

DATE OF MEETING MARCH 5, 2018
 AUTHORED BY DALE LINDSAY, DIRECTOR, COMMUNITY DEVELOPMENT
 SUBJECT DEVELOPMENT COST CHARGE BYLAW 2017 NO. 7252

OVERVIEW

Purpose of Report

To seek Council’s reconsideration of “Development Cost Charge Bylaw 2017 No. 7252” (To impose development cost charges within the city of Nanaimo) at third reading.

Recommendation

1. That third reading of “Development Cost Charge Bylaw 2017 No. 7252” (To impose development cost charges within the city of Nanaimo) be rescinded; and,
2. That “Development Cost Charge Bylaw 2017 No. 7252” (To impose development cost charges within the city of Nanaimo) pass third reading as amended.

BACKGROUND

Council at their regular meeting of 2017-DEC-07 gave third reading to “Development Cost Charge Bylaw 2017 No. 7252”. Upon adoption, the bylaw will repeal and replace the existing DCC bylaws and establish new DCC rates.

DISCUSSION

As required by provincial legislation, the proposed bylaw and supporting material was submitted to the province following third reading for approval by the Inspector of Municipalities. The province has reviewed the submission and has provided the opinion that seven of the proposed Parks DCC projects are not eligible for inclusion in the DCC program (Attachment B):

As a result of the provincial opinion, Staff have removed the projects, which results in a reduction to the total capital cost and an associated reduction in the Parks DCC rates. The parks DCC rates (which apply only to residential use) will be amended as follows:

Category	Original Rate	Revised Rate
Single Family Dwelling	1,734.12	1,249.32
Small Lot Single Family Dwelling	1,213.89	874.52
Multi-Family Dwelling	10.45	7.53
Mobile Home	1,065.76	767.81
Camp Ground	270.96	195.21

Grace Period / In-Stream Protection

In acknowledgement of the impact new DCC rates may have on the development industry, the draft bylaw included an implementation date or “grace period” of 2018-MAR-01. As such, any building permit application received prior to this date would have been eligible for the existing DCC rates, provided the building permit is issued within one year of the date of application.

Given the required amendment to the DCC bylaw, final adoption will not occur prior to the implementation date. As such, Staff are recommending the bylaw be amended to include a revised implementation date of 2018-APR-02.

Next Steps

The amended bylaw will be forwarded to the province for their consideration. Once approval from the Inspector of Municipalities has been received, the bylaw will return to Council for adoption.

SUMMARY POINTS

- The draft DCC bylaw, which passed third reading, has now been reviewed by the province.
- Seven of the Parks DCCs projects were found to be ineligible for inclusion in the DCC program.
- Once approval of the amended bylaw has been received from the province, the bylaw will return to Council for approval with a revised implementation date of 2018-APR-02.

ATTACHMENTS

ATTACHMENT A: DCC Rate Comparison – Existing vs. Proposed

ATTACHMENT B: Projects Not Eligible for the DCC Program
“Development Cost Charge Bylaw 2017 No. 7252”

Submitted by:

Dale Lindsay
Director, Community Development

ATTACHMENT A

DCC Rate Comparison Existing vs. Proposed

Categories	Single Family Dwelling	Small Lot SFD	Multifamily Dwelling	Commercial/ Institutional	Industrial	Mobile Home	Camp Grounds
	\$ per lot	\$ per lot	\$ per m ²	\$ per m ²	\$ per m ²	\$ per unit	\$ per unit
Sanitary Sewer	\$1,787.04 <916.07>	\$1,250.93	\$10.77 <5.49>	\$10.22 <5.33>	\$2.61 <1.37>	\$1,098.28 <559.56>	\$279.22 <131.67>
Drainage	75.94 <630.63>	56.20	** 0.38 <3.78>	** 0.38 <3.66>	** 0.38 <0.93>	49.36 <385.21>	15.19 <90.63>
Water Distribution	306.34 <327.81>	214.44	1.85 <1.97>	1.75 <1.91>	0.45 <0.49>	188.27 <200.24>	47.87 <47.11>
Water Supply	5,619.55 <5,912.26>	3,933.69	33.86 <35.47>	32.14 <34.36>	8.20 <8.77>	3,453.68 <3,611.38>	878.06 <849.74>
Parks	1,249.32 <1,734.54>	874.52	7.53 <10.40>	-	-	767.81 <1,062.15>	195.21 <300.61>
Roads	5,824.08 <4,266.19>	4,076.86	35.09 <25.59>	33.31 <24.80>	8.49 <6.34>	3,579.38 <2,605.92>	922.15 <613.16>
City Total	\$14,862.27 <13,787.50>	\$10,406.64	\$89.48 <82.70>	\$77.80 <70.06>	\$20.13 <17.90>	\$9,136.78 <8,424.46>	2,337.70 <2,032.92>

