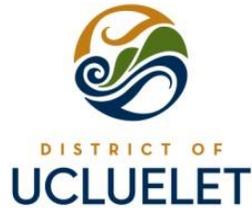




**REGULAR MEETING OF COUNCIL
Tuesday, January 26, 2021 @ 3:30 PM
George Fraser Room, Ucluelet Community Centre,
500 Matterson Drive, Ucluelet**

LATE AGENDA

	Page
1. LATE ITEMS	
1.1. Add report number 21-10 titled "Council Policy Clarifying DCC's Charged on Small Residential" as Report Item 11.04 after page 118 of the Agenda. R - Policy Small Lot Residential DCCs	3 - 7



STAFF REPORT TO COUNCIL

Council Meeting: January 26, 2020
500 Matterson Drive, Ucluelet, BC V0R 3A0

FROM: BRUCE GREIG, MANAGER OF COMMUNITY PLANNING

FILE NO: 3150-01

SUBJECT: COUNCIL POLICY CLARIFYING DCC'S CHARGED ON SMALL RESIDENTIAL

REPORT NO: 21-10

ATTACHMENTS: Appendix A - Draft Policy

RECOMMENDATION(S):

1. **THAT** Council endorse the Small Residential Unit DCC Fee Clarification Policy #8-3150-1.

PURPOSE:

The purpose of this report is to provide information on a draft policy clarifying how Development Cost Charges (DCC's) are charged on new development of compact single-family residential lots (the "**draft policy**").

DISCUSSION:

Further to the discussion of the scope and justification within the proposed new policy (see Appendix 'A'), this report provides some comparative examples.

EXAMPLE 1: "Typical" existing Single Family lots.

Existing neighbourhoods, typically R-1 Zoning. A typical house is 1,800 to 2,000 sq.ft., with 2 or 3 bedrooms, plus a portion of houses include a secondary suite:



Many waterfront, larger and newer single-family homes contain additional bedrooms (3 to 4 typical) and bathrooms, often with Bed & Breakfast suites or secondary suites:



The whole range of Single Family lots is averaged out in the setting of DCC rates, and under the current DCC bylaw all new lots are charged the same \$12,882 DCC fee per lot at the time the subdivision is approved.

EXAMPLE 2: Multi Family units.

Typical 600 to 1,000 sq.ft., 2 bedroom average.

With few exceptions, most multi-family developments contain smaller units, with fewer bedrooms bathrooms and occupants than the average single-family home. Also, multi-family units do not have the option of adding a secondary suite – so altogether the average share of the impact on municipal infrastructure is expected to be less for new multi-family forms of development. Therefore the DCC fees charged amount to \$9,720 per unit, at the time a building permit is issued.



EXAMPLE 3: Small-Lot Single-Family units.

On very small detached single-family lots, there is not sufficient area to enable the development of secondary dwellings (suites or rental cottages), or even the parking to support such additional uses. The maximum floor area constrains the building size - which in turn reduces the average number of occupants and therefore the impact on infrastructure. Such small lots are more equivalent in their impact to multi-family units:



The example seen recently for Lot 13 (shown above) will be 2 and 3 bedroom units, 700 to 860 sq.ft., on small (+/- 2,600 sq.ft.) lots. With no additional B&B use, or room for significant future expansion on the lots, the occupancy will be limited and equivalent to what we see in typical multi-family condo or apartment units. The draft policy would clarify that for any such small-lot (defined as less than or equal to 300m²) single-family subdivisions, the Development Cost Charge would therefore be charged at the multi-family rate.

TIME REQUIREMENTS – STAFF & ELECTED OFFICIALS:

Adoption of this policy would not change the staff time involved in reviewing or processing subdivisions and their fees.

