

CITY OF RICHMOND DEVELOPMENT COST CHARGE UPDATE AND NEW AMENITY COST CHARGE BYLAW

Public Engagement Session
November 27, 2025



AGENDA

- Why Update Now?
- DCC Overview, Projects & Rates
- ACC Overview, Projects & Rates
- Community Comparisons & Development Feasibility Considerations
- Next Steps
- Discussion

WHY NOW?

- Recent **changes to Provincial Legislation:**
 - Allow a wider scope of services and amenities to be cost shared (Bill 46)
 - Permits more density through the small-scale multi-unit housing (SSMUH)
 - Allow for new density/height minimums in Transit-Oriented Areas with no density bonusing minimums
- Best practice is to review the DCC program every 3-5 years
- Opportunity to provide consistency in **collecting for community amenities** through introduction of an **Amenity Cost Charge Bylaw**
- DCCs and ACCs help promote **financial sustainability** for the City



DCCs OVERVIEW

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
 - Part 14, Division 19 of the Local Government Act (LGA)
 - New legislation (Bill 46) now allows a wider scope of services and amenities
 - DCC Best Practices Guide (March 2025)
 - DCC Guide for Elected Officials

WHAT PROJECTS CAN DCCs PAY FOR?

DCCs CAN BE USED TO FUND

Capital costs (planning, engineering, design, legal, studies) for:

- Transportation services
- Water services
- Drainage services
- Sewer services
- Parkland acquisition and improvements
- Fire protection facilities
- Police facilities
- Solid waste and recycling facilities

DCCs CANNOT BE USED TO FUND

- Infrastructure or parks needed to serve the existing population (deficiencies, asset replacement)
- In other words: **DCC projects must be growth-related**
- Operations and maintenance costs
- Community buildings – *eligible under ACCs*

WHICH PARKS PROJECTS ARE DCC-ELIGIBLE?

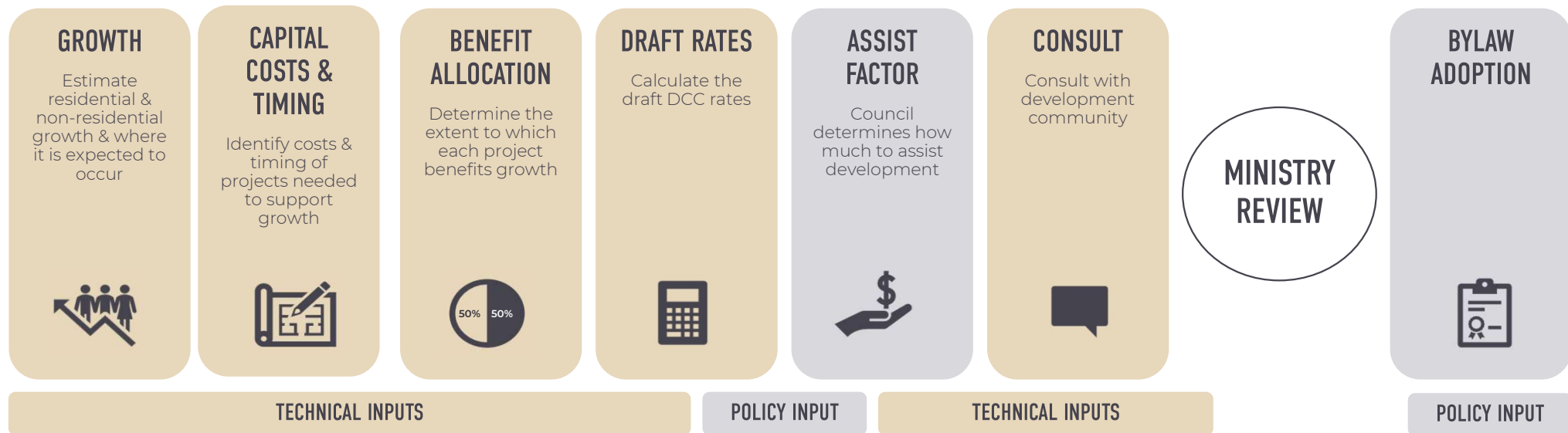
DCCs CAN BE USED TO FUND

- Park acquisition
- Park improvements:
 - Fencing
 - Landscaping
 - Drainage and irrigation
 - Trails
 - Restrooms
 - Changing rooms
 - Playground equipment
 - Playing field equipment

DCCs CANNOT BE USED TO FUND

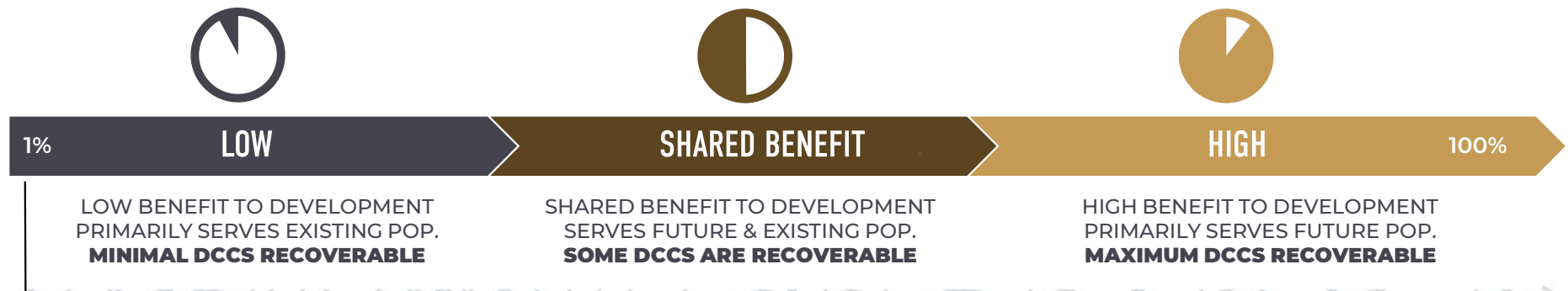
- Off-street parking facilities
- Sports field lighting
- Artificial turf
- Sport courts
- New recreation buildings – *eligible for collection under ACCs*

HOW DO WE DETERMINE THE RATES?



ALLOCATING BENEFIT

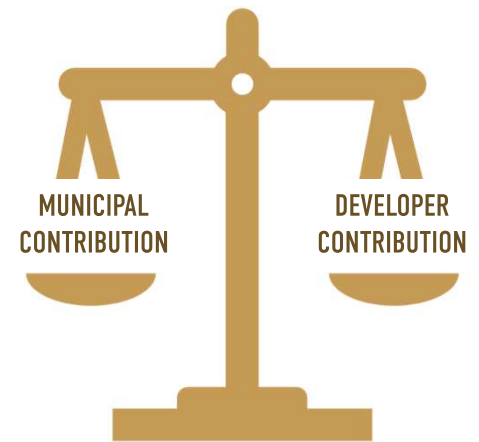
- A benefit allocation (%) is assigned to each project to reflect anticipated benefit to growth
- Ensures costs are shared equitably between the current and future population (benefiters)
- The benefit allocation can be determined based on the following methods:
 1. 'Rule of thumb'
 2. Technical analysis
 3. Population growth



Projects that are not growth-driven (i.e., 0%) are not eligible for DCCs

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 complete discretion** to set an assist factor between 1% (least assistance) and 99% (most assistance)
- The assist factor is **varied by DCC Program** (e.g., roads, water, sewer); not by land use type



PROJECT EXAMPLE

ASSUMPTIONS

- \$1 Million (M) project cost
- 50% benefit allocation to new growth (i.e., 50% to existing users)
- 1% Municipal Assist Factor

PROJECT COST e.g., \$1M	BENEFIT ALLOCATION e.g., 50% benefit to growth		ASSIST FACTOR (1%) e.g., 1% assistance to developer		COST SHARE
DEVELOPER CONTRIBUTION	\$500K	-	\$5.0K	=	\$495K
CITY CONTRIBUTION	\$500K	+	\$5.0K	=	\$505K

WHEN ARE DCCs COLLECTED?