RDN Sanitary	2,951.37	2,951.37	17.40	17.66	4.50	1,748.81	482.21
TOTAL	17,813.64 <16,738.87>	13,358.01	106.88 <100.10>	95.46 <87.72>	24.63 <22.40>	10,885.59 <10,173.27>	2,819.91 <2,515.13>

** Drainage DCCs will be charged per m² of lot coverage (m² of first floor).

< Existing rates >

ATTACHMENT B

Projects Not Eligible for the DCC Program

DCC Project No.	DCC Project Name	Project Cost
9	Bleachers (10 sets for flexible use)	\$22,500
10	Artificial Turf Field adjacent to Beban fields	\$675,000
11	Update Harewood Centennial with Artificial Turf	\$1,260,000
12	Update Gyro 4 Fields with Artificial Turf	\$1,260,000
73	Practice fields adjacent to Turf fields	\$4,500,000
77	Upgrade Gyro 4 Fields	\$1,800,000
78	Stadium Developments	\$9,000,000

CITY OF NANAIMO

BYLAW NO. 7252

A BYLAW TO IMPOSE DEVELOPMENT COST CHARGES
WITHIN THE CITY OF NANAIMO

WHEREAS the Council may, pursuant to Part 14, Division 19 of the *Local Government Act*, RSBC 2015 c1, impose development cost charges under the terms and conditions of that division;

AND WHEREAS development cost charges may be imposed for the sole purpose of providing funds to assist the City in paying the capital cost of providing, constructing, altering or expanding sewage, water, drainage, and highway facilities, other than off-street parking facilities, and providing and improving parkland, to service directly or indirectly the development in respect of which the charges are imposed;

AND WHEREAS Council has taken into consideration the following:

- (1) future land use patterns and development in the city;
- (2) the phasing of works and services in the city;
- (3) the provision of park land described in the City's official community plan;
- (4) how development designed to result in low environmental impact may affect the capital costs of infrastructure referred to in section 559(2) of the *Local Government Act*;
- (5) whether the charges are excessive in relation to the capital cost of prevailing standards of service in the city; and
- (6) whether the charges will, in the city: deter development, discourage the construction of reasonably priced housing or the provision of reasonably priced serviced land, or discourage development designed to result in a low environmental impact.

AND WHEREAS in the opinion of Council the charges imposed by this Bylaw are:

- (1) related to capital costs attributable to projects involved in the capital budget of the City; and
- (2) related to capital projects consistent with the Official Community Plan of the City.

THEREFORE BE IT RESOLVED the Council of the City of Nanaimo, in open meeting assembled, ENACTS AS FOLLOWS:

PART 1 – TITLE

1. This Bylaw may be cited for all purposes as "CITY OF NANAIMO DEVELOPMENT COST CHARGE BYLAW 2017 NO. 7252.

PART 2 – INTERPRETATION

2. In this Bylaw:

"Affordable Unit" means a Dwelling Unit occupied by one or more individuals whose collective annual before-tax income does not exceed the Housing Income Limit for the City, and where 12 months' rent for the Dwelling Unit does not exceed 30% of the occupants' collective before-tax annual income.

"Building" means a Structure that is used or intended for enclosing supporting or sheltering person, animals or property.

"Building Permit" means a permit authorizing the construction, alteration, or extension of a Building or Structure.

