

**Subject: Development Cost Charges
(DCCs)**

Policy No:

07-403

Approved by Council:

July 11, 2005

Replaces Old Policy:

**Sections 1.04, 1.05 and 1.06 of
the Subdivision &
Development Control Policy**

1. Purpose

- 1.1. To set out the policies necessary for the administration of the DCC Bylaw in a clear, systematic and consistent manner.
- 1.2. To repeal, update, replace, harmonize and consolidate into one document all existing policies currently used for the administration of DCCs, including application of credits and rebates.

2. Background

- 2.1. The Local Government Act (the Act) provides the broad legislative framework for imposition of DCCs to assist local governments with the capital costs relating to certain growth-related infrastructure.
- 2.2. Pursuant to provisions of the Act and in consideration of the anticipated growth patterns consistent with its Official Community Plan, the Municipal Council of the Township of Langley has adopted DCC Bylaw No. 4385 (the Bylaw), as amended from time to time, which sets the DCC rates applicable in the Township of Langley.
- 2.3. The process to review and update the DCC bylaw has and will continue to include consultation with representatives from the development, consulting, home building, real estate and agricultural industries, as well as the general public to ensure equity and transparency.

3. Related Policy

- 3.1. Subdivision and Development Control Policy
- 3.2. Letter of Credit Format Policy

4. Policy

- 4.1. DCCs are imposed on every person who obtains approval of a subdivision or a building permit with the specific exemptions as identified in Section 5. b) of the Bylaw in accordance with specific provisions of the Act. Public and utility facilities and uses, including those not specifically identified in the Schedules of the Bylaw, shall be assessed based on the "Industrial" designation.
- 4.2. In-stream "Complete and Valid" subdivision and building permit applications, as defined in the Bylaw, submitted prior to the date of final adoption of the Bylaw shall be exempt from an increase in new DCC rates, for a period of one year from the date of final adoption of the Bylaw.
- 4.3. DCCs must be paid in accordance with the rate Schedules attached to the Bylaw prior to subdivision approval for single family residential developments; and prior to building permit issuance for all other types of development.
- 4.4. DCCs must be paid when a subdivision or development imposes new capital cost burden, including those located in areas designated as future growth areas,

- in the Municipality's Official Community Plan, as amended, where urban services are proposed but not in place at time of subdivision or development.
- 4.5. As an exception to Section 4.1, lands subject to the Gloucester Development Agreement, dated October 12, 1988, as amended (see Schedule "A"), are exempt from payment of Township of Langley DCCs.
 - 4.6. DCCs for residential developments are categorized into 4 different types, based on density calculated on gross site area. When the calculated density on a project results in a number falling between the whole numbers identified for each residential category, the number is rounded down to nearest whole number. For example, for the purposes of DCC calculations, calculated densities of 15.1 to 15.9 shall be rounded down to 15, which fall in the "Residential 1" category; whereas densities of 16.0 up to 44.9 fall within the "Residential 2" category.
 - 4.7. Mobile home park developments are considered to be multiple family type developments, DCCs for which shall be assessed on a density basis.
 - 4.8. All residential developments other than single family shall be considered to be multiple family residential developments, DCCs for which are assessed based on density. "Institutional" DCC rates shall only be assessed on congregate care and seniors' residence facilities if the proposed development incorporates assisted-living common areas or facilities.
 - 4.9. DCCs for non-residential developments are based on actual land use regardless of zoning. "Commercial" DCC rates shall be assessed on all commercial uses located in commercial zones (designated as "C" in the Zoning Bylaw) as well as those located in industrial and comprehensive development zones, designated as "M" and "CD" in the Zoning Bylaw respectively, including the following uses: assembly; "big box" retail; business and professional offices; commercial recreation, instruction and entertainment; computer sales; custom brokers; dog day cares; funeral homes; furniture, appliances and home electronics stores; group children's day care centres; hardware stores; highway commercials; home improvement centres; medical clinics; new automotive parts and accessory stores; restaurants; non-accessory retail sales; service stations and gas bars; vehicle sales, rental and leasing; veterinary clinics; and warehousing and wholesale outlets.
 - 4.10. Where a development has more than one land use, DCCs shall be calculated on a proportional basis.
 - 4.11. When the total amount of Township of Langley DCCs payable exceed \$50,000, they may be paid by installments, with one third of the total amount payable at time of subdivision or development, another one third payable at the date of 1st anniversary of the subdivision approval or building permit issuance and the remaining one third at the date of 2nd anniversary of the subdivision approval or building permit issuance.
 - 4.12. DCCs must be paid in cash or by certified cheque. Should DCCs be paid by installments, the two-thirds balance unpaid at time of subdivision or development must be secured in full by an irrevocable letter of credit in a form and from a financial institution acceptable to the Director of Finance.
 - 4.13. Credits for existing lots, units, buildings or development areas are calculated at time of DCC payment based on incremental new impact defined in terms of the corresponding additional units of measurement, for the purposes of DCC assessment, for each type of development, as follows:
 - 4.13.1. For single family residential subdivisions, a credit is granted for each existing lot forming part of the subdivision at time of application;

- 4.13.2. For multiple family residential developments, a credit is granted for each existing dwelling unit forming part of the development at time of application;
- 4.13.3. For non-residential developments, DCCs are assessed based on the additional "gross floor area" or additional "area of development" as defined in the Bylaw.
- 4.14. DCC credits may be applicable against DCCs that must be paid in respect of a subdivision or development for works whose costs have been included calculating the DCC rates. DCC credits are applied at time of DCC payment, are based on the certified and confirmed actual cost of the works, if known; and shall not exceed lower of the following two amounts and can not include GST:
 - 4.14.1. The amount of DCCs that must be paid in respect of the subdivision or development for the particular class of service (example: roads, sewage, drainage or water).
 - 4.14.2. The amount identified under the "DCC" column in the DCC project report tables of the document entitled "DCC Program" including supporting documents. If a portion of the identified works is being completed as part of the subdivision or development, a corresponding proportional share of the amount highlighted in the "DCC Program" shall be calculated as the maximum creditable amount.
- 4.15. In multiple family and non-residential developments, where certain works identified in the DCC Program are completed as part of a subdivision or development; whilst the DCCs must be paid at the later time of building permit issuance, DCC credits may be applicable against DCCs payable in respect of the development, to the party paying DCCs, subject to the following:
 - 4.15.1. Receipt of acknowledgement, assignment, agreement, release and indemnity documents, as deemed necessary and in a form acceptable to the Township from the owner who incurred the costs of the works at time of subdivision or development and the owner who has applied for a building permit and is paying the DCCs, if more than one owner;
 - 4.15.2. Receipt of written request for application of DCC credit from the owner at time of building permit, which must be accompanied by certified and confirmed actual cost of the works, to the acceptance of the Township.
- 4.16. In cases where DCCs are to be paid in installments, DCC credits, if applicable, shall be deducted from the total DCC amount payable in respect of the subdivision or development; and the net difference will then be calculated as the amount of DCCs that must be paid and which can be paid in installments if greater than \$50,000 (see Section 4.11).
- 4.17. Requests for Municipal contributions for the Township share of DCC works, as identified in the DCC Program under "TOL Share" may be considered by the Township, subject to the following:
 - 4.17.1. Receipt of a written request from the owner completing the works, complete with supporting documentation, including a construction cost estimate sealed by a Professional Engineer and any other drawings and documents as may be deemed necessary by the Township;
 - 4.17.2. Inclusion of the works in the Municipality's capital expenditure program for the following year, subject to the availability of funds to the acceptance of the Director of Engineering;
 - 4.17.3. Approval by Council.