- DCCs are paid by applicants for:
 - Applicants for **subdivision approval** to create single detached lots
 - Applicants for **building permits** to construct SSMUH typologies, townhouse and apartment residential uses, commercial, industrial, and institutional development



IN-STREAM PROTECTION

- New DCC rates will be effective at bylaw adoption unless future effective date is set
- However, legislation provides protection to in-stream:
 - Building permit applications
 - Subdivision applications
 - Precursor applications (Re-zoning and Development Permit)

IN-STREAM PROTECTION

- To avoid new DCC charges, these applications must be in prior to adoption of the new DCC bylaw

AND

- Building permits/subdivision must be granted within one year of bylaw adoption; or
- Re-zoning and Development Permit applications must result in building permit issuance within one year of bylaw adoption

A light gray background featuring a detailed map of a city street grid. The grid consists of numerous intersecting lines representing streets, with some lines thicker than others to indicate major thoroughfares. The pattern is dense and covers the entire background.

PROPOSED DCC RATES

SUMMARY OF KEY CHANGES

- **Revised land use categories** to better reflect impact on infrastructure and ease of administration
 - This includes consideration of SSMUH development
- **Review of equivalent factors** to accommodate SSMUH-type development (e.g., Plexes, Detached accessory dwelling units)
- Decision to not include Fire Protection, Police, and Solid Waste Management DCC Programs in this update to achieve tenable DCC rates
- Focus on inflationary adjustments and constrained capital program **resulting in 5% adjustment in DCC rates**
- No update to the Alexandra Area-Specific DCC Charges

PROPOSED DCC RATES

Land Use	Unit of Charge	Current DCC Rates (2024)		Draft DCC Rates <i>(1% MAF)</i>	% Increase
Single Family Residential	Per Lot	\$63,767.14		\$66,908	5%
SSMUH	Per Dwelling Unit	n/a		\$47,182	n/a
Townhouse	Per ft ² DU	\$33.79		\$35.45	5%
Apartment	Per ft ² DU	\$35.79		\$37.55	5%
Commercial	Per ft ² BA	\$23.10		\$24.25	5%
Institutional	Per ft ² BA	\$23.10		\$24.25	5%
Light Industrial	Per ft ² BA	\$18.97		\$19.92	5%
Heavy Industrial	Per acre of GSA	\$215,118.05		\$225,900.62	5%

NOTES:

DU = Dwelling Unit

BA = Building Area (in square feet)

GSA = Gross Site Area (in acres)

TRANSPORTATION PROGRAM

Service	Total Capital Costs (\$M)	Benefit Allocation (%)	DCC Recoverable (\$M)	Municipal Assist Factor (%)	Municipal Costs (Benefit to Existing + 1% MAF) (\$M)
Transportation	742.6	95%	698.4	1%	44.2
Total	\$742.6M		\$698.4M		\$44.2M

- 30-year time horizon
- Examples of projects include:
 - Intersection upgrades
 - Sidewalks
 - Roundabouts

WATER PROGRAM

Service	Total Capital Costs (\$M)	Benefit Allocation (%)	DCC Recoverable (\$M)	Municipal Assist Factor (%)	Municipal Costs (Benefit to Existing + 1% MAF) (\$M)
Water	48.4	95-100%	46.2	1%	2.1
Total	\$48.4M		\$46.2M		\$2.1M

- 30-year time horizon
- Examples of projects include:
 - Watermains
 - Water Master Plan

SANITARY SEWER PROGRAM

Service	Total Capital Costs (\$M)	Benefit Allocation (%)	DCC Recoverable (\$M)	Municipal Assist Factor (%)	Municipal Costs (Benefit to Existing + 1% MAF) (\$M)
Sanitary Sewer	113.2	26-100%	107.3	1%	5.9
Total	\$113.2M		\$107.3M		\$5.9M

- 30-year time horizon
- Examples of projects include:
 - Gravity Mains
 - Pump Stations
 - Forcemains

DRAINAGE PROGRAM

Service	Total Capital Costs (\$M)	Benefit Allocation (%)	DCC Recoverable (\$M)	Municipal Assist Factor (%)	Municipal Costs (Benefit to Existing + 1% MAF) (\$M)
Drainage	1,479.6	10-100%	577.4	1%	902.2
Total	\$1,479.6		\$577.4		\$902.2M

- 30-year time horizon
- Project list includes:
 - Dikes*
 - Drainage Mains
 - Box Culverts

**Dikes are a significant portion of the Drainage DCC Program. This is unique due to Richmond's geography and drainage needs.*

PARKLAND ACQUISITION PROGRAM

Service	Total Capital Costs (\$M)	Benefit Allocation (%)	DCC Recoverable (\$M)	Municipal Assist Factor (%)	Municipal Costs (Benefit to Existing + 1% MAF) (\$M)
Parkland Acquisition	513.3	95%	482.7	1%	30.5
Total	\$513.3M		\$482.7M		\$30.5M

- 30-year time horizon
- Examples of projects include:
 - Parkland acquisition to maintain level of service

PARKLAND DEVELOPMENT PROGRAM

Service	Total Capital Costs (\$M)	Benefit Allocation (%)	DCC Recoverable (\$M)	Municipal Assist Factor (%)	Municipal Costs (Benefit to Existing + 1% MAF) (\$M)
Parkland Development	363.5	95%	341.9	1%	21.6
Total	\$363.5M		\$341.9M		\$21.6M

- 30-year time horizon
- Examples of projects include:
 - Development of new trails
 - Washroom facilities
 - Playground Equipment

DCC CAPITAL COST SUMMARY

Service	Total Capital Costs (\$M)	DCC Recoverable (\$M)	Municipal Costs (Benefit to Existing + 1% MAF) (\$M)
Transportation	742.6	698.4	44.2
Water	48.4	46.2	2.1
Drainage	113.2	107.3	5.9
Sanitary Sewer	1,479.6	577.4	902.2
Parkland Acquisition	513.3	482.7	30.5
Parkland Development	363.5	341.9	21.6
Total*	\$3,260.6M	\$2,253.9M	\$1,006.5M

*Values may not total due to rounding

The background of the slide is a light gray map of a city street grid. The grid is composed of numerous thin, light gray lines representing streets, with some thicker lines indicating major thoroughfares. The pattern is dense and irregular, typical of an urban street layout. In the center of the slide, there is a dark blue rectangular box containing the text "ACC OVERVIEW" in white, bold, sans-serif capital letters.

ACC OVERVIEW

CHANGES TO THE CITY AMENITY FUNDING STRUCTURE

- City's amenity funding structure has typically relied on density bonusing (esp. City Centre) and amenity contributions secured through OCP/Area Plans (e.g. Broadmoor, West Cambie)
- Provincial Transit Oriented Area minimums have changed the paradigm in the City Centre – no density bonusing below the provincial minimums:



		0m to 200m	200m to 400m	400m to 800m
Rapid Transit	TOA Minimums	5 FAR	4 FAR	3 FAR
		20 Storeys	12 Storeys	8 Storeys

A NEW PARADIGM

- Restrictions on the City's ability to density bonus within TOAs
- Transition to new Amenity Cost Charges (ACCs), on city-wide basis
- Concurrent updates to historic amenity contributions (e.g. Broadmoor, West Cambie) to ensure no 'double-dipping' – previous CACs towards childcare, community facilities convert to new ACC program
- Adapted inclusionary zoning (work in progress) focused on affordable housing
- Adapted density bonusing (work in progress) primarily for non-residential (e.g. Local Villages outside of City Centre)

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
 - Charges for one-time capital costs
 - Growth-driven
- Regulated by the Province
 - New legislation (Bill 46)
 - Division 19.1 of the *Local Government Act*
 - ACC Best Practices Guide (new!)

WHAT IS THE UPTAKE OF ACC BYLAWS?

- Examples of communities that have proposed or adopted ACC rates:
 - Burnaby – *charged on all land use categories*
 - Coquitlam – *charged on residential uses*
 - North Vancouver (District) – *charged on residential uses*
 - Pitt Meadows – *charged on residential uses*
 - Abbotsford (Proposed) – *charged on all land use categories*
 - Mission – *charged on residential uses*
 - Nanaimo (Proposed) - *charged on all land use categories*
 - Cumberland (Proposed) – *charged on residential uses*
 - Oak Bay – *charged on all land use categories*
 - Comox (Proposed) – *charged on residential uses*
- All communities charge ACCs on a municipal-wide basis

ACC BEST PRACTICES GUIDE – ITEMS OF NOTE

- Can only be used for capital costs
- Cannot be used to pay for housing of any kind
- Cannot be levied on “affordable housing” or “places of worship”
- Cannot be levied if a development doesn’t result in increased population of residents or workers
- Must be owned by local government or through a “partnering agreement”
- Approval by Inspector of Municipalities is not required
- Cannot overlap with DCCs, CACs, Density Bonusing – no “double charging”



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
- Childcare 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

HOW IS THE ACC RATE DETERMINED?