"Campground" means the use of land for providing the temporary accommodation of persons for vacation or recreational purposes in Recreational Vehicles or tents; but excludes Mobile Home Parks, hotels, or camps licensed under the *Community Care and Assisted Living Act*, SBC 2002, c75, or any enactment that replaces it.

"Camping Space" means a defined area in a Campground intended for the temporary occupation of one Recreational Vehicle or one or more tents.

"City" means the City of Nanaimo.

"Commercial" means any use of land or Buildings for any commercial use, including, but not limited to: retail, tourist accommodation, restaurant, office, personal or professional service, or recreation or entertainment.

"Dwelling Unit" means a habitable self-contained unit with cooking, sleeping, and sanitary facilities and a separate entrance that is used for the residential accommodation of only one family, and excludes a Mobile Home, Recreational Vehicle, and tent.

"Eligible Development" means the use of land for not-for-profit rental housing, including, but not limited to supportive housing.

"Eligible Land" means a Lot upon which an Eligible Development is situated.

"Eligible Owner" means the government of British Columbia, the government of Canada, a local government, a Public Housing Authority, or a not-for-profit

corporation incorporated under the *Societies Act*, SBC 2015, c18, or the *Not-for-Profit Corporation Act*, SC 2009, c23, and any enactments that replace them.

"Gross Floor Area" means the gross floor area of a Building or Structure calculated to the outside of the exterior walls, including floor areas over 1.8 metres in height, canopies with an occupancy or use, and parking structures as the principle use, with the following exemptions: stairwells and elevators exceeding one floor only, gas canopies and parking portions of a Structure.

"Housing Income Limit" means housing income limits established by the BC Housing Management Commission, as amended from time to time.

"Industrial" means any industrial use of land or Buildings, including, but not limited to uses related to the co-generation, manufacturing, processing, assembling, fabricating, servicing, testing, repair, storing, transporting, warehousing, or distributing of goods, materials, or things, wholesaling provided that the merchandise being sold is distributed from the Lot, and includes accessory offices that occupy less than 10% of the total Gross Floor Area of any Building on the Lot.

"Institutional" means the institutional use of land or Buildings including, but not limited to, use for a school, hospital, correctional facility, or for a care facility including a senior's care residence where a minimum of 20 percent of the floor area of all Buildings located on the Lot are operated under a license issued pursuant to the *Community Care and Assisted Living Act* or any enactments that replace it.

"Land Use" means the land use designations to which different development cost charges are applied, and which uses consist of: Small Lot Single Family, Single Family, Multi-Family, Commercial, Industrial, Institutional, Mobile Home Park, and Campground.

"Lot" means any parcel, block or other area in which land is held or into which it is Subdivided, and includes a water lot but does not include a phased subdivision boundary.

"Mobile Home" means a dwelling unit built in an enclosed factory environment in one or more sections, intended to be occupied in a place other than that of its manufacture, and includes mobile home and modular homes that are either completely self-contained or mobile homes that are incomplete and are assembled outside of the place their manufacture.

"Mobile Home Park" means a use of land, carried out in accordance with the Zoning Bylaw, for the purpose of providing pads for the accommodation of two or more Mobile Homes.

"Multi-Family" means the residential use of land for a Building consisting of two or more Dwelling Units, carried out in accordance with the Zoning Bylaw, and does not include an Institutional use of land.

"Public Housing Authority" means the BC Housing Management Commission or another public authority established by the government of British Columbia or the government of Canada that develops, manages, and administers subsidized housing.

"Recreational Vehicle" mean any camper, travel trailer, fifth wheel or motor home with a maximum width of 2.6 metres in transit mode that can be used to provide sleeping accommodation and that is capable of being licensed for highway use pursuant to the *Motor Vehicle Act*, RSBC 1996, c318, or any enactment that replaces it.

"Row House" means a Building, situated on a Lot other than a Lot created under the *Strata Property Act*, or any enactment that replaces it, that consists of a single Dwelling Unit that shares a common party wall or is otherwise connected at the side yard Lot line to another Building, situated on a Lot other than a Lot created under the *Strata Property Act*, that consists of a single Dwelling Unit.

