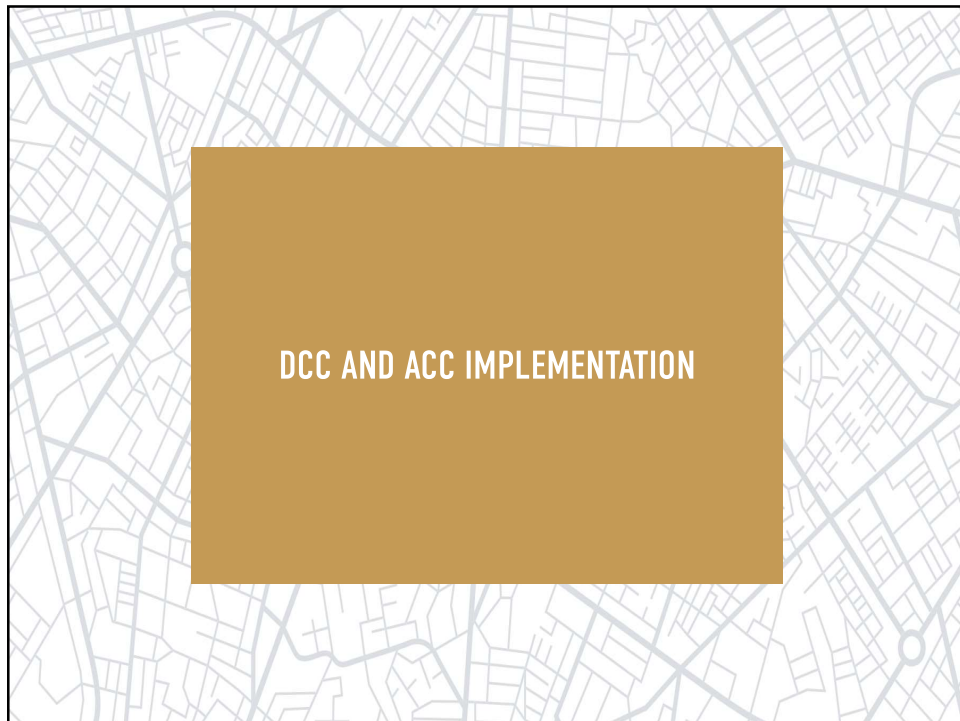
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## ENGAGEMENT

- Best Practice is to consult with key interested parties as part of the ACC and DCC updates
- Once the draft ACC and DCC rates are developed, we recommend:
  - Reconvening with Council
  - Engaging with the Development Community



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## STATUTORY EXEMPTIONS (UNDER LEGISLATION)

DCC Exemptions	ACC Exemptions
<ul style="list-style-type: none"> <li>• Buildings for public worship</li> <li>• Development does not impose a new capital cost burden</li> <li>• DCCs have been charged previously</li> </ul> <p>Can be varied by Council:</p> <ul style="list-style-type: none"> <li>• Building permits for ≤ \$50,000</li> <li>• Residential units ≤ 29m<sup>2</sup> in size</li> <li>• Fewer than 4 units, i.e. duplex/triplexes</li> </ul>	<ul style="list-style-type: none"> <li>• Development does not result in growth</li> <li>• ACCs have been charged previously</li> <li>• In some cases, affordable housing</li> </ul>



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## WAIVERS AND REDUCTIONS

Council can waive or reduce ACCs or DCCs on eligible developments, including:

DCCs:	ACCs:
<ul style="list-style-type: none"> <li>• Not-for-profit affordable housing</li> <li>• For-profit rental housing</li> <li>• Housing designed for reduced environmental impact/CHGs</li> </ul>	<ul style="list-style-type: none"> <li>• Not-for-profit affordable housing</li> <li>• For-profit rental housing</li> <li>• Housing subject to requirements under an affordable and special needs housing zoning bylaw</li> </ul>

- Waivers and Reductions can be established in a separate bylaw (does not require Ministerial approval)
- Where an ACC or DCC is waived or reduced, **the amount waived is to be entirely supported by the existing taxpayer**



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## IN-STREAM PROTECTION

- New ACC and DCC rates are effective at Bylaw adoption
- Legislation provides a 12-month protection period from time of application for:
  - In-stream building permit applications
  - In-stream subdivision applications