GROWTH PROJECTIONS

Identify where more housing supply/growth is expected

Technical Inputs



IDENTIFY AMENITIES

Determine amenities needed, costs, and timing

Technical Inputs



ACC RATES

Prepare ACC program and determine ACC rates

Technical Inputs



CONSULTATION

Consult with interested parties on the ACCs

Technical Inputs



BYLAW ADOPTION

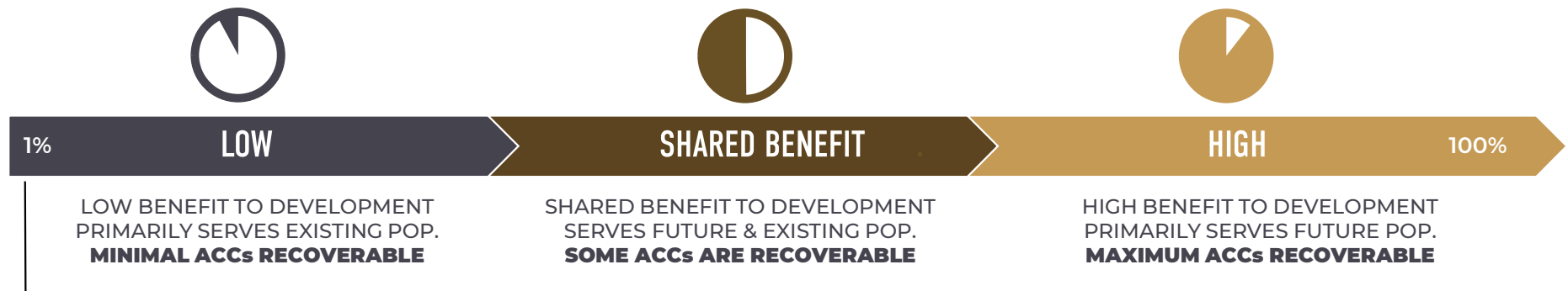
Council Adoption of the ACC Bylaw

Policy Inputs

Note: Economic analysis to determine the impacts of the ACC program on development viability is now a requirement (extent of the analysis varies)

ALLOCATING BENEFIT

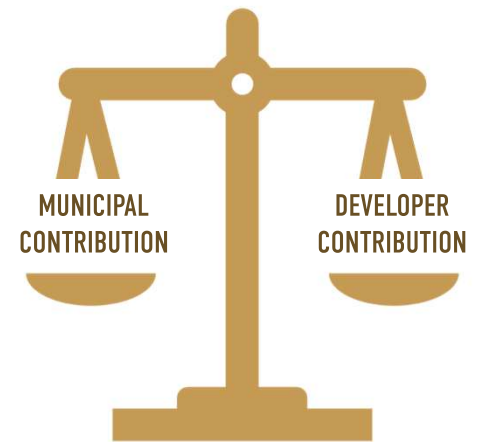
- A benefit allocation (%) is assigned to each project to reflect anticipated benefit to growth
- Ensures costs are shared equitably between the current and future population (benefiters)
- The benefit allocation can be determined based on the following methods:
 1. Population growth
 2. Technical analysis (capacity modelling)
 3. 'Rule of thumb'



Projects that are not growth-driven (i.e., 0%) are not eligible for ACCs

MUNICIPAL ASSIST FACTOR

- Legislation requires local governments to assist development for ACCs
- Assist amount must be made up through non-ACC revenue (general taxation)
- **Council has complete discretion** to set an assist factor between 1% (least assistance) and 99% (most assistance)
- The assist factor is can vary **by categories within the ACC program (e.g., childcare, libraries)**



IN-STREAM PROTECTION

- ACC rates will be effective at bylaw adoption unless future effective date is set
- However, legislation provides protection to in-stream:
 - Building permit applications
 - Subdivision applications
 - Precursor applications (re-zoning and Development Permit)

IN-STREAM PROTECTION

- To avoid new ACC charges, these applications must be in prior to adoption of the new ACC bylaw

AND

- Building permits/subdivision must be granted within one year of bylaw adoption; or
- Re-zoning and Development Permit applications must result in building permit issuance within one year of bylaw adoption

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PROPOSED ACC RATES

PROPOSED ACC RATES

Land Use	Unit of Charge	Draft ACC Rates (1% MAF)
Single Family Residential	Per Lot	\$23,003
SSMUH	Per Dwelling Unit	\$12,102
Townhouse	Per ft ² DU	\$12.27
Apartment	Per ft ² DU	\$12.94
Commercial	Per ft ² BA	\$4.69
Institutional	Per ft ² BA	\$4.69
Light Industrial	Per ft ² BA	\$3.91
Heavy Industrial	Per acre of GSA	\$3,561.84

ACC PROGRAM SUMMARY

Service	Total Capital Costs (\$M)	Benefit Allocation (%)	ACC Recoverable (\$M)	Municipal Assist Factor (%)	Municipal Costs (Benefit to Existing + 1% MAF) (\$M)
Amenities	250.1	20-100%	195.9	1%	54.2
Total*	\$250.1M		\$195.9M		\$54.2M

