



Regional Sewer, Water and Parkland Acquisition Development Cost Charges



Indigenous Territorial Acknowledgement

Metro Vancouver acknowledges that the region's residents live, work, and learn on the shared territories of many Indigenous peoples, including 10 local First Nations: ǵíǵǵǵ (Katzie), ǵʷǵ:ǵǵǵ (Kwantlen), kʷikʷǵǵǵ (Kwkwetlem), máthxwi (Matsqui), xʷmǵθkʷǵǵǵ (Musqueam), ǵíǵǵǵ (Qayqayt), Semiahmoo, Sǵwǵwǵ7mesh Úxwumixw (Squamish), scǵǵǵǵ mǵsteyǵxʷ (Tsawwassen), and sǵlilwǵǵǵ (Tsleil-Waututh).

Metro Vancouver respects the diverse and distinct histories, languages, and cultures of First Nations, Métis, and Inuit, which collectively enrich our lives and the region.

About Metro Vancouver

Metro Vancouver is a diverse organization that plans for and delivers regional utility services, including water, sewers and wastewater treatment, and solid waste management. It also regulates air quality, plans for urban growth, manages a regional parks system, provides affordable housing, and serves as a regional federation. The organization is a federation of 21 municipalities, one electoral area, and one treaty First Nation located in the region of the same name. The organization is governed by a Board of Directors of elected officials from each member jurisdiction.

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metrovancover.org

Date 2024

On the Cover:

Annacis WWTP Trickling Filter Dome Replacement

Second Narrows Water Supply Tunnel Construction

Minnekhada Regional Park



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Metro Vancouver has revised the sewer and water development cost charge (DCC) rates and introduced a parkland acquisition DCC for new residential and non-residential developments in the region as per Metro Vancouver Board direction. The DCCs are collected to fund growth-related expansion of regional sewerage and drinking water infrastructure as well as parkland acquisitions. DCCs do not pay for upgrading or maintaining existing infrastructure.

Revised sewer and water DCC rates and new parkland acquisition DCC

Most local governments already have DCCs for growth driven costs to expand local infrastructure (roads, drainage, water, sewer, parks). Until now the larger regional sewer infrastructure, such as treatment plants, sewer mains, pump stations, and water infrastructure, such as water treatment facilities, reservoirs, water mains and pump stations, as well as parkland acquisitions— have primarily been paid for through utility fees and property taxes. The Metro Vancouver Board has directed to reduce the assist factor, the amount of growth-related charges paid through utility fees and property taxes, to 1%. This will allow the use of development cost charges to substantially pay for the cost of the infrastructure needed to service our growing region.

It is important to note with this update that the provisions and application of the sewer and water DCC will not change, only the DCC rates. The new parkland acquisition DCC bylaw provisions will mirror the existing liquid waste and water DCC bylaws.

Engagement

Metro Vancouver has heard from the development community regarding concerns with the updated DCC rates. Specifically, the development community is concerned about the cumulative impact of development charges across the region and the impacts on the delivery of housing. Metro Vancouver continues to work with the development community to explore opportunities to improve the DCC framework and to mitigate potential impacts.

These opportunities include, but are not limited to:

- Lengthening the in-stream protection period;
- Varying the timing of payment collection;
- Collaborative and region-wide economic impact analysis;

- Redefining housing typology to respond to provincial legislative changes;
- Incorporating updated population and dwelling unit projections; and
- Considering amendments to non-residential categories to ensure DCCs are fairly applied.

DCC Framework

The framework of the three DCCs, liquid waste, water and parkland acquisition have been designed to mirror one another, including the following characteristics:

Land use categories

DCCs are to be based on four separate land use categories: residential lot development unit (single-detached, duplex and triplex) townhouses, apartment, and non-residential.

Units for charging DCCs

Residential developments (including townhouses and apartments) will be charged per unit/dwelling, while a DCC for a non-residential development will be charged per square foot.

Assist factor

The assist factor is the percentage of the growth costs that are to be funded from utility/user fees rather than DCCs. The DCCs will transition to a 1% assist factor by January 2027.

Fee structure

The one significant difference is the sewer DCC bylaw has four different fee structures aligned with the 4 sewerage areas in the region, while water and parkland acquisition DCC will have one fee structure for the whole region.