**A complete application is one:**

- that has been received
- is complete
- has been paid

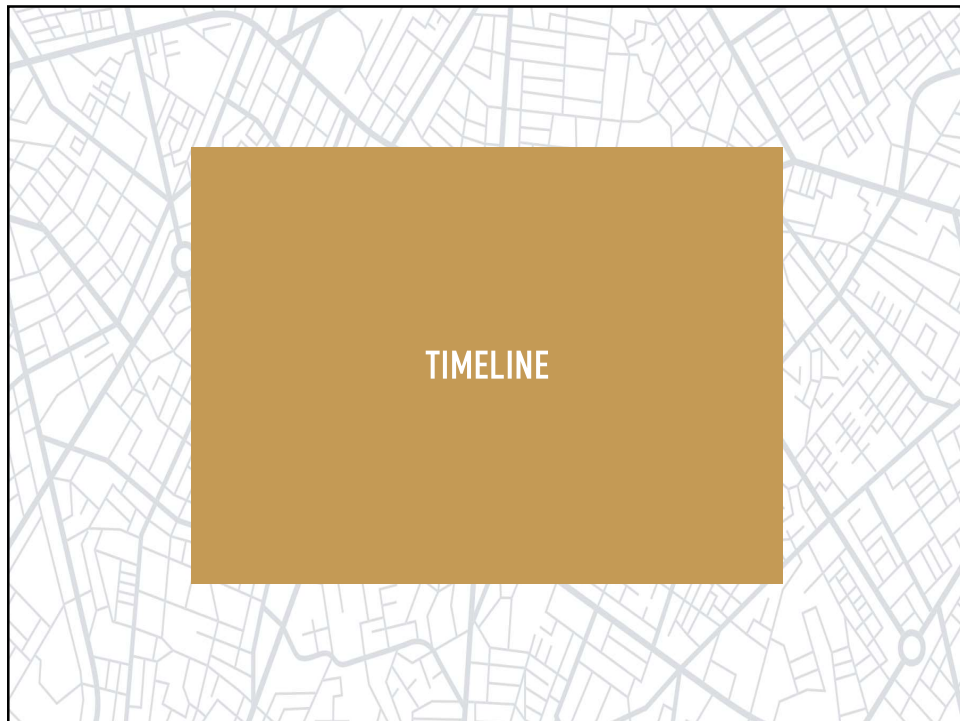


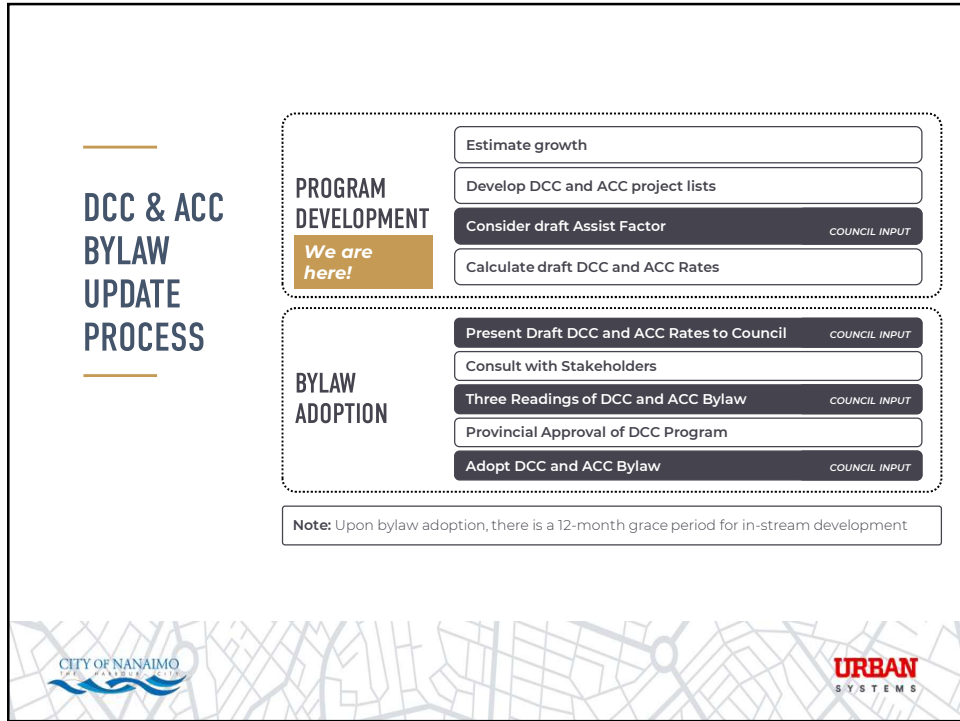
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## DCC CREDITS

