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Water Development Cost Charge

Summary

April 2023

Water Development Cost Charge

Metro Vancouver is introducing a water development cost charge (DCC) for new residential and non-residential developments in the region, with an adoption date of April 28, 2023. The water DCCs are collected to fund growth-related expansion of regional drinking water infrastructure such as water mains, reservoirs, and treatment plants. DCCs do not pay for upgrading or maintaining existing infrastructure.

Introduction of a new water 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 water infrastructure – water treatment facilities, reservoirs, water mains and pump stations that deliver the water to the municipalities – have primarily been paid for through water rates. The Greater Vancouver Water District Board (GVWD) has recommended the implementation of a water DCC as one funding tool that enables development to contribute towards the cost of the infrastructure needed to service our growing region.

Water DCC Framework

The framework of a water DCC has been designed to align with the regional sewer DCC policy framework, including the following:

- **Land use categories**
  DCCs are to be based on four separate land use categories: residential lot development unit (single-family, 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 portion of the growth projects that are to be funded from water sales to GVWD members rather than DCCs. Increasing the assist factor shifts more of the cost of system expansion (growth) from DCCs to water sales.

The one significant point of departure between the water DCC bylaw and the existing sewer DCC bylaw is that the water DCC will have one fee structure for the one regional water system, while sewer DCC has four different fee structures aligned with the 4 sewerage areas in the region.

Water DCC rates

The rates are as follows:

Residential Lot Development Unit	$6,692 / Residential Lot Development Unit
Townhouse	$5,696 / Dwelling unit
Apartment	$4,261 / Dwelling unit
Non-Residential	$3.39 / ft^2 of floor area

“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 bylaw is adopted – April 28, 2023) will not be charged provided that the related building permits are approved within one year of the new water DCC rate being adopted.

Waivers and reductions

Beginning at the bylaw adoption date, April 28, 2023, water 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 water DCC. Should you have any additional questions, please contact the project team at **dccs@metrovancouver.org**.

How are DCCs applied to a Residential Lot Development Unit, such as single family 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 single family dwelling, two and three for a duplex and triplex respectively.

How are DCCs applied to secondary suites and laneway houses?

Similar to GVS&DD DCC bylaw, 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. This approach for credits is identical for both water and sewer DCCs.

For example, if three single family dwellings are being demolished and replaced with 20 apartment dwellings, the calculation would be: (20 x current apartment DCC rate) – (3 x current residential lot development unit DCC rate) = net DCC payable. This method also applies to non-residential space.

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

Each member municipality, 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. Water DCCs follow the same process for collection, reporting and remittance as sewer DCCs. The Remittance Summary should be sent to **dccs@metrovancouver.org**.

How will future DCC rate adjustments be communicated?

Proposed rate adjustments would begin with an engagement process prior to the new DCC rate, water or sewer, 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.

Once a DCC rate adjustment is approved, the adjustment will be further communicated to the member municipalities as soon as possible prior to the bylaw effective date.

Is the Letter of Credit acceptance process for water DCC the same as for sewer DCC?

The process for instalments and acceptance of Letters of Credit for water DCCs will be identical to the process used for sewer DCCs.

Greater Vancouver Water District (GVWD) DCC Bylaw 257

This summary is intended to assist in administration of the GVWD DCC and is not a substitute for the provisions detailed in GVWD DCC Bylaw 257. For more information, please refer to GVWD DCC Bylaw 257 or contact **dccs@metrovancouver.org**.

Water DCC rates*

Residential Lot Development Unit	Townhouse	Apartment	Non-Residential
$6,692 / Residential Lot Development Unit	$5,696 / Dwelling Unit	$4,261 / Dwelling Unit	$3.39 / ft^2 of floor area

* as of April 28, 2023

In-stream application:

Building Permit (BP)	Satisfactorily submitted development, BP, or rezoning application before/on April 28, 2023 AND related BP approved by April 27, 2024	No DCC due
Subdivision Application (SA)	Satisfactorily submitted subdivision application before/on April 28, 2023 AND approved by April 27, 2024	No DCC due

In-stream applications are defined as those with completed rezoning, development, or building permit applications with fees paid before/on April 28, 2023.

Regular application:

Building Permit (BP)	Application submitted after April 28, 2023	DCC payable
Subdivision Application (SA)	Application submitted after April 28, 2023	DCC payable

Regular application applies to new applications received after April 28, 2023
(DCC payable for incomplete applications received on April 28, 2023).

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 being demolished and new structures are built. In the case of a rebuild, the DCC will be calculated on the net increase in square footage, capital cost or dwellings.

Waiver for Not-For-Profit affordable rental units:

Affordable rental units	Applicant must complete GVWD waiver application form	DCC is not payable to the municipality if GVWD approves the application.

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 GVWD	See 4.4(a) of GVWD DCC bylaw[1]	No DCC due
No new capital cost burdens	Will not impose new capital cost burdens on the GVWD	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 to be for no other use than Residential	No DCC due
Secondary suite or laneway house	Where one detached principal dwelling unit exits, 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 system.

Contact Us

Questions and comments can be submitted to **dccs@metrovancouver.org**.

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