DCC Rate 3 Year Phase-In

To reduce the impact of the change in regional rates, the revised rates will be phased in over a three-year period. The rate change begins January 1, 2025 with a second rate change January 1, 2026 and a final rate change January 1, 2027. In-stream protections for rezoning, development or building permit applications submitted on or prior to March 22, 2024 will have until March 21, 2025 to receive the related building permit for the 2024 DCC rate. **There is no in-stream protection provisions for the 2026 or 2027 rate changes.**



Metro Vancouver DCC rates by category, by year

Sewer DCC				
Assist Factor	Existing 17.5%	16% Jan 1, 2025	10% Jan 1, 2026	1% Jan1, 2027
Vancouver Sewerage Area				
Residential Lot Development Unit	\$3,335	\$10,498	\$11,290	\$12,476
Townhouse Dwelling Unit	\$2,983	\$9,593	\$10,316	\$11,400
Apartment Dwelling Unit	\$1,988	\$6,298	\$6,772	\$7,484
Non-Residential (per square foot)	\$1.63	\$5.30	\$5.70	\$6.30
North Shore Sewerage Area				
Residential Lot Development Unit	\$3,300	\$9,760	\$10,478	\$11,557
Townhouse Dwelling Unit	\$2,786	\$8,996	\$9,658	\$10,652
Apartment Dwelling Unit	\$2,030	\$6,005	\$6,448	\$7,111
Non-Residential (per square foot)	\$1.67	\$5.00	\$5.37	\$5.92
Lulu Island West Sewerage Area				
Residential Lot Development Unit	\$3,313	\$5,683	\$6,152	\$6,855
Townhouse Dwelling Unit	\$2,756	\$4,927	\$5,333	\$5,943
Apartment Dwelling Unit	\$2,042	\$3,516	\$3,806	\$4,241
Non-Residential (per square foot)	\$1.54	\$2.55	\$2.76	\$3.08
Fraser Sewerage Area				
Residential Lot Development Unit	\$6,254	\$11,443	\$12,311	\$13,613
Townhouse Dwelling Unit	\$5,390	\$10,015	\$10,775	\$11,914
Apartment Dwelling Unit	\$4,269	\$7,302	\$7,855	\$8,686
Non-Residential (per square foot)	\$3.30	\$5.41	\$5.82	\$6.43

Water DCC

Assist Factor	Existing 50%	45% Jan 1, 2025	15% Jan 1, 2026	1% Jan1, 2027
Residential Lot Development Unit	\$6,692	\$10,952	\$16,926	\$19,714
Townhouse Dwelling Unit	\$5,696	\$9,839	\$15,206	\$17,710
Apartment Dwelling Unit	\$4,261	\$6,791	\$10,495	\$12,223
Non-Residential (per square foot)	\$3.39	\$5.30	\$8.19	\$9.54

Parkland Acquisition DCC

Assist Factor	Existing	75% Jan 1, 2025	50% Jan 1, 2026	1% Jan1, 2027
Residential Lot Development Unit	-	\$491	\$981	\$1,943
Townhouse Dwelling Unit	-	\$442	\$884	\$1,751
Apartment Dwelling Unit	-	\$303	\$606	\$1,199
Non-Residential (per square foot)	-	\$0.24	\$0.48	\$0.94



Total Regional DCC

	Existing	STEP 1 Jan 1, 2025	STEP 2 Jan 1, 2026	STEP 3 Jan 1, 2027
Vancouver Sewerage Area				
Residential Lot Development Unit	\$10,027	\$21,941	\$29,196	\$34,133
Townhouse Dwelling Unit	\$8,679	\$19,874	\$26,406	\$30,861
Apartment Dwelling Unit	\$6,249	\$13,392	\$17,873	\$20,906
Non-Residential (per square foot)	\$5.02	\$10.84	\$14.37	\$16.78
North Shore Sewerage Area				
Residential Lot Development Unit	\$9,992	\$21,203	\$28,305	\$33,214
Townhouse Dwelling Unit	\$8,482	\$19,277	\$25,748	\$30,113
Apartment Dwelling Unit	\$6,291	\$13,099	\$17,548	\$20,533
Non-Residential (per square foot)	\$5.06	\$10.54	\$14.04	\$16.40
Lulu Island West Sewerage Area				
Residential Lot Development Unit	\$10,005	\$17,126	\$24,058	\$28,512
Townhouse Dwelling Unit	\$8,452	\$15,208	\$21,423	\$25,404
Apartment Dwelling Unit	\$6,303	\$10,610	\$14,906	\$17,663
Non-Residential (per square foot)	\$4.93	\$8.09	\$11.43	\$13.56
Fraser Sewerage Area				
Residential Lot Development Unit	\$12,946	\$22,886	\$30,218	\$35,270
Townhouse Dwelling Unit	\$11,086	\$20,296	\$26,865	\$31,375
Apartment Dwelling Unit	\$8,530	\$14,396	\$18,956	\$22,108
Non-Residential (per square foot)	\$6.69	\$10.95	\$14.49	\$16.91