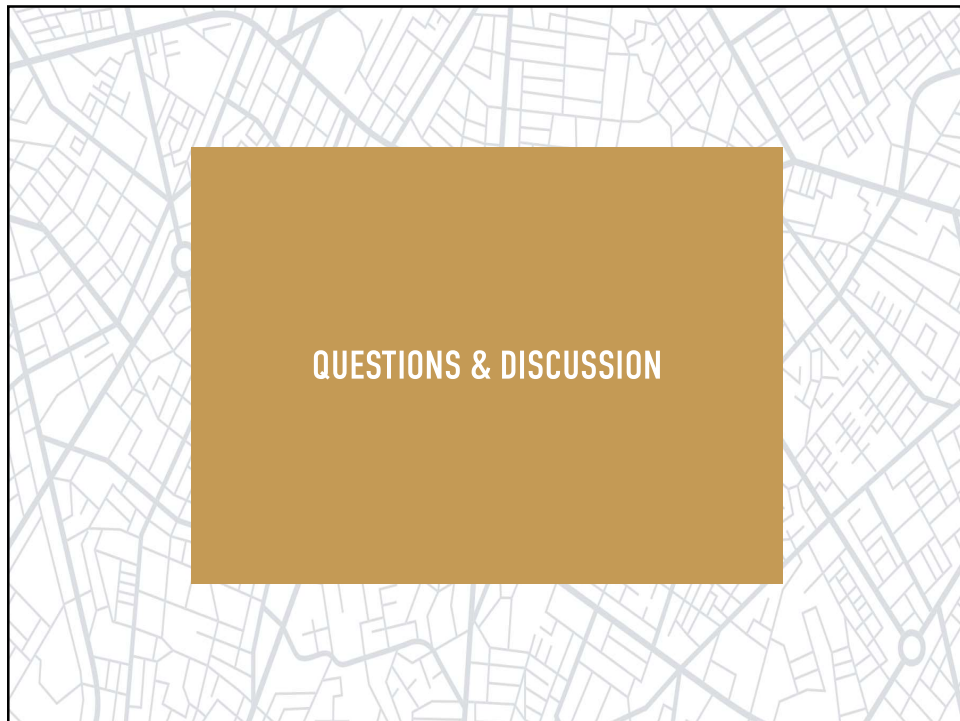
- DCC credits are deducted from the DCCs levied, to reduce the total DCCs Payable by the applicant

EXISTING USE CREDITS	WORKS CREDITS
<p>Developers may receive credits if DCCs were previously levied on an existing use, provided:</p> <ul style="list-style-type: none"> <li>• The development <b>maintains the same land use</b>, or</li> <li>• The land use changes from one <b>residential land use</b> type to another.</li> </ul>	<p>Developers may receive credits for capital works extending services beyond their development site <b>if the works are included in a DCC project list.</b></p>





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## CURRENT DCC RATES (BY SERVICE)

Categories	Single-Family (SF) Dwellings	Small Lot SF Dwellings**	Multi-Family Dwellings	Commercial/ Institutional	Industrial	Mobile Home Parks	Campground
	<i>per lot</i>	<i>per lot</i>	<i>per m<sup>2</sup> of GFA*</i>	<i>per m<sup>2</sup> of GFA*</i>	<i>per m<sup>2</sup> of GFA*</i>	<i>per unit</i>	<i>per unit</i>
Sanitary Sewer	\$1,787.04	\$1,250.93	\$10.77	\$10.22	\$2.61	\$1,098.28	\$279.22
Drainage	\$75.94	\$56.20	\$0.38 <i>(per m<sup>2</sup> of 1<sup>st</sup> floor lot coverage)</i>			\$49.36	\$15.19
Water Distribution	\$306.34	\$214.44	\$1.85	\$1.75	\$0.45	\$188.27	\$47.87
Water Supply	\$5,619.55	\$3,933.69	\$33.86	\$32.14	\$8.20	\$3,453.68	\$878.06
Parks	\$1,249.32	\$874.52	\$7.53	-	-	\$767.81	\$195.21
Roads	\$5,824.08	\$4,076.86	\$35.09	\$33.31	\$8.49	\$3,579.38	\$922.15

\*Gross Floor Area  
\*\*Row-housing lot or a residential lot < 370m<sup>2</sup>



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## CURRENT DCC RATE (TOTALS)

Categories	Unit	City of Nanaimo	Regional District of Nanaimo (RDN)	City + RDN
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SF Dwellings	<i>per lot</i>	\$14,862.27	\$4,622.37	<b>\$19,485.64</b>
Small Lot SF Dwellings**	<i>per lot</i>	\$10,406.64	\$4,622.37	<b>\$15,029.01</b>
Multi-Family Dwellings	<i>per m<sup>2</sup> of GFA*</i>	\$89.10	\$25.74	<b>\$114.84</b>
Commercial/Institutional	<i>per m<sup>2</sup> of GFA*</i>	\$77.42	\$26.12	<b>\$103.54</b>
Industrial	<i>per m<sup>2</sup> of GFA*</i>	\$19.75	\$6.66	<b>\$26.41</b>
Mobile Home Parks	<i>per unit</i>	\$9,136.78	\$2,587.01	<b>\$11,723.79</b>
Campground	<i>per unit</i>	\$2,337.70	\$713.33	<b>\$3,051.03</b>

\*Gross Floor Area  
\*\*Row-housing lot or a residential lot < 370m<sup>2</sup>



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