FINANCIAL IMPACTS:

If this policy were adopted, the DCC's collected would be \$3,162 less per lot for any subdivision creating lots averaging 300m² (3,229 sq.ft.) or less. This is likely to have some limited uptake. Because the activities on these lots would on average have less demand on water, sewer, roads, parks and drainage infrastructure compared to larger single-family properties, then arguably the collection of these lesser fees for smaller lots would be more equitable.

SUMMARY:

Staff recommend that Council consider adopting the proposed Small Residential Unit DCC Fee Clarification Policy.

Alternatively, should Council not endorse the draft policy, in which case all single-family subdivisions will continue to be charged the same DCC fee rate, regardless of size.

Respectfully submitted: Bruce Greig, Manager of Community Planning
Mark Boysen, Chief Administration Officer



POLICY NUMBER: 8-3150-01

REFERENCE:

Small Residential Unit DCC fee clarification

ADOPTED BY:

Council

CROSS-REFERENCE:

N/A

SUPERSEDES:

None

AMENDED DATE:

N/A

DEPARTMENT:

Planning / Finance

EFFECTIVE DATE:

January 26, 2021

Policy Statement

The purpose of this policy is to provide greater clarity on what Development Cost Charge (DCC) rate is applied to development of small residential units. The aim is to be fair and consistent in how DCC's are charged, matching the intent to have fees accurately reflect the impact that new development has on the cost of providing municipal infrastructure.

This policy is being adopted at a time when the DCC bylaw currently in force is under review. At the time this policy is being considered, *Development Cost Charge Bylaw No. 738, 1996*, is in effect as amended by *Development Cost Charge Amendment Bylaw No. 1056, 2007*.

This policy is not intended to replace or supersede the requirements enacted in the DCC bylaw, but to clarify where there may be some grey area or confusion among the classification of how different development types or building types are defined – and where direct alignment does not exist with the terms used in other bylaws such as the Ucluelet Zoning Bylaw.

Scope

This policy applies to the DCC's charged on all new qualifying single-family developments until such time as the current DCC bylaw is repealed and replaced.



Justification

Current DCC's are charged under Bylaws No. 738 & 1056 for different classes of residential development, listed in the following categories:

Single Family (per unit – charged at the time of subdivision):	total \$12,882
Multi-Family (per unit – charged at the time of building permit):	total \$9,720

Scale of Development and its impacts was part of the calculation of infrastructure impacts in the engineering study supporting the adoption of the current DCC bylaw. The average occupancy of single family residential units was assumed to be 2.5 persons, while the occupancy of multi-family units (which tend to be smaller on average) was assumed to be 2.0 persons.

Occupancy of residential units is tied to infrastructure demand; in concept more people inhabiting a dwelling unit or a property result in more showers run, more toilets flushed, etc. - which in turn represents greater demand on municipal infrastructure.

Unit size varies among different types of single family and multi-family residential development. Single family lots range in Ucluelet's zoning from a minimum size of 650m² (with accessory uses permitted such as secondary suite or B&B) down to 150m² lots (with no additional accessory uses which would draw on municipal infrastructure). Multi-family development (condominium, townhouse, apartment) are in almost all cases smaller than typical detached single-family houses. Larger houses tend to have more bedrooms and therefore, on average, more occupants placing a greater impact on infrastructure.

Some development blurs the lines between single-family and multi-family use. For example, the "Pocket Neighbourhood" use permitted in the CD-3A.1.3 zone is defined in the Zoning Bylaw as a multi-family residential development in the form of a group of single-family dwelling buildings.

A Small Single-Family residential DCC category does not currently exist in the DCC bylaw. The DCC bylaw update underway will look at adding a new DCC rate for small single-family lots. In the interim, this policy is intended to provide a fair and consistent framework for DCC charges.

Policy:

That Subdivisions creating small single-family lots (less than or equal to 300m² in average area) will be charged DCC's at the multi-family rate, on properties where the zoning or by covenant would not allow additional occupancy as the result of any permitted accessory uses (e.g., in the form of secondary suite, accessory dwelling unit, bed & breakfast, etc.).