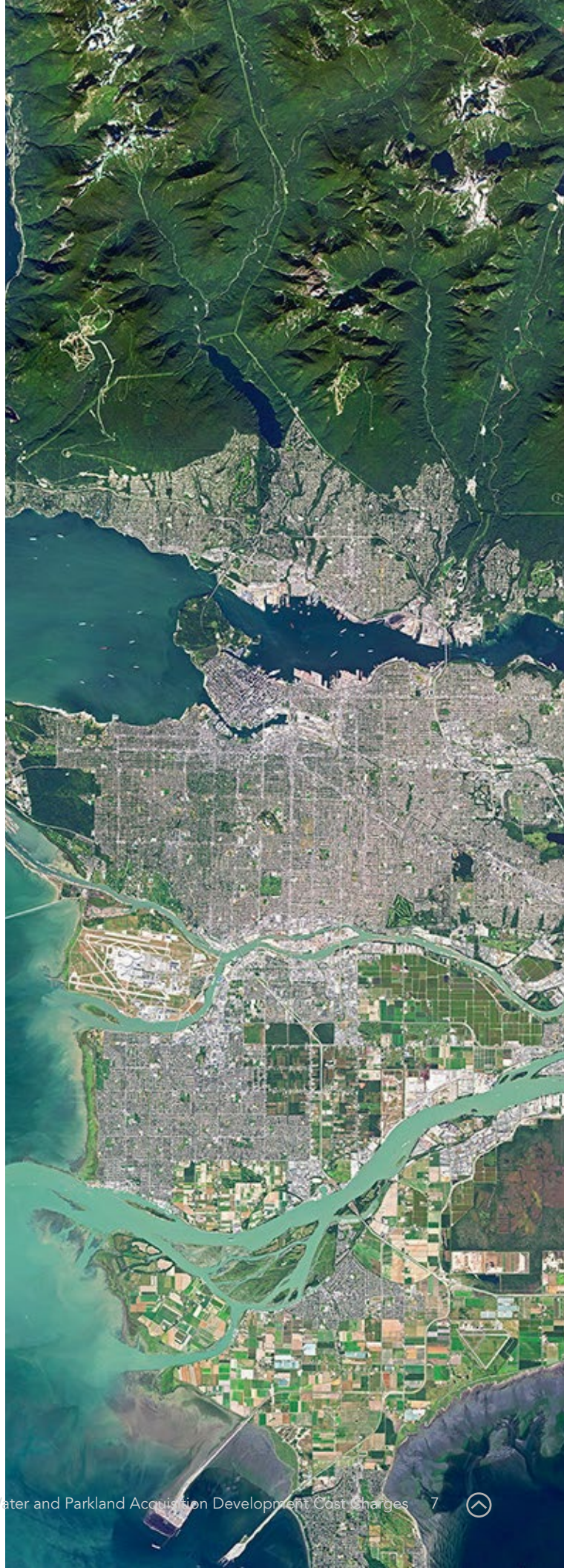
In-stream applications

New development cost charge bylaws are subject to “in-stream” provisions as determined by section 568 the *Local Government Act*. DCCs are collected at the subdivision or building permit stage. Projects that are in-stream (that is, an existing completed development, building, or rezoning application with permit fees paid at the time the DCC bylaws are adopted – March 22, 2024) will be charged the 2024 rate provided that the related building permits are approved within one year of the new DCC rates being adopted.

Note, the 12 month in-stream period will end March 21, 2025. **As a result, the in-stream provisions do not apply to applications received after this date and nor do they apply to the rate revisions that occur on January 2026 and January 2027.**

Waivers and reductions

Water and sewer DCCs may be waived or reduced for not-for-profit rental housing that is owned, leased or otherwise held by a not-for-profit society, BC Housing, Canada Mortgage and Housing Corporation (CMHC), a non-profit municipal housing corporation, a registered charity or a post-secondary institution at the time of any application for, or issuance of, a waiver or reduction of DCCs. Details, other waiver conditions, and application form can be found on Metro Vancouver’s website.



Frequently Asked Questions

The following section is comprised of frequently asked questions about Metro Vancouver's sewer, water and parkland acquisition DCCs. Should you have any additional questions, please contact the project team at dccs@metrovancover.org.

How are DCCs applied to a Residential Lot Development Unit, such as single-detached homes, duplexes and triplexes?

Each dwelling on a lot, subject to the in-stream rules, is charged a DCC upon approval of a building permit or subdivision plan. As a result, in most cases, one DCC is charged on a detached-family dwelling, two and three for a duplex and triplex respectively.

How are DCC applied to secondary suites and laneway houses?

One DCC is applied to a detached principal single family dwelling that can have one secondary suite, one laneway house, or both. If the construction, alteration or extension of a secondary suite or laneway house occurs after a detached principal single family dwelling receives its original building permit, there is no additional DCC charge as the original charge was already incurred.

Are DCC credits offered for demolitions?