"Secondary Suite" means one or more habitable rooms, but not more than two bedrooms and one cooking facility, constituting a self-contained Dwelling Unit with a separate entrance for the residential accommodation of one or more individuals who are related through marriage or common law, blood relationship, legal adoption, legal guardianship, or a group of not more than two unrelated individuals, and the use of which is clearly subordinate to the use of the principal Dwelling Unit.

"Single Family" means the residential use of land for a Lot that contains a Building consisting of a single Dwelling Unit, and which Building may include a Secondary Suite.

"Small Lot Single Family" means the residential use of land for a Lot that contains a Building consisting of a single Dwelling Unit where one or both of the following conditions are met:

- (a) the Building is a Row House; or
- (b) the Lot area is less than 370m².

"Structure" means anything constructed, placed, erected, or sunk into land.

"Subdivision" means the division of land into two or more parcels, whether by plan, apt descriptive words or otherwise, under the *Land Title Act*, RSBC 1996 c250, or the *Strata Property Act*, SBC 1998 c43, or any enactments that replace them, and "Subdivided" has the corresponding meaning.

PART 3 – SCHEDULES

3. (1) The following schedules attached to this Bylaw form an integral part of this Bylaw and are enforceable in the same manner as this Bylaw:
 - (a) Schedule A – DCC Area; and
 - (b) Schedule B – Development Cost Charges.

PART 4 – APPLICATION

4. (1) Except as provided in subsections 4(2) and 4(3), this Bylaw applies to all lands in the City identified as "DCC Area" on the attached Schedule "A".
 - (2) Lands identified as "Duke Point Area" on the attached Schedule "A" are subject only to development cost charges for water supply.
 - (3) Lands identified as Harmac Area on the attached Schedule "A" are not subject to development cost charges.

PART 5 – DEVELOPMENT COST CHARGES

5. (1) Subject to the exemptions provided in subsection 5(3) every person who obtains:
 - (a) approval of a Subdivision for a Single Family or Small Lot Single Family Land Use;
 - (b) a Building Permit for a Building that, not including Secondary Suites, consists of two or more Dwelling Units; or
 - (c) a Building Permit for all other Land Uses not described in subsections (a) and (b).

shall pay to the City the applicable development cost charge set out in Schedule "B" at the time of the approval of the Subdivision or the issuance of a Building Permit.
- (2) A development cost charge imposed under this Bylaw must be paid to the City in full:
 - (a) in the case of a Subdivision for a Single Family or Small Lot Single Family Land Use, at the time of Subdivision approval; and
 - (b) in the case of all other Land Uses, upon issuance of the Building Permit.

- (3) The obligations under Part 5 of this Bylaw do not apply where the payment of development cost charges is subject to an exception, exemption, waiver, or reduction provided for in the *Local Government Act*, this Bylaw, or in another enactment.

PART 6 – REDUCTIONS AND WAIVERS

6. The amount of development cost charges payable under Part 5 of this Bylaw will be reduced by 50%, where the Lot will be used for an Eligible Development that meets all of the following criteria:
 - (a) at least 50% of the Eligible Land is owned in fee simple by an Eligible Owner;
 - (b) the Eligible Land is either:
 - ii. owned in fee simple by the City and held by an Eligible Owner under a lease; or
 - iii. the Eligible Owner has entered into housing agreement with the City under section 483 of the *Local Government Act*, and the housing agreement has been registered against the title to the Lot on which the development is located;
 - (c) at least 30% of the units in the development are Affordable Units; and
 - (d) the Eligible Owner has provided the City with documentary proof, that demonstrates to the City's satisfaction, that the development is eligible for a housing subsidy, which subsidy may be in the form of rental subsidies or capital grants from the government of British Columbia, the government of Canada, or a Public Housing Authority.

