

To: Chief Administrative Officer **Date:** November 7, 2022
From: Doug Stewart, Director of Finance
Subject: **DCC Bylaw and CAC Policy Amendments - Stakeholder and Public Engagement**

Recommendation(s)

This report is provided for information purposes only and no action of Council is required.

Purpose

The purpose of this report is to update Council on the stakeholder and public engagement that has already occurred and what is planned to gain further input regarding the proposed amendments to the Development Cost Charge (DCC) Bylaw and the Community Amenity Contributions (CAC) Policy.

Background

On July 11, 2022, at a Special Council Meeting, a report was presented to Council regarding proposed amendments to the DCC Bylaw.

The report highlighted:

- What are Development Cost Charges (DCCs);
- What DCCs pay for;
- What DCCs don't pay for, and
- The DCC update process, which includes:
 - Estimating growth;
 - Determining the capital costs;
 - Determining the benefit factors;
 - Determining the Municipal assist factor;
 - Determining the equivalency units;
 - Calculating the DCC rates; and
 - Adopting the new DCC bylaw

Council then passed the following resolution:

That staff proceed with stakeholder consultation regarding an update to the Development Cost Charge Bylaw as detailed in the Draft Background Report attached to the report from the Director of Finance dated July 11, 2022.

On September 6, 2022, at a Special Council Meeting, a report was presented to Council regarding proposed revisions to the Financial Contributions for Community Amenities Policy.

The report highlighted:

- An outline of how the CAC policy works and the provincial legislation;
- The current CAC rates and examples of how the funds are used; and
- A policy and rate comparison to other municipalities.

Discussion ensued regarding:

- The basis for calculating the contribution amounts;
- The different contribution amounts for different residential construction types;
- The target contribution amounts for residential development;
- Whether to include or exclude of other development activity;
- The impact of removing the Downtown Development Incentive Program exemption;
- Whether to seek additional temporary contribution amount until the updated DCC bylaw is adopted;
- What the CAC reserve funds should be used for;
- How to deal with inflationary increase and policy review dates; and
- Whether to phase in any new rates.

Council provided direction on each of the items listed above to enable an amended policy to be prepared and brought forward for consideration. Council then passed the following resolution:

That staff proceed with stakeholder consultation regarding a revised LAN.40(C) Financial Contributions for Community Amenities policy as determined by Council during the September 6, 2022 Regular Council meeting within 60 days.

Discussion and Analysis

Since the July 11, 2022, Special Council Meeting, regarding an amended DCC Bylaw and the September 6, 2022, Special Council Meeting, regarding the CAC Policy update, staff have begun the process of stakeholder engagement.

On September 20, 2022, staff met with the Development Liaison Committee (DLC) to discuss the proposed DCC and CAC updates. Some follow-up action items and questions that arose from this meeting include:

- to convert the annual growth rate to actual number of new units per year;
- to confirm the impact of the recently announced \$62 million grant from the Provincial Government for a new water source on the Regional Water DCC;
- to identify what collector roads are not included in the DCC capital works program and why; and
- to confirm the minimum water & sewer pipe size the developer is required to install at their cost, and that any oversizing from that standard is a DCC eligible item.

On October 12, 2022, staff met with the Urban Development Institute (UDI), the Canadian Home Builders Association - Fraser Valley (CHBAFV) and Polygon Homes to discuss the proposed DCC and CAC updates. Some follow-up action items and questions that arose from this meeting include:

- The City to provide some sensitivity analysis on the DCC rates including sensitivity around growth rate (i.e. compare 1.5% and 2.0% to current 1.75%) and the program years (i.e. how would the capital budget and, consequently, the DCC rate change if the program spanned 20 years as opposed to 27 years);
- Clarification as to how the City arrived at a \$7M/ha cost for park land acquisition;
- A request for maps with proposed capital projects that showcase the benefitting area of each project; and
- A request to see Chilliwack added to the list of municipalities compared for DCCs and CACs since it has similar population size and access to transit.

Staff will be attending the November 10th Sustainable Housing Committee meeting to provide a presentation regarding the proposed DCC and CAC updates and then answer questions afterwards.

A public information session has been scheduled for November 16th from 6:30 pm to 9:00 pm at the Best Western Plus Mission City Lodge. A presentation regarding the proposed DCC and CAC updates will be provided and will be followed up with a question and answer period. The session has been advertised on the City's web page, in the local newspaper and through social media. RSVP to the information session is being collected on engage.mission.ca and the participants are being invited to share a question they may have about the update process that staff can endeavour to address during the presentation. Invitations for the event were sent to the UDI, CHBAFV and the NAIOP (the Commercial Real Estate Development Association) who can then forward the invitation along to their members.

The public information session is a City staff led event. Members of Council are welcome to attend the session to observe the discussion but their participation in the event is not expected. A report detailing the comments received will be presented at a future Council meeting.

Council Goals/Objectives

This report addresses the goals under Council's strategic focus areas of, Secure Finances, Assets and Infrastructure, and Organizational Excellence.

Financial Implications

There are no direct financial implications associated with this report.

Communication

An information session is planned for November 16, 2022 at the Best Western Plus Mission City Lodge to present the amended DCC Bylaw and CAC Policy to stakeholders and the general public to seek their input. The event is posted on the City's web page, advertised in the local paper and through social media.

Summary and Conclusion

Part of the process to amend the DCC Bylaw and the CAC policy is to seek stakeholder input. Several meetings have been arranged with representatives of the Urban Development Institute and the Canadian Home Builders Association - Fraser Valley. Staff will have also presented the proposed amendments to several City committees for input. A public information session has been scheduled for November 16th from 6:30 pm to 9:00 pm at the Best Western Plus Mission City Lodge. A presentation regarding the proposed DCC and CAC updates will be provided and will be followed up with a question and answer period.

A report detailing the comments received will be presented at a future Council meeting.

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| Report Prepared by: | Doug Stewart, Director of Finance |
| Reviewed by: | Andrea Bazinet, Administrative Assistant - Finance |
| Approved for Inclusion: | Mike Younie, Chief Administrative Officer |