One of the premises of the DCC bylaws is that the charges will not be payable if the development will not result in new capital cost burdens. To that end the practice has been to allow a credit when existing structures are being demolished. In other words, DCCs are based on the net number of units that are impacting the infrastructure. For different land uses, the approach for credits is applied on a 'like-for-like basis'.

For example, if three single detached dwellings are being demolished and replaced with 20 apartment dwellings, the calculation would be:

$(20 \times \text{current apartment DCC rate}) - (3 \times \text{current residential lot development unit DCC rate}) = \text{net DCC payable}$. This method also applies to non-residential space.

Is a semi-annual DCC Remittance Summary report still required?

Each member jurisdiction, within 30 days after June 30 and December 31 of each year, must remit to Metro Vancouver the total amount of DCCs collected during the previous six months. Sewer, water and parkland acquisition DCCs all follow the same process for collection, reporting and remittance. The Remittance Summary should be sent to dccs@metrovancover.org.

How will future DCC rate adjustments be communicated?

Proposed rate adjustments would begin with an engagement process the year prior to the new DCC rate becoming effective. This will mean the proposed rates will be announced through a number of communication methods including the Metro Vancouver website, newsletters, mailing lists, and social media and notices for collecting input and concerns through events and other engagement activities will be promoted. The input received will inform the DCC rate recommended to the Greater Vancouver Water Board and/ or the Greater Vancouver Sewer and Drainage Board and/ or Metro Vancouver Regional District Board.

Once a DCC rate adjustment is approved the adjustment will be further communicated to the member municipalities before the effective date. In terms of future DCC rate adjustments Metro Vancouver will continue to target January 1st as the effective date.

Is the Letter of Credit acceptance process the same for sewer, water and parkland acquisition DCC?

The process for instalments and acceptance of Letters of Credit is identical for all three regional DCCs.

Greater Vancouver Sewer and Drainage District (GVS&DD) DCC Bylaw 371, Water District (GVWD) DCC Bylaw 257 and Metro Vancouver Regional District (MVRD) Bylaw 1369

This summary is intended to assist in administration of the regional DCCs and is not a substitute for the provisions detailed in GVS&DD DCC Bylaw 371, GVWD DCC Bylaw 257 and MVRD Bylaw 1369. For more information, please refer to the relevant Bylaw or contact dccs@metrovancover.org.

In-stream application:

Building Permit (BP)	Complete Development, BP, or rezoning application submitted by March 22, 2024 AND related BP approved by March 21, 2025.	2024 DCC rate applied
Subdivision Application (SA)	Complete Subdivision application completed by March 22, 2024 AND related SA approved by March 21, 2025	2024 DCC rate applied

In-stream applications are defined as those with completed rezoning, development, or building permit applications with fees paid prior to and including March 22, 2024.

Regular application:

Building Permit (BP)	Application submitted after March 22, 2024	DCC based on annual rate schedule
Subdivision Application (SA)	Application submitted after March 22, 2024	DCC based on annual rate schedule

Regular application applies to new application submitted and building permit issued or subdivision approved after March 22, 2024.

Demolitions/credits:

Non-residential	If increase in square feet or new capital cost burdens created	DCC payable on net new square footage
Residential	If net new additional dwellings or capital cost burdens created	DCC payable on net new dwellings

One of the premises of the DCC bylaws is that the charges will not be payable if the development will not result in new capital cost burdens. To that end the practice has been to allow a credit when existing structures are demolished and new structures are built. In the case of a rebuild, the DCC will be calculated on the net increase in square footage or dwellings (secondary suite or laneway house for Residential Lot Development Unit are not considered additional dwelling units).



Waiver for not-for-profit affordable rental units:

Affordable rental units	Applicant must complete GVS&DD/ GVWD waiver application form	DCC is not payable to the municipality if the application is approved
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More information including the eligibility criteria and application forms for a waiver or reduction in water DCCs for not-for-profit rental housing can be found on Metro Vancouver’s website.

Other:

Parking and bicycle storage	Square feet of floor area for parking or bicycle storage	No DCC due
Not capable of being serviced by GVS&DD or GVWD	See 4.4(a) of GVS&DD and GVWD DCC bylaw ¹	No DCC due
No new capital cost burdens	Will not impose new capital cost burdens	No DCC due
Place of worship	Exempt from taxation under 220 (1)(h) of Community Charter	No DCC due
Building Permit less than \$50K	Value of the work does not exceed \$50K	No DCC due
Residential units less than 312 sq feet	Each dwelling unit in building 312sq ft and for no other use than residential	No DCC due
Secondary suite or laneway house	Where one detached principal dwelling unit exists, there can be one secondary suite, one laneway house, or both	No DCC due

¹ Applies if the development is not connected to the municipal water or sewer system.





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