PART 7 – CALCULATION OF DEVELOPMENT COST CHARGES

7. (1) The amount of development cost charges payable in relation to a particular development must be calculated in accordance with this part and the rates prescribed in Schedule "B".
- (2) In the case of a subdivision, development cost charges are calculated by multiplying the total development cost charges payable for the applicable Land Use, as prescribed in Table 1 of Schedule "B", by the number of Lots being created.
- (3) In the case of a Building Permit, other than a Building Permit for a Campground or Mobile Home Park, development cost charges are calculated by:

- (a) multiplying the total development cost charges payable per square metre for the applicable Land Use, as prescribed in Table 1 of Schedule "B", by the Gross Floor Area of the Building to be constructed;
 - (b) multiplying the total development cost charges payable per square metre for the applicable Land Use, as prescribed in Table 2 of Schedule "B", by the Gross Floor Area of the first floor of the Building to be constructed; and
 - (c) adding the sum calculated under paragraph 7(3)(a) to the sum calculated under paragraph 7(3)(b).
- (4) In the case of a Building Permit for a Campground, development cost charges are calculated by multiplying the total development cost charges payable per unit for a Campground, as prescribed in Table 1 of Schedule "B", by the number of Camping Spaces to be created.
- (5) In the case of a Building Permit for a Mobile Home Park, development cost charges are calculated by multiplying the total development cost charges payable per unit for a Mobile Home Park, as prescribed in in Table 1 of Schedule "B", by the number of Mobile Home pads to be constructed.
- (6) The amount of development cost charges payable in relation to mixed-use uses of land will be calculated separately for each portion of the development, according to the separate Land Uses included in the Building Permit application and will be equal to the sum of the charges payable under this Bylaw for each separate Land Use.
- (7) Where:
- (a) development cost charges have been paid with respect to a Lot under subsection (2) on the basis of a Single Family Land Use; and
 - (b) a Building Permit is approved for a Building on the Lot consisting of two or more Dwelling Units, not including any Secondary Suites;

then development cost charges payable under subsection (3) will be based on the number of Dwelling Units, not including Secondary Suites, being built, less the amount of development cost charges calculated for the Dwelling Unit with the largest Gross Floor Area.

PART 8 – SEVERABILITY

8. In the event that any portion of this Bylaw is held to be invalid by a court of competent jurisdiction, then such portion shall be deemed to be severed from the Bylaw with the intent that the remainder of the Bylaw shall continue in full force and effect.

PART 9 – REPEAL

9. The following City of Nanaimo bylaws are hereby repealed:
- (a) Roads Development Cost Charge Bylaw 2008 No. 7065;
 - (b) Sanitary Sewer Development Cost Charge Bylaw 2008 No. 7066;
 - (c) Storm Sewer Development Cost Charge Bylaw 2008 No. 7067;
 - (d) Water Distribution Development Cost Charge Bylaw 2008 No. 7068;
 - (e) Parkland Acquisition Development Cost Charge Bylaw 2008 No. 7069;
 - (f) Water Supply Development Cost Charge Bylaw 2008 No. 7070; and
 - (g) Bylaws to Reduce Development Cost Charges (Not-for-Profit Rental Housing) Bylaw 2008 No. 7082.

PART 10 – EFFECTIVE DATE

10. This Bylaw comes into full force and effect upon the later of:
- (a) Adoption of this Bylaw by the Council of the City; or
 - (b) April 2, 2018.