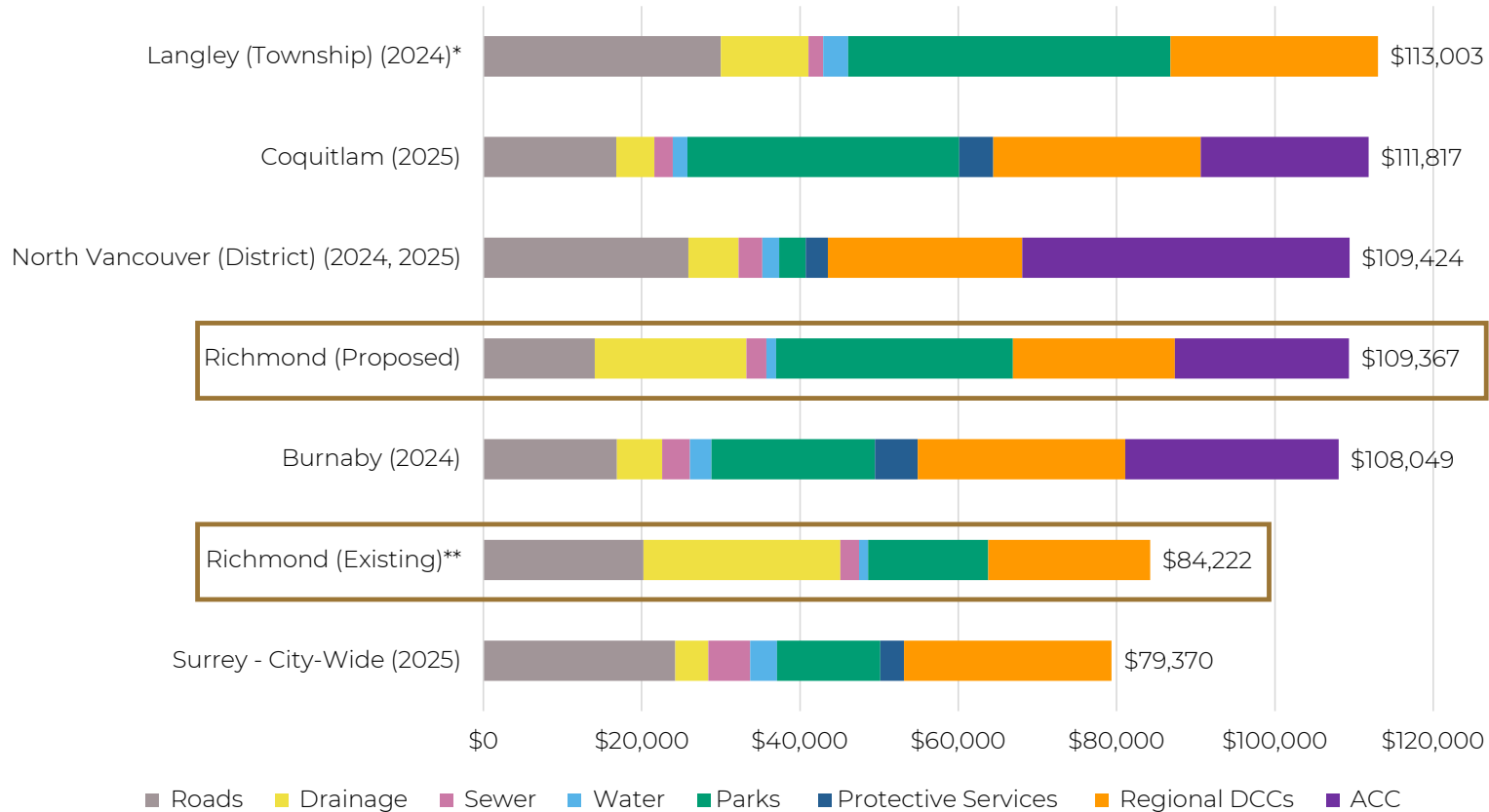
*Values may not total due to rounding

- 10-year time horizon
- Examples of projects include:
 - Library Space
 - Performing Art Space
 - Childcare Spaces

A light gray background featuring a detailed map of a city street grid. The grid consists of numerous intersecting lines of varying thicknesses, representing streets and highways. Some lines are straight, while others are curved, indicating a complex urban layout. The overall tone is minimalist and professional.

COMMUNITY COMPARISONS

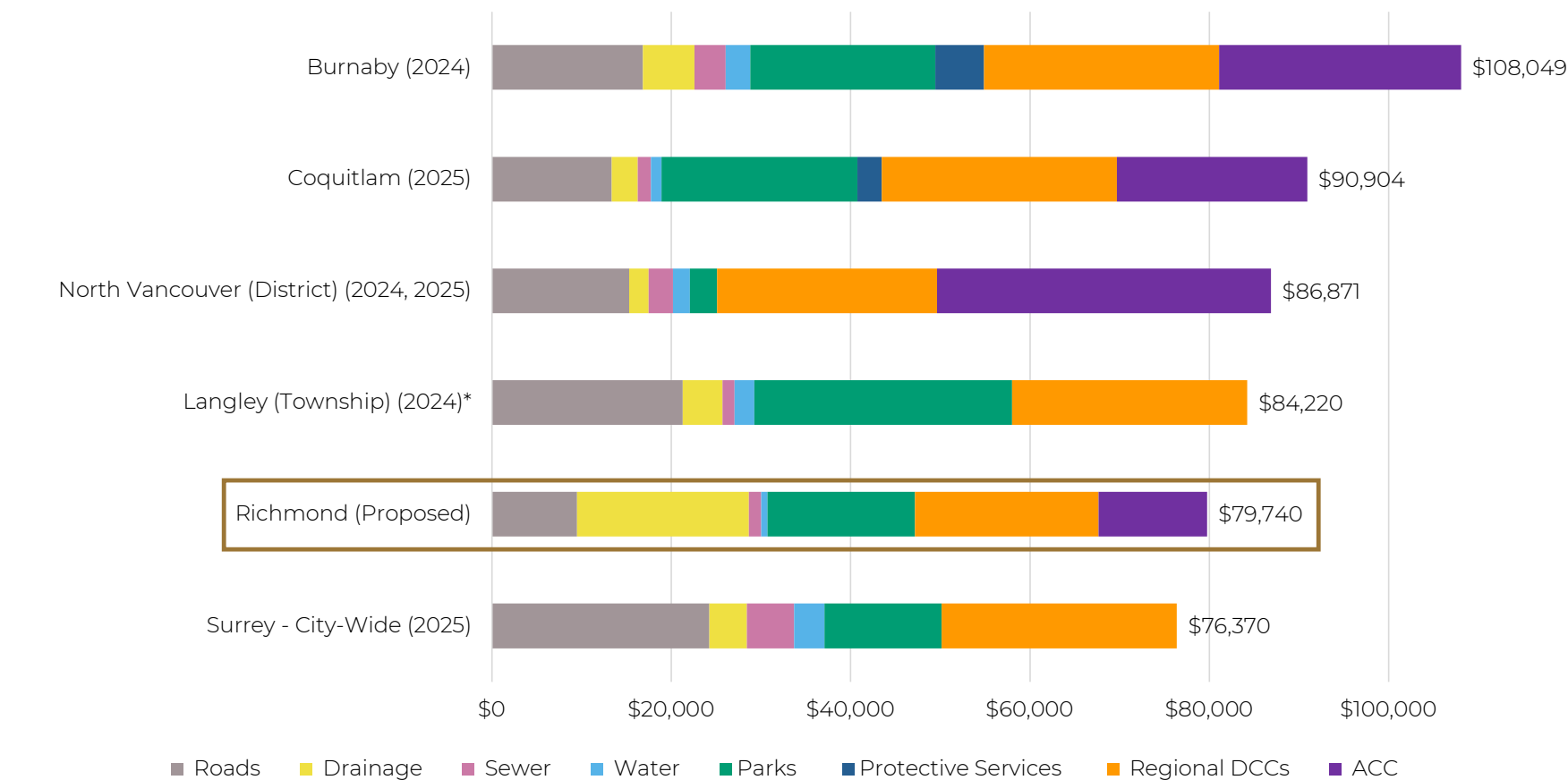
SINGLE FAMILY (PER LOT)



*Community undertaking DCC/ACC Update

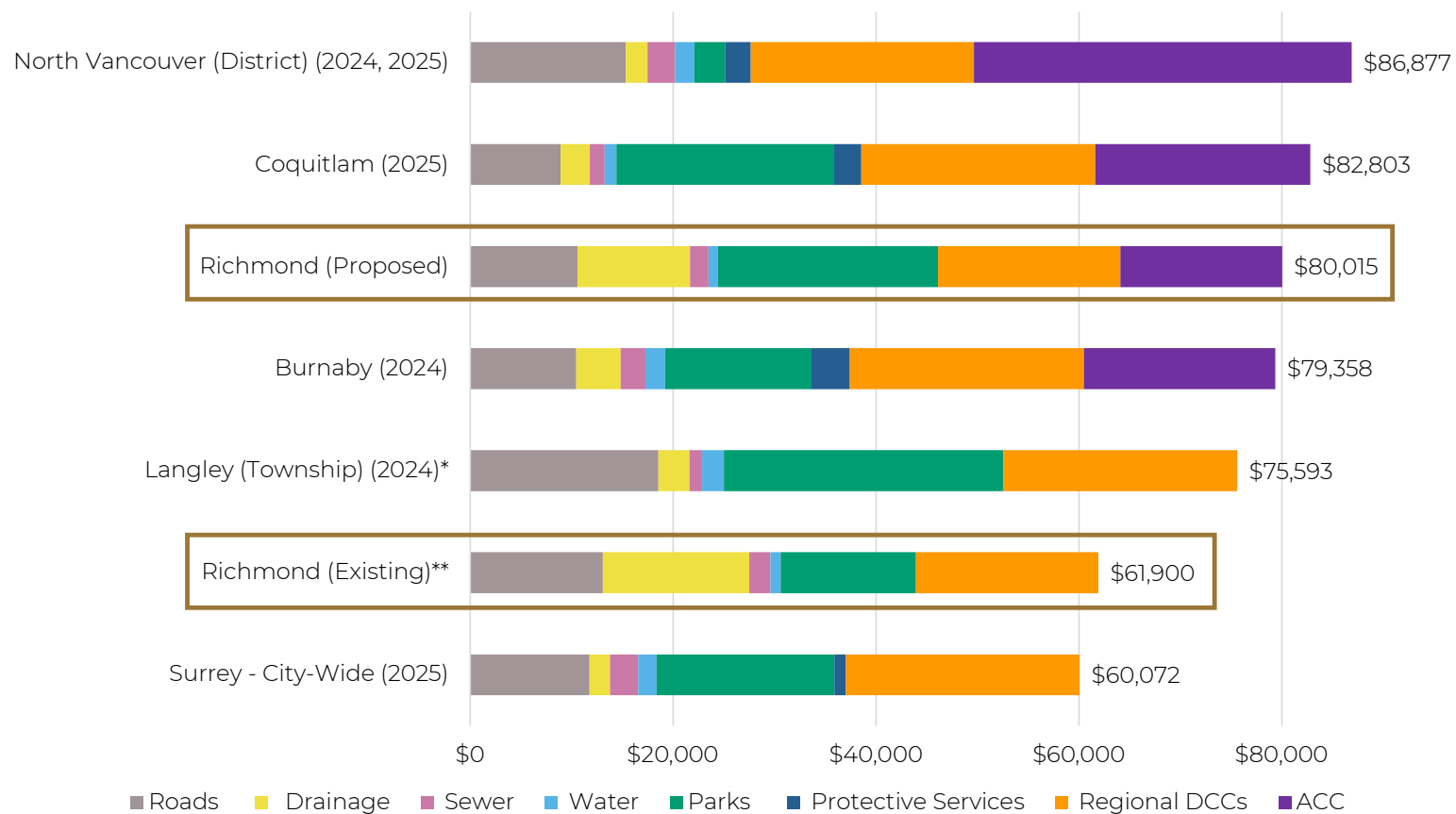
** Richmond's existing rate does not include applicable Community Amenity Contributions/ Density Bonus rates to be replaced by ACCs

SSMUH (PER DWELLING UNIT)



*Community undertaking DCC/ACC Update

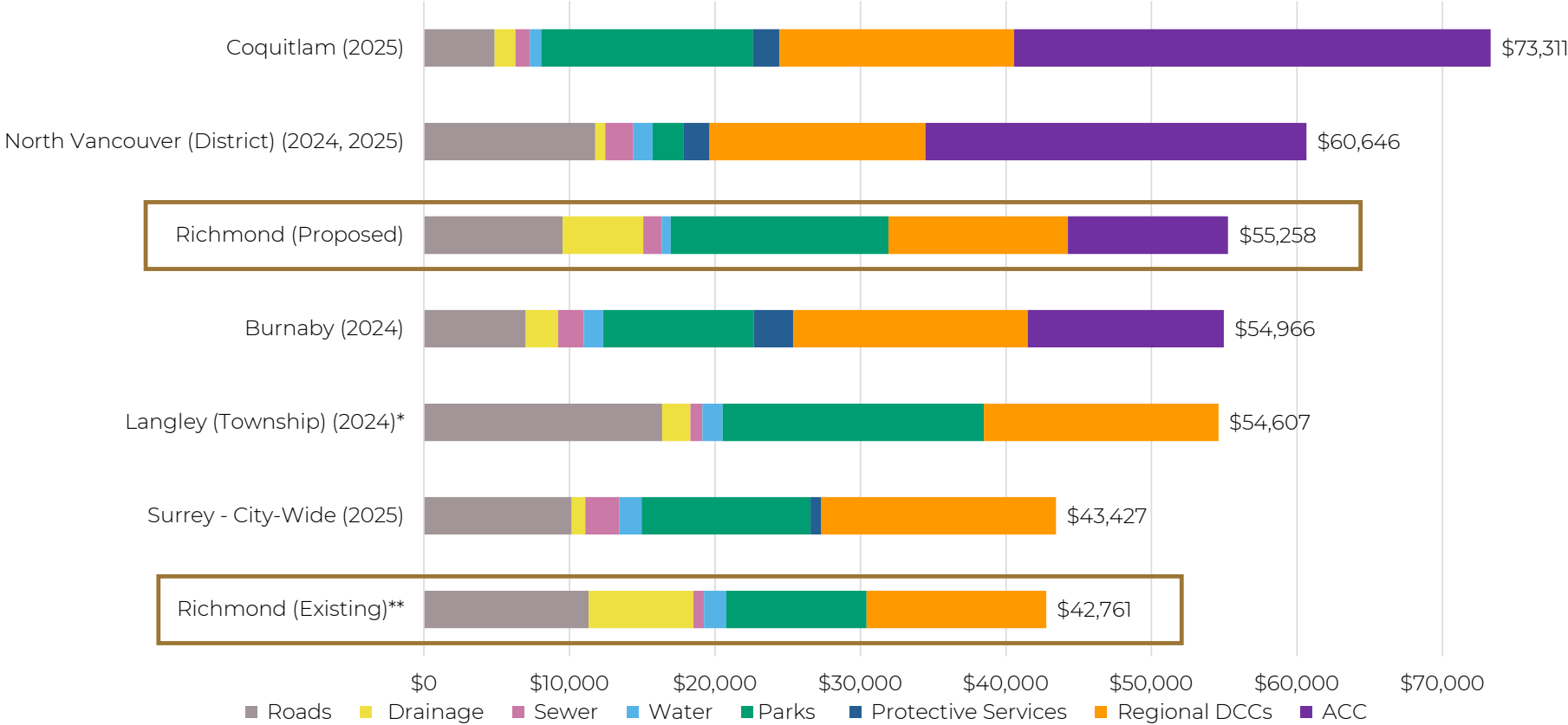
TOWNHOUSE (PER DWELLING UNIT)



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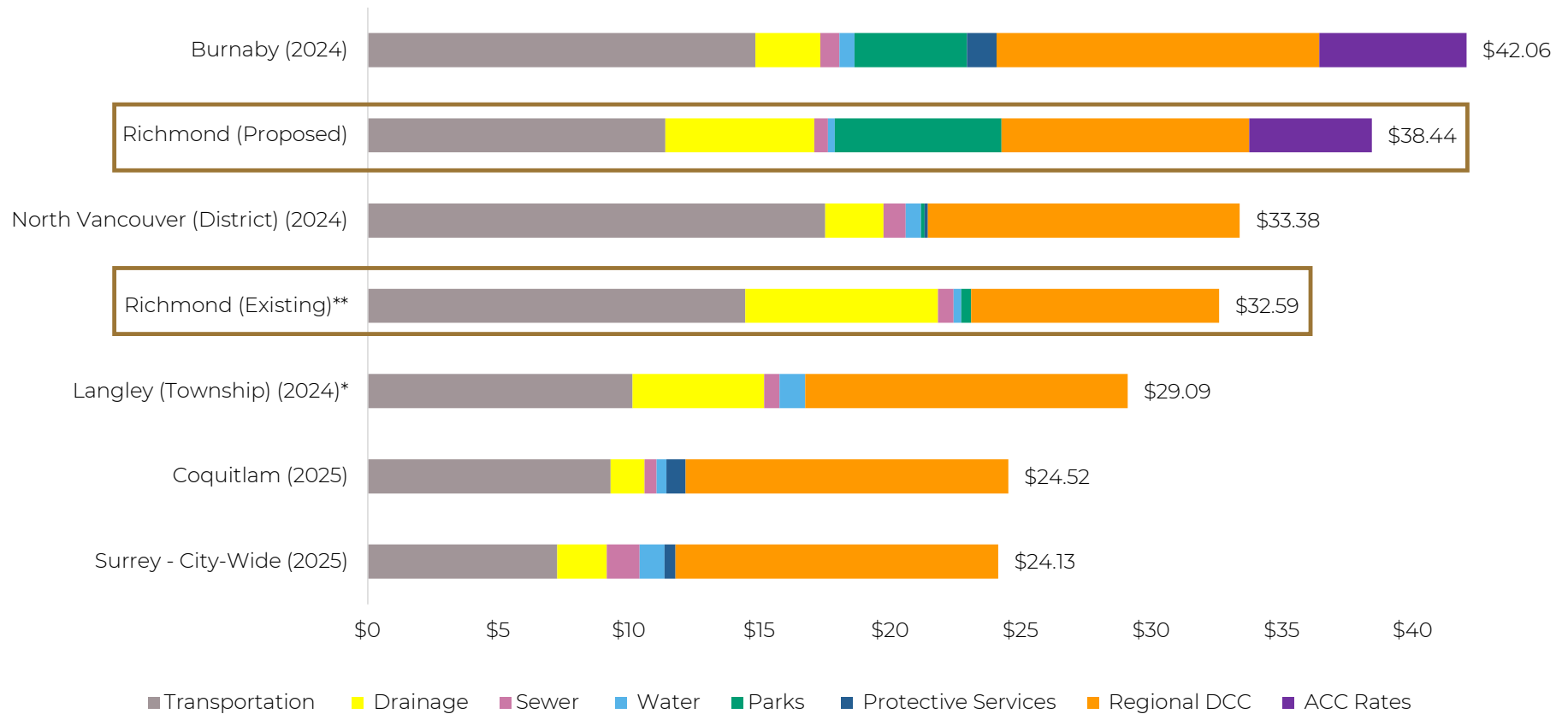
APARTMENT (PER DWELLING UNIT)



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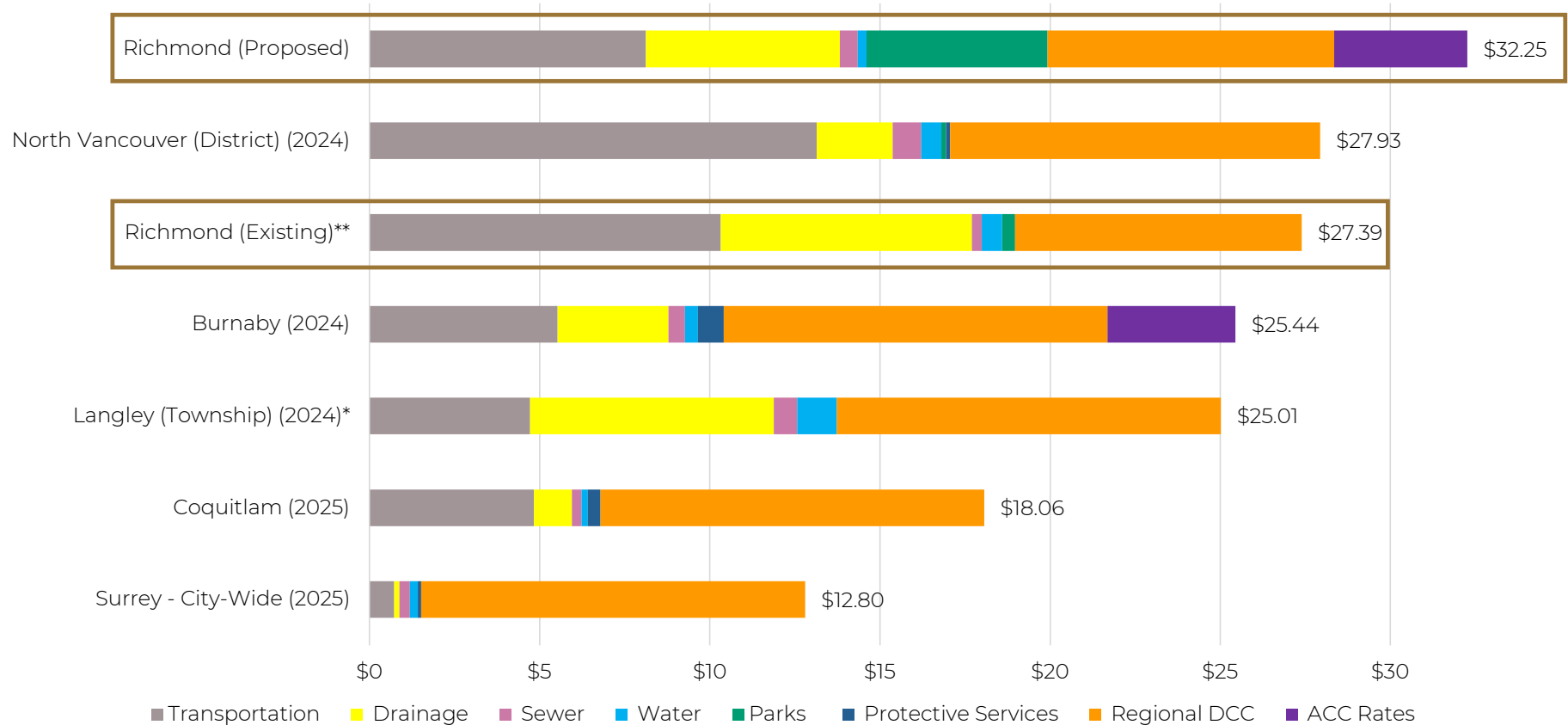
COMMERCIAL (PER SQUARE FOOT)



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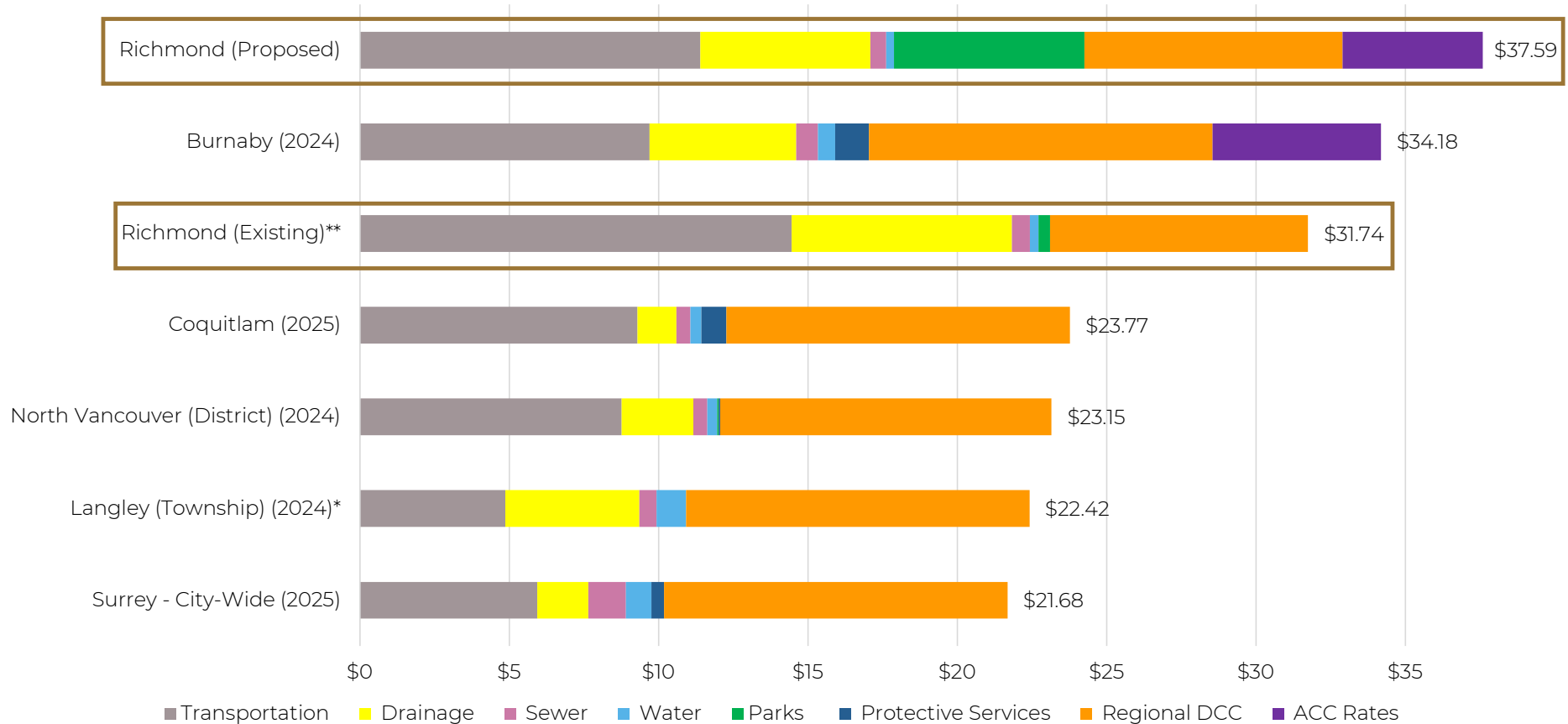
INDUSTRIAL (PER SQUARE FOOT)



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INSTITUTIONAL (PER SQUARE FOOT)



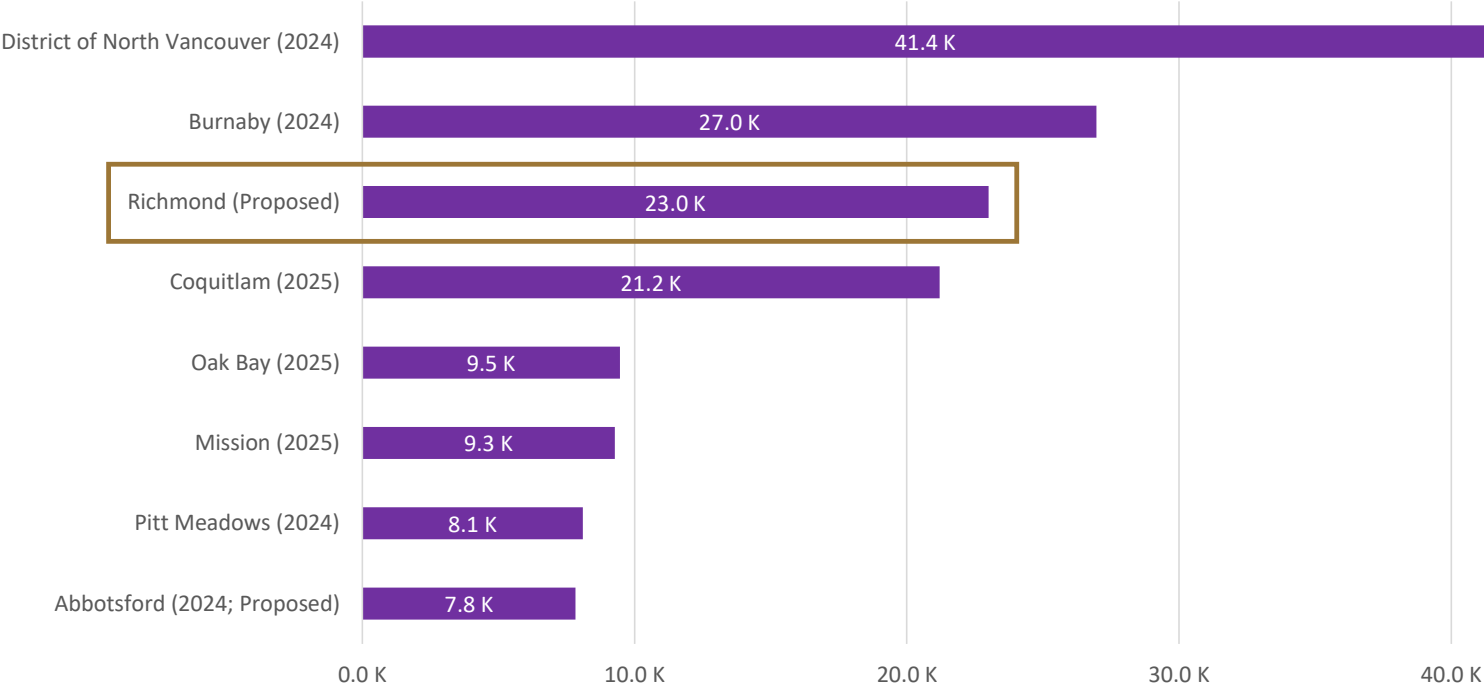
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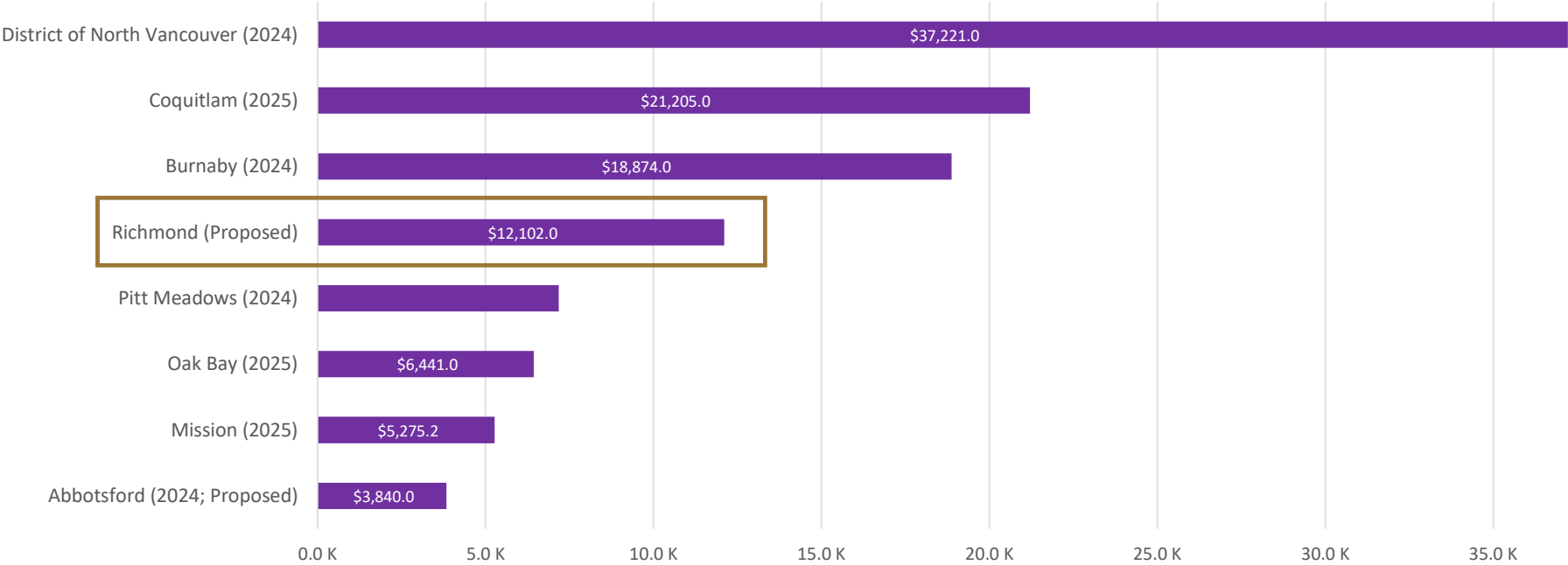
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ACC COMPARISONS

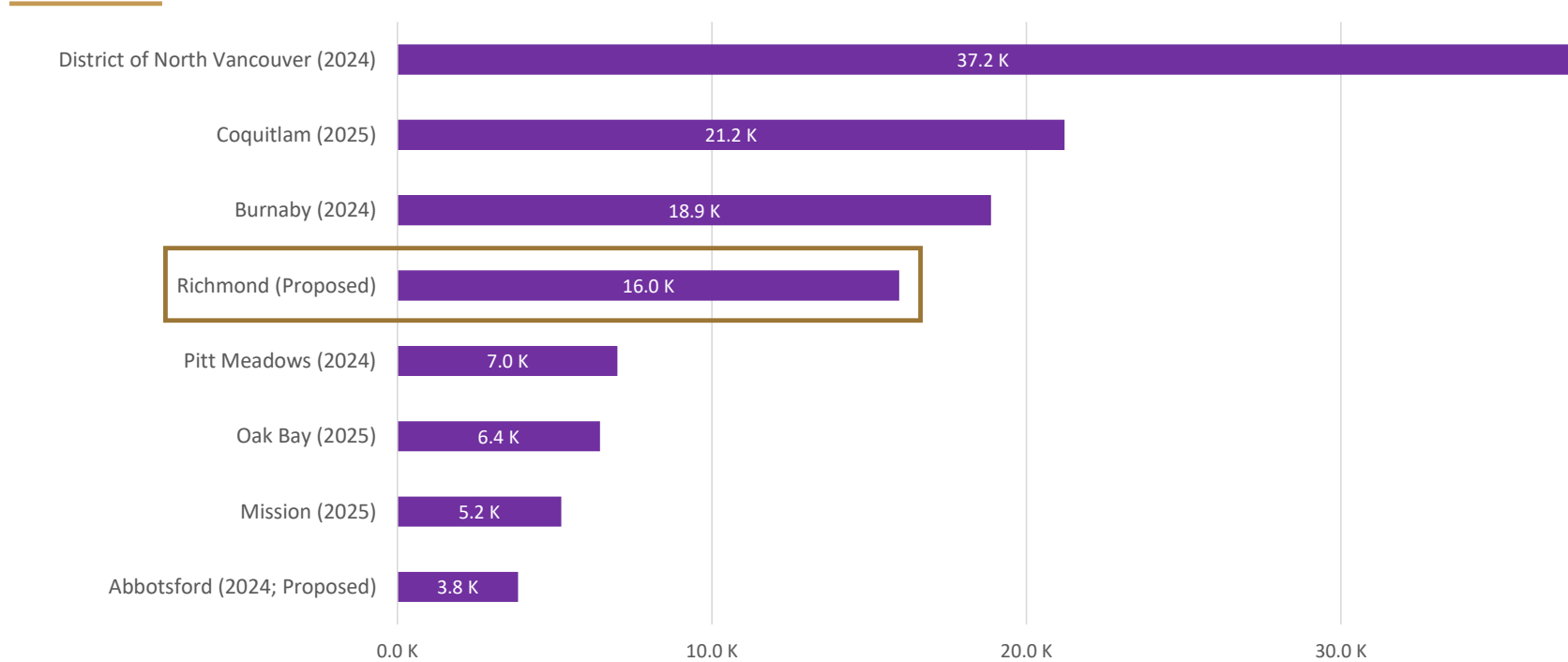
ACC - SINGLE FAMILY (PER LOT)



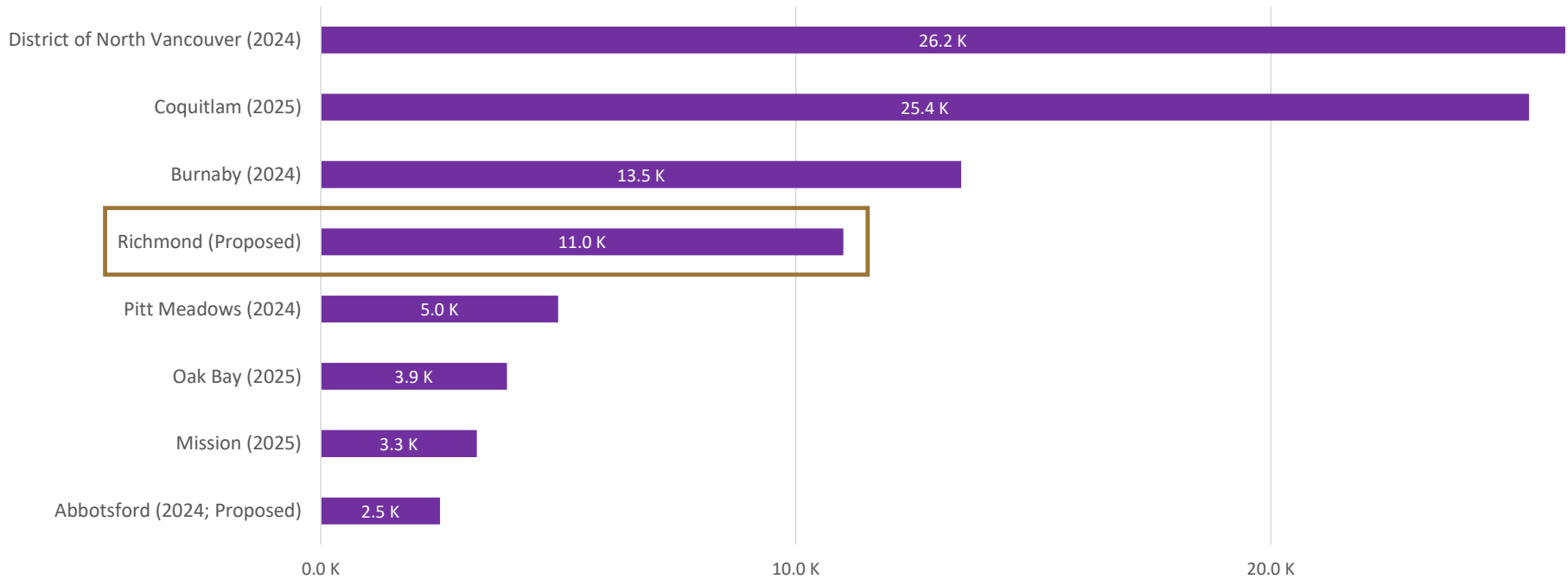
ACC – SSMUH (PER DWELLING UNIT)



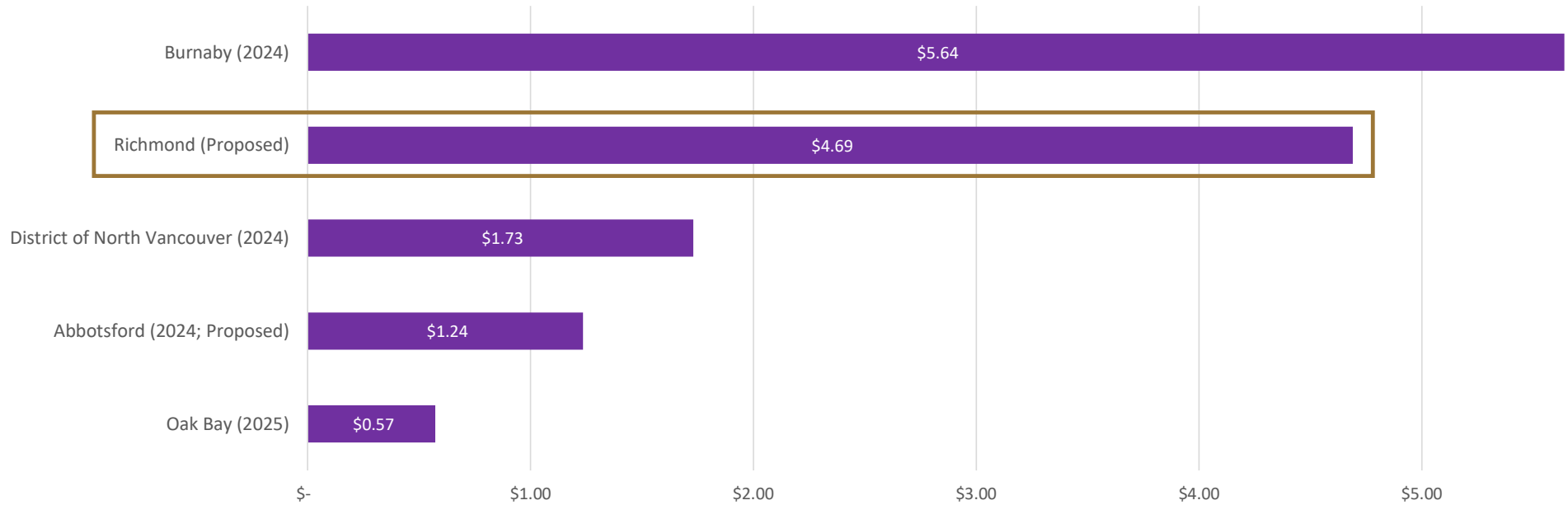
ACC - TOWNHOUSE (PER DWELLING UNIT)



ACC - APARTMENT (PER DWELLING UNIT)



ACC - COMMERCIAL (PER SQUARE FOOT)



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DEVELOPMENT FEASIBILITY CONSIDERATIONS

FEASIBILITY CONSIDERATIONS

- DCC rate increases reflect general inflation (5%)
- No additional DCC Program added (Fire, Police or Solid Waste Management)
- ACC Program designed to replace existing Density Bonus structure
- ACC Program designed with a 10-year time horizon to limit capital projects included in introductory bylaw

A light gray background featuring a detailed map of a city street grid. The grid consists of numerous intersecting lines representing streets, with some lines being thicker than others to indicate major thoroughfares. The pattern is dense and covers the entire frame.

ACC + DCC NEXT STEPS

NEXT STEPS

- Requesting feedback from interested parties until *December 19, 2025*, send written comments to dcc@richmond.ca
- Present DCC + ACC Bylaws to Council in early 2026
- Submit DCC Program and Bylaw for Inspector of Municipalities Review

A light gray background featuring a complex, stylized map pattern of streets and blocks. A dark blue rectangular box is centered on the page, containing the text "DISCUSSION & QUESTIONS" in white, bold, uppercase letters.

DISCUSSION & QUESTIONS

ECONOMIC CONSIDERATIONS

- LGA requires local governments consider whether ACCs will deter development or discourage the construction of reasonably priced housing or the provision of reasonably priced serviced lands
- Three possible outcomes of updated ACCs:
 1. Land values for development sites go down
 2. Market sales prices and rents go up
 3. Reduction in profit margins (i.e., below minimum threshold for financing)

