

Should Council wish to adjust the assist factor, it is recommended that this be considered following stakeholder consultation.

Policy Decision #1 – Waiving or reducing DCCs for any classes of eligible development

In 2008 the Provincial Government enacted Bill 27 pertaining to DCCs which includes the option for municipalities to partially or fully waive DCCs for the following classes of “eligible development”:

- Not-for-profit rental housing, including supportive living housing
- For-profit affordable rental housing
- Subdivisions of small lots designed to result in low greenhouse gas emissions
- Developments designed to result in a low environmental impact

In October, Council directed staff to consider, as part of the DCC review, a 100% reduction in DCCs for non-market rental housing projects for non-government housing non-profits. If the City were to waive DCCs, the City would be required to establish a budget and pay for the DCCs on behalf of the housing provider. This is a less transparent approach of supporting these types of developments and therefore, it is instead recommended that the City establishes a grant program for this purpose. This approach may also provide the City more flexibility in considering grant applications compared to a more restrictive DCC waiver bylaw.

Policy Decision #2 – Charging DCCs on residential developments with fewer than four dwelling units at the time of building permit

The Local Government Act states that a DCC is not payable at time of building permit for construction, alteration or extension of a building containing fewer than four self-contained dwelling units. However, changes to the Local Government Act in 2010 gave local governments new authority to choose to charge, by bylaw, DCCs on developments with fewer than 4 dwelling units.

It is recommended that the City maintain the current approach of not charging DCCs on residential developments with fewer than four dwelling units at the time of building permit. This approach would maintain consistency with past practice, and encourage the development of more affordable housing options, particularly secondary suites which would not be charged DCCs.

Policy Decision #3 – Exemption threshold for small residential units

Bill 27 introduced a mandatory DCC exemption for residential units of 29 m² or less in area. This exemption is automatic, though Council does have the discretion to raise the exemption threshold (i.e. to extend the exemption to units larger than 29 m²).

It is recommended that the City maintain the current exemption threshold to be consistent with past practice and practices in other communities.

Policy Decision #4 – Exemption threshold above \$50,000 of building permit value

The Local Government Act provides that DCCs are not payable at time of building permit for construction, alteration or extension of a building where construction costs do not exceed \$50,000. However, a local government may choose to increase the exemption threshold above \$50,000.

It is recommended that the City maintain the current exemption threshold to be consistent with past practice and practices in other communities.

Respectfully submitted,

Susanne Thompson
Deputy City Manager and Chief Financial Officer

Report accepted and recommended by the City Manager

List of Attachments

Appendix A: Report from Urban Systems