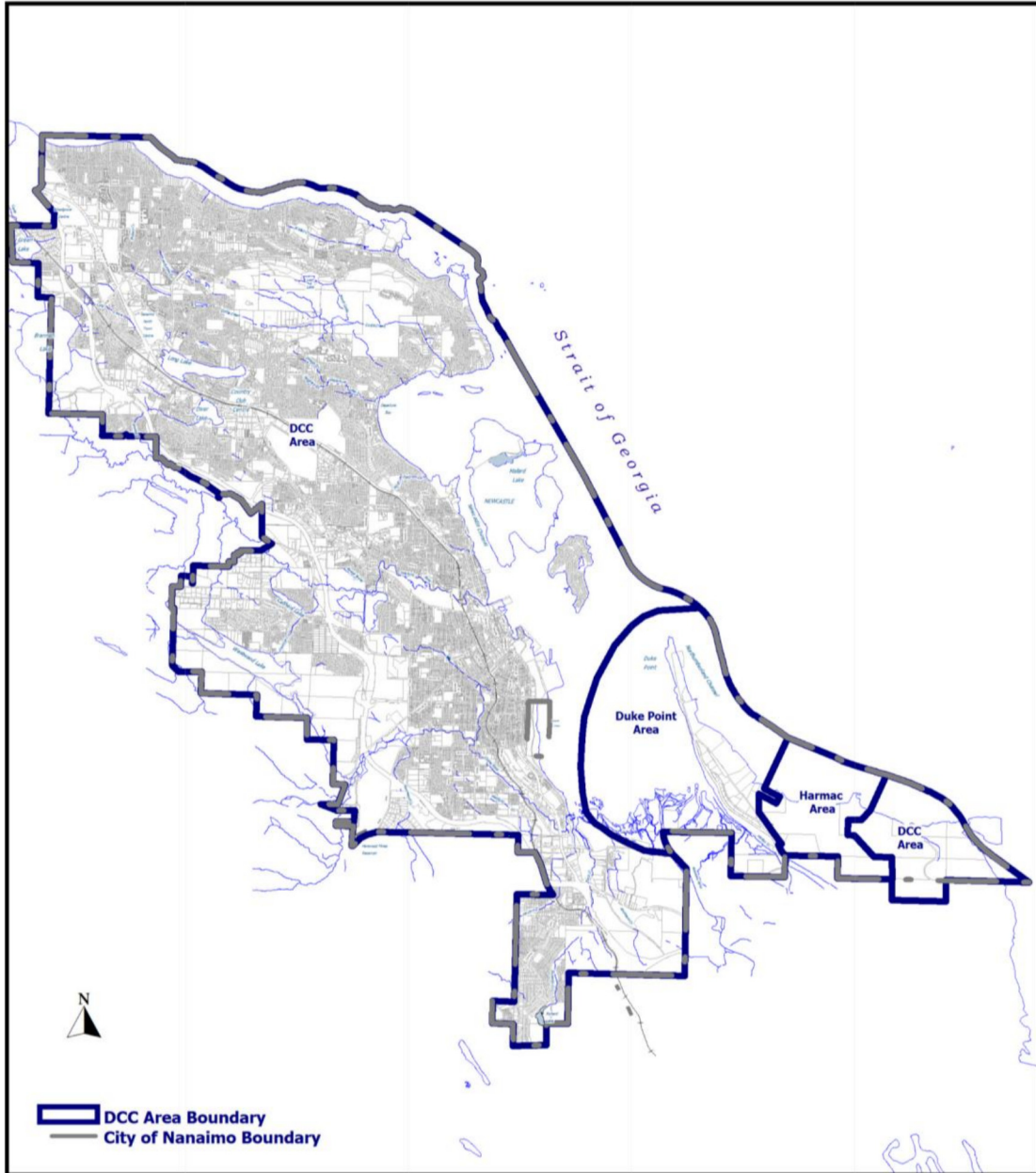
PASSED FIRST READING: _____
PASSED SECOND READING: _____
PASSED THIRD READING: _____
APPROVED BY INSPECTOR OF MUNICIPALITIES: _____
ADOPTED: _____

MAYOR

CORPORATE OFFICER

SCHEDULE "A"

DCC Area



SCHEDULE "B"

Development Cost Charges

Table 1

Categories	Single Family Dwellings	Small Lot Single Family Dwelling	Multi-Family Dwellings	Commercial / Institutional	Industrial	Mobile Home Parks	Camp Grounds
	<i>\$ per lot</i>	<i>\$ per lot</i>	<i>\$ per m² of GFA*</i>	<i>\$ per m² of GFA*</i>	<i>\$ per m² 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	-	-	-	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

* GFA - Gross Floor Area

Table 2

Categories	Single Family Dwellings	Small Lot Single Family Dwelling	Multi-Family Dwellings	Commercial / Institutional	Industrial	Mobile Home Parks	Camp Grounds
	<i>\$ per lot</i>	<i>\$ per lot</i>	<i>\$ per m² of GFA* 1st Flr</i>	<i>\$ per m² of GFA* 1st Flr</i>	<i>\$ per m² of GFA* 1st Flr</i>	<i>\$ per unit</i>	<i>\$ per unit</i>
Drainage	-	-	0.38	0.38	0.38	-	-

* GFA - Gross Floor Area